UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 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)	**91203-2306** (Zip Code)

Registrant's telephone number, including area code: (818) 240-6055

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

Title of each class	Name of each exchange on which registered
Common Stock, $.01 Par Value	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such

filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

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

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of July 1, 2007: $914 million.

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

Class	Outstanding as of February 22, 2008
Common Stock, $.01 par value	17,078,256

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held on Tuesday, May 13, 2008 (the "2008 Proxy Statement") are incorporated by reference into Part III.

IHOP CORP. AND SUBSIDIARIES

Annual Report on Form 10-K

For the Fiscal Year Ended December 31, 2007

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PART I

Item 1. Business

Company Overview

IHOP Corp. (the "Company," "we," "our" or "us") was incorporated under the laws of the State of Delaware in 1976. Our common stock is listed on the New York Stock Exchange and trades under the ticker symbol "IHP". The first International House of Pancakes ("IHOP") restaurant opened in 1958 in Toluca Lake, California. Shortly thereafter we began developing and franchising additional restaurants. In November 2007, we completed the acquisition of Applebee's International, Inc. ("Applebee's") which became a wholly-owned subsidiary of the Company. We own and operate two restaurant concepts in the casual dining and family dining niches: Applebee's Neighborhood Grill and Bar® and IHOP. With more than 3,300 restaurants combined, we are one of the largest full-service restaurant companies in the world.

Our principal executive offices are located at 450 North Brand Boulevard, Glendale, California 91203-2306 and our telephone number is (818) 240-6055. Our internet address is **www.ihop.com**. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, amendments to those reports and other filings with the Securities and Exchange Commission (the "SEC") are available free of charge through our website as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC. The information contained on our website is not incorporated into this Annual Report on Form 10-K. Further, the SEC maintains an internet site that contains reports, proxy and information statements and other information regarding our filings at www.sec.gov.

This Annual Report on Form 10-K should be read in conjunction with the cautionary statements on page 36 under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.—Forward Looking Statements."

Financial Information about Industry Segments

We identify our segments based on the organizational units used by management to monitor performance and make operating decisions. Our segments are recorded in four categories: franchise operations, company restaurant operations, rental operations, and financing operations. Within each applicable category, we operate two distinct restaurant concepts: Applebee's and IHOP.

Applebee's

The franchise operations segment consists of restaurants operated by Applebee's franchisees in the United States, one U.S. territory and 17 countries outside the United States. Franchise operations revenue consists primarily of franchise royalty revenues. Franchise operations expenses include costs related to intellectual property provided to certain franchisees.

The company restaurant operations segment consists of company-operated restaurants in the United States and China. Company restaurant sales are retail sales at company-operated restaurants. Company restaurant expenses are operating expenses at company-operated restaurants and include food, labor, benefits, utilities, rent and other restaurant operating costs. The operating results of this segment are substantially generated by Applebee's restaurants.

Rental operations activities are not currently a part of Applebee's business.

Financing operations activities are not currently a part of Applebee's business.

IHOP

The franchise operations segment consists of restaurants operated by IHOP franchisees and area licensees in the United States, one U.S. territory and two countries outside the U.S. Franchise operations revenue consists primarily of franchise royalty revenues, sales of proprietary products, franchise advertising fees and the portion of the franchise fees allocated to IHOP intellectual property. Franchise operations expenses include advertising expense, the cost of proprietary products and pre-opening training expenses and other franchise-related costs.

The company restaurant operations segment consists of company-operated restaurants in the United States. In addition, from time to time, restaurants that are reacquired from franchisees are operated by IHOP on a temporary basis. Company restaurant sales are retail sales at company-operated restaurants. Company restaurant expenses are operating expenses at company-operated restaurants and include food, labor, benefits, utilities, rent and other restaurant operating 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 franchisee-operated restaurants. The rental operations segment is exclusively generated by IHOP.

Financing operations revenue consists of the portion of franchise fees not allocated to IHOP 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.

Restaurant Concepts

Applebee's

We develop, franchise and operate restaurants in the bar and grill segment of the casual dining industry under the name "Applebee's Neighborhood Grill & Bar®." With 1,976 system-wide restaurants as of December 31, 2007, Applebee's Neighborhood Grill & Bar is one of the largest casual dining concepts in the world, in terms of number of restaurants and market share.

As of December 31, 2007 franchisees operated 1,465 of these restaurants and 511 restaurants were company-operated. The restaurants were located in 49 states, 18 countries outside of the United States and one U.S. territory. During the one month subsequent to the acquisition, 14 new restaurants were opened, comprised of 12 franchise restaurants and two company restaurants. During 2007, 66 new restaurants were opened by Applebee's prior to the acquisition date ("Predecessor Applebee's"), comprised of 54 franchise restaurants and 12 company restaurants.

Each Applebee's restaurant is designed as an attractive, friendly, neighborhood establishment featuring moderately-priced high quality food and beverage items, table service and a comfortable atmosphere. Our restaurants appeal to a wide range of customers including young adults, senior citizens and families with children.

Franchising

Generally, franchise arrangements consist of a development agreement and separate franchise agreement. Development agreements grant the exclusive right to develop a minimum number of restaurants in a designated geographical area over a specified period of time. The term of a domestic development agreement is generally 20 years. The development agreements provide for an initial development schedule of one to five years as agreed upon by the Company and the franchisee. After the initial development schedule, the Company and the franchisee generally execute a series of

two-year supplemental development schedules established by a methodology included within the development agreement and modified as agreed upon by the Company and the franchisee.

The franchisee enters into a separate franchise agreement for the operation of each Applebee's restaurant. Our standard franchise agreement has a term of 20 years and permits renewal for up to an additional 20 years upon payment of an additional franchise fee. For each restaurant developed, our standard franchise arrangement requires an initial franchisee fee of $35,000 and a royalty fee equal to 4% of the restaurant's monthly net sales. We have agreements with a majority of our franchisees for Applebee's restaurants opened before January 1, 2000, which maintain the existing royalty rate of 4% and extend the initial term of the franchise agreements until 2020. The terms, royalties and advertising fees under a limited number of franchise agreements and the remaining franchise fees under older development agreements vary from the currently offered arrangements.

Our intention is to refranchise most of Applebee's 510 domestic company-operated restaurants while retaining one company market in Kansas City. Our planned franchising efforts assume we will sell approximately 100 company-operated Applebee's restaurants in 2008, and complete the sale process in 2010.

We currently have 78 franchise groups, including 35 international franchisees. We have generally selected franchisees that are experienced multi-unit restaurant operators. Most franchisees have operated other restaurant concepts. Our franchisees operate Applebee's restaurants in 43 states in the United States, 17 countries outside of the United States and one U.S. territory. We have assigned development rights to the vast majority of domestic areas in all states except Hawaii and the company-operated markets.

As of December 31, 2007, there were 1,465 franchise restaurants. During the one month ended December 31, 2007, Applebee's franchisees opened 12 restaurants. Franchisees of Predecessor Applebee's opened 54, 108 and 92 restaurants in 2007, 2006 and 2005, respectively.

International Franchising

We continue to pursue franchising of the Applebee's concept as the primary method of international expansion. This strategy includes seeking qualified franchisees that have the resources to open multiple restaurants in each territory and are familiar with the specific local business environment. We currently are focusing on international franchising primarily in Canada, Central and South America, the Mediterranean/Middle East and Mexico. We currently have 35 international franchisees. These franchisees operated 111 Applebee's restaurants as of December 31, 2007. The success of further international expansion will depend on, among other things, local acceptance of the Applebee's concept and our ability to attract qualified franchisees and operating personnel. Our franchisees must comply with the regulatory requirements of the local jurisdictions.

We work closely with our international franchisees to develop and implement the Applebee's system outside the United States, recognizing commercial, cultural and dietary diversity. These local issues involve the need to be flexible and pragmatic regarding all elements of the system, including menu, restaurant design, restaurant operations, training, marketing, purchasing and financing.

Franchise Operations

We continuously monitor franchise restaurant operations, principally through our Franchise Area Directors and our Directors of Franchise Operations. Company and third-party representatives make both scheduled and unannounced inspections of restaurants to ensure that only approved products are in use and that our prescribed operations practices and procedures are being followed. We have the right to terminate a franchise agreement if a franchisee does not operate and maintain a restaurant in accordance with our requirements.

We maintain a Franchise Business Council which provides input about operations, marketing, product development and other aspects of restaurants for the purpose of improving the franchise system. As of December 31, 2007, the Franchise Business Council consisted of eight franchisee representatives and three members of our senior management team. One franchisee representative, the founder of Applebee's, is a member for life. Franchisees elect the other franchisee representatives annually. The Franchise Business Council is also responsible for the appointment of members to advisory committees related to marketing, supply chain, information technology and product development.

Company-Operated Restaurants

Historically, company-operated Applebee's restaurants have been clustered in targeted markets to increase consumer awareness and convenience and enable us to take advantage of operational, distribution and advertising efficiencies. We plan to pursue a strategy which includes transitioning to an approximately 98% franchised system, and to sell the real estate on which company-operated restaurants are situated. We plan to execute this strategy by refranchising most of the 510 Applebee's domestic company-operated restaurants, and selling most of the approximately 200 fee-owned Applebee's properties through sale/leaseback transactions. This heavily franchised business model is expected to demand less capital, generate higher margins, and reduce the volatility of cash flow performance over time.

During the one month ended December 31, 2007, we opened two restaurants. Franchisees of Predecessor Applebee's opened 12 restaurants in 2007. The following table shows the areas where our company-operated Applebee's restaurants were located as of December 31, 2007:

Area	
New England (includes Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont)	71
Minneapolis/St. Paul, Minnesota	65
Detroit/Southern Michigan	65
Virginia	60
Texas	59
St. Louis, Missouri/Illinois	57
Kansas City, Missouri/Kansas	34
Washington, D.C. (includes Maryland and Virginia)	32
San Diego/Southern California	26
Las Vegas/Reno, Nevada	15
Central Missouri/Kansas/Arkansas	12
Albuquerque, New Mexico	7
Memphis, Tennessee	7
Shanghai, China	1
	511

Restaurant Development

We make the design specifications for a typical restaurant available to franchisees, and we retain the right to prohibit or modify the use of any set of plans. Each franchisee is responsible for selecting the site for each restaurant within its territory. We may assist franchisees in selecting appropriate sites, and any selection made by a franchisee is subject to our approval. We also conduct a physical inspection, review any proposed lease or purchase agreement and make available to franchisees demographic and other studies.

Future Restaurant Development

Beginning in 2008, we will start the process of refranchising most of our 510 domestic company-operated restaurants. This process is expected to extend into 2010. As these restaurants are refranchised, we will enter into development agreements with franchisees which will set forth requirements for development in each market. In 2008, we expect franchisees to open a total of 50 to 65 new Applebee's restaurants including 30 to 40 domestic franchise restaurants, 20 to 25 international franchise restaurants and no more than two domestic company-operated restaurants.

The following table represents Applebee's restaurant development commitments for 2008 and 2009. We have disclosed development commitments for only a two-year period as the Applebee's development agreements generally provide for a series of two-year development commitments after the initial development period.

	Scheduled Opening of Restaurants by Year	
	2008	**2009**
Domestic development agreements	33	28
International development agreements	21	17
	54	45

Composition of Franchise System

The table below sets forth information regarding the distribution of domestic franchisees in the Applebee's system as of December 31, 2007 by number of restaurants held by franchisees.

	Franchisees		**Restaurants**	
Number of Restaurants Held by Franchisee	**Number**	**Percent of Total**	**Number**	**Percent of Total**
One to Ten	12	28%	71	5%
Eleven to Twenty-Five	13	30	243	18
Twenty-Six to Fifty	9	21	326	24
Fifty-One and over	9	21	714	53
Total	43	100%	1,354	100%

There were 32 international franchisees with 111 restaurants open as of December 31, 2007. All of these franchisees had less than 25 restaurants open as of December 31, 2007. In addition, we had three new international franchisees that had not opened a restaurant as of December 31, 2007.

Menu

Applebee's restaurants offer a diverse menu of moderately-priced food and beverage items consisting of traditional favorites and signature dishes. The restaurants feature a broad selection of entrees prepared in a variety of cuisines, as well as appetizers, salads, sandwiches, specialty drinks and desserts. Substantially all Applebee's restaurants offer beer, wine, liquor and premium specialty drinks.

During 2004, we entered into a five-year exclusive strategic alliance with Weight Watchers International, Inc. to offer Weight Watchers® branded menu alternatives to our guests. As part of our exclusive arrangement with Weight Watchers, we and our franchisees pay a percentage royalty on the total domestic sales of Weight Watchers menu items.

Marketing and Advertising

Applebee's has historically concentrated its advertising and marketing efforts primarily on food-specific promotions, as well as on Weight Watchers®, Carside To Go and other Applebee's branded messaging. Our advertising and marketing includes national, regional and local expenditures, utilizing primarily television, radio, direct mail and print media, as well as alternative channels such as the Internet, product placements and the use of third-party retailers to market our gift cards. For the one-month ended December 31, 2007, approximately 4% of Applebee's company restaurant sales were allocated for marketing purposes. This amount includes contributions to the national advertising fund, which develops and funds the specific national promotions, including Weight Watchers and Carside To Go. We focus the remainder of our marketing expenditures on local marketing in areas with company-operated restaurants.

We currently require domestic franchisees of Applebee's restaurants to contribute 2.75% of their gross sales to the national advertising fund and to spend at least 1% of their gross sales on local marketing and promotional activities. Under the current Applebee's franchise agreements, we have the ability to increase the amount of the required combined contribution to the national advertising fund and the amount required to be spent on local marketing and promotional activities to a maximum of 5% of gross sales.

Purchasing

Maintaining high food quality, system-wide consistency and availability is the central focus of our supply chain program. We establish quality standards for products used in the restaurants, and we maintain a list of approved suppliers and distributors from which we and our franchisees must select. We periodically review the quality of the products served in our domestic restaurants in an effort to ensure compliance with these standards. We have negotiated purchasing agreements with most of our approved suppliers which result in volume discounts for us and our franchisees. We are exploring the feasibility of establishing an independent purchasing co-operative to manage all procurement activities for the Applebee's and IHOP restaurant systems. Due to cultural and regulatory differences, we may have different requirements for restaurants opened outside of the United States.

IHOP

We develop, franchise and operate IHOP restaurants, a well known family restaurant chain. As of December 31, 2007, there were a total of 1,344 IHOP restaurants of which (i) 1,176 were subject to franchise agreements, (ii) 157 were subject to area license agreements and (iii) 11 were company-operated restaurants. Franchisees and area licensees are independent third parties who are licensed by us to operate their restaurants using our trademarks, operating systems and methods. We own and operate 10 IHOP restaurants in the Cincinnati market with the additional objective of testing new menu items and operational or procedural systems and for other research and development purposes. We also operate, from time to time on a temporary basis, reacquired IHOP restaurants. IHOP restaurants are located in 49 states in the United States, U.S. Virgin Islands, Canada and Mexico.

IHOP restaurants feature full table service and moderately priced, high-quality food and beverage offerings in an attractive and comfortable atmosphere. Although the restaurants are best known for their award-winning pancakes, omelets and other breakfast specialties, IHOP restaurants offer a broad array of lunch, dinner and snack items as well. IHOP restaurants are open throughout the day and evening hours, and many operate 24 hours a day.

Franchising

Our franchising activities for the years ended December 31, 2007 and 2006 included both company-financed and franchisee-financed development. For clarity of presentation, the discussion below is separated between those activities specific to the Old Business Model and those which apply to the New Business Model.

Old Business Model

IHOP franchised restaurants established prior to 2004 under our old business model (the "Old Business Model") were developed by the Company, and required our substantial involvement in all aspects of the development and financing of the restaurants. In particular, under the Old Business Model, we identified the site for a new IHOP restaurant, purchased or leased the site from a third party, built and equipped the restaurant and then franchised it to the franchisee. In addition, IHOP typically financed approximately 80% of the franchise fee over five to eight years and leased the restaurant and equipment to the franchisee over a 25-year period.

The cash received from a typical franchise arrangement under the Old Business Model included: (a) the franchise fee, a portion of which (typically 20%) was paid upon execution of the franchise agreement; (b) interest income from the financing arrangements for the unpaid portion of the franchise fee under the franchise notes; (c) franchise royalties typically equal to 4.5% of weekly gross sales; (d) income from the subleasing of the leased real property under a franchisee sublease, and income from the leasing of the owned real property under the related leases to franchisees; (e) income from the leasing of equipment under an equipment lease; (f) revenue from the sale of pancake and waffle dry-mixes; and (g) franchise advertising fees. The franchise advertising fees are comprised of (i) a local advertising fee generally equal to 2.0% of weekly gross sales under the franchise agreement, which was usually collected by us and then paid to a local advertising cooperative to cover the cost of local media purchases and other local advertising expenses and (ii) a national advertising fee equal to 1.0% of weekly gross sales under the franchise agreement. In a few cases, with respect to the reacquired restaurants, or otherwise, we have agreed to accept reduced royalties and/or lease payments from franchisees or have provided other accommodations to franchisees for a period of time in order to assist them in either establishing or reinvigorating their business.

With respect to the reacquired restaurants, which relate solely to restaurants developed under the Old Business Model, we often have advance warning that a franchisee plans to turn back a restaurant, enabling us to refranchise the restaurant to a new operator without substantial interruption. Where that is not the case, we operate the reacquired restaurant while marketing it to be refranchised. The reacquired restaurants may require investment in remodeling and rehabilitation before being refranchised. As a consequence, our reacquired restaurants often incur operating losses during the period of their rehabilitation. Where appropriate, we continue to enter into franchise arrangements with modified payment terms or other accommodations to the franchisees in a manner consistent with our business practice.

New Business Model

Under our current business model which was adopted in January 2003 (the "New Business Model"), a potential franchisee first enters into a single store development agreement or a multi-store development agreement and, upon completion of a prescribed approval procedure, is primarily responsible for the initial development and financing of the new IHOP franchised restaurant. In general, we do not provide any financing arrangement with respect to the franchise fee or otherwise under the New Business Model. Thus, the franchisee uses its own capital and financial resources along with third party financial sources to purchase or lease a site, build and equip the business and fund working capital needs. The principal terms of the franchise agreements entered into under the Old

Business Model and the New Business Model, including the franchise royalties and the franchise advertising fees, are substantially the same except with respect to the terms relating to the franchise fee.

The cash received from a typical franchise arrangement under the New Business Model includes (a) (i) a location fee equal to $15,000 upon execution of a single store development agreement or (ii) a development fee equal to $20,000 for each IHOP restaurant that the franchisee contracts to develop upon execution of a multi-store development agreement; (b) a franchise fee equal to (i) $50,000 (against which the $15,000 location fee will be credited) for a restaurant developed under a single store development agreement or (ii) $40,000 (against which the $20,000 development fee will be credited) for each restaurant developed under a multi-store development agreement, in each case, paid upon execution of the franchise agreement; (c) franchise royalties equal to 4.5% of weekly gross sales; (d) revenue from the sale of pancake and waffle dry-mixes; and (e) franchise advertising fees. The franchise advertising fees are comprised of (i) a local advertising fee generally equal to 2.0% of weekly gross sales, which is usually collected by us and then paid to a local advertising cooperative to cover the cost of local media purchases and other local advertising expenses, and (ii) a national advertising fee equal to 1.0% of weekly gross sales.

Area License Agreements and International Franchise Agreements

We have entered into three long-term area license agreements covering the state of Florida and the southern most counties of Georgia and the provinces of British Columbia and Ontario, Canada. As of December 31, 2007, the area licenses for the state of Florida and certain counties in Georgia operated or sub-franchised a total of 145 IHOP restaurants, and the area licensees for the provinces of British Columbia and Ontario, Canada operated or sub-franchised a total of 12 IHOP restaurants. The area license agreements provide for royalties ranging from 0.5% to 2.0% of gross sales, and license advertising fees of 0.25% of gross sales and grant the area licensees the right to develop new IHOP restaurants in their respective territories. We also derive revenues from the sale of proprietary products to these area licensees and their sub-franchisees. We treat the revenues from our area licensees as franchise operations revenues for financial reporting purposes.

Franchise Operations

IHOP's Operations Department is charged with ensuring that high operational standards are met at all times by our franchisees. Operating standards have been developed in consultation with franchisees and are detailed in the "IHOP Manual of Standard Operations Procedures."

We value good franchisor/franchisee relations and strive to maintain positive working relationships with our franchisees. We sponsor the IHOP Franchise Board of Advisors, an elected body of IHOP franchisees formed to advise and assist IHOP management with respect to a broad range of matters relating to the operation of IHOP restaurants. The group meets with IHOP management at least quarterly to discuss operational issues, marketing matters, development and construction issues, information technology and many other topics. IHOP management also works closely with the IHOP Franchise Procurement Committee, a group formed to negotiate joint purchase arrangements for food and supplies to take advantage of economies of scale.

Company-Operated Restaurants

Company-operated IHOP restaurants are essentially comprised of our IHOP owned restaurants in Cincinnati, Ohio. In addition, from time to time, restaurants developed by us under the Old Business Model are returned by franchisees to us and operated by the Company until refranchised. As of December 31, 2007, there were a total of 11 company-operated restaurants, ten of which were located

in the Cincinnati market. The other company-operated restaurant was taken back from a franchisee and subsequently refranchised in February 2008.

We maintain the company-operated restaurants in Cincinnati primarily to understand key issues our franchisees face and to facilitate the development and testing of new building types, new products and equipment, new operational procedures, and new marketing, brand and design elements.

Restaurant Development

Our New Business Model relies on franchisees to obtain their own financing to develop IHOP restaurants. We review and approve the franchisees' proposed sites but do not contribute capital or become the franchisees' landlord. Under the New Business Model, substantially all new IHOP restaurants are financed and developed by franchisees or area licensees. In 2007, our franchisees and area licensees financed and developed 60 additional new restaurants and we developed no additional restaurants in our company operations market in Cincinnati, Ohio.

New IHOP restaurants are only developed after a stringent site selection process supervised by our senior management. We expect our franchisees to add restaurants to the IHOP system in major markets where we already have a core guest base. We believe that concentrating growth in existing markets allows us to achieve economies of scale in our supervisory and advertising functions. We also look to have our franchisees strategically add restaurants in geographic areas in which we have no presence or our presence is limited.

Future Restaurant Development

In 2007, IHOP entered into 30 franchise development agreements. As of December 31, 2007, we had signed commitments from our franchisees to build 347 IHOP restaurants over the next several years plus options for an additional 98 restaurants. This number includes 13 single-store development agreements, 386 multi-store development agreements and 46 international development agreements.

In 2008, we expect to open a total of 65 to 70 new IHOP restaurants, including 55 to 60 franchise restaurants, three area license restaurants in Florida and five to ten restaurants outside the U.S. or in non-traditional channels.

The following table represents our IHOP restaurant development commitments, including options, as of December 31, 2007:

		Contractual Openings of Restaurants by Year				
	Number of Signed Agreements at 12/31/07	**2008**	**2009**	**2010**	**2011 and thereafter**	**Total**
Single-store development agreements	13	8	5	—	—	13
Multi-store development agreements	89	80	64	51	191	386
International development agreements	5	4	4	4	34	46
	107	92	73	55	225	445

Historically, the actual number of restaurants developed in a particular year has been less than the total number committed to be developed due to various factors including weather-related delays, other construction delays, and difficulties in obtaining timely regulatory approvals.

Composition of Franchise System

The table below sets forth information regarding the distribution of single-store and multi-store franchisees in the IHOP system as of December 31, 2007 by number of restaurants held by franchisee. It does not include information concerning our area licensees or their sub-franchisees.

	Franchisees		Restaurants	
Number of Restaurants Held by Franchisee	**Number**	**Percent of Total**	**Number**	**Percent of Total**
One	167	46.3%	167	14.2%
Two to Five	147	40.7	404	34.4
Six to Ten	26	7.2	189	16.1
Eleven to Fifteen	9	2.5	111	9.4
Sixteen and over	12	3.3	305	25.9
Total	361	100.0%	1,176	100.0%

Menu

The IHOP menu offers a large selection of high-quality, moderately priced products designed to appeal to a broad guest base. These include a wide variety of pancakes, waffles, omelets and breakfast specialties, chicken, steak, sandwiches, salads and lunch and dinner specialties. Most IHOP restaurants offer special items for children and seniors at reduced prices. In recognition of local tastes, IHOP restaurants typically offer regional specialties that complement the IHOP core menu. Our Product Research and Development Department works together with franchisees and our Marketing Department to develop new menu and promotion ideas. These new items are thoroughly evaluated in our test kitchen and in limited regional tests, which include both operational tests and media supported tests, before being introduced throughout the system through core menu updates. The purpose of adding new items and improving existing items is to broaden the appeal of our food to our guests and give them new reasons to return to our restaurants. These efforts are based on consumer research, feedback and benchmarking, which help to identify opportunities to improve existing items as well as for developing new items.

Marketing and Advertising

IHOP franchisees and company-operated restaurants contribute a percentage of their sales to local advertising cooperatives and a national advertising fund. Most franchise agreements call for contributions to the local advertising cooperatives equal to 2.0% of gross sales and a contribution of 1.0% of gross sales to the national advertising fund. Area licensees are required to pay lesser amounts toward advertising.

The local advertising cooperatives have historically used these funds to purchase television advertising time, radio advertising time and place advertisements in printed media or direct mail locally. In addition to these forms of advertising, we encourage other local marketing by our franchisees. These marketing programs often include discount coupons and specials aimed at increasing guest traffic and encouraging repeat business. The national marketing fund is primarily used for the creation of advertising and to defray certain expenses associated with our marketing and advertising functions.

Beginning in 2005, we and the franchisees agreed to reallocate local marketing and advertising funds in order to take advantage of media buying efficiencies associated with national media. For 2007 and 2008, the franchisees have agreed to reallocate one half of their local advertising fees to national media spending. As a result, more of our television advertising will be seen on national broadcast,

syndication and cable media. This will represent a significant increase in the number of people who view our commercials and the frequency with which they see them.

Purchasing

IHOP has entered into supply contracts for pancake and waffle dry-mixes and pricing agreements for most major products carried in IHOP restaurants to ensure the availability of quality products at competitive prices. IHOP has also negotiated other agreements or arrangements with food distribution companies to limit markups charged on food and restaurant supplies purchased by individual IHOP restaurants. In some instances, IHOP is required to enter into commitments to purchase food and other items on behalf of the IHOP system as a whole for the purpose of supplying limited time promotions. At December 31, 2007, there were no outstanding purchase commitments. We have developed processes to facilitate the liquidation of any such commitments to minimize financial exposure. To take advantage of economies associated with system-wide volume purchasing, we and our franchisees have developed procurement processes to secure favorable pricing agreements based on system wide ordering. These agreements ensure availability of most major products carried in IHOP restaurants.

Industry Overview and Competition

The Applebee's and IHOP restaurant chains are among the numerous restaurant chains participating in the $500 billion plus consumer food service market in the United States. The restaurant business is generally categorized into segments by price point ranges, the types of food and types of service experience. These segments include quick service restaurants ("QSR"), family dining, casual dining and fine dining. Each of these segments can be broken down further into the type of food served by the restaurant. For example, the QSR category includes sandwich chains, hamburger chains, and other such chains.

Applebee's competes in the casual dining segment against national and multi-state operators such as Chili's, T.G.I. Friday's and Ruby Tuesday, among others. In addition, there are many independent restaurants across the country that participate in the casual dining segment. Casual dining restaurants offer full table service and typically have bars or serve liquor. Applebee's is one of the largest casual dining brands in the world, in terms of number of restaurants and market share.

IHOP competes in the family dining segment against national and multi-state operators such as Denny's, Cracker Barrel Old Country Store, Bob Evans Restaurants and Perkins Restaurant and Bakery. In addition, there are many independent restaurants and diners across the country that participate in the family dining segment. Family dining restaurants offer full table service, typically do not have bars or serve liquor, and usually offer breakfast in addition to lunch and dinner items. IHOP is one of the largest family dining brands in the world, in terms of number of restaurants and market share.

The restaurant business is highly competitive and is affected by, among other things, changes in eating habits and preferences, local, regional and national economic conditions, population trends and traffic patterns. The principal bases of competition in the industry are the type, quality and price of the food products served. Additionally, restaurant location, quality and speed of service, advertising, name identification and attractiveness of facilities are important.

The acquisition of sites is also highly competitive. We and our franchisees often compete with other restaurant chains and retail businesses for suitable sites for the development of new restaurants.

We also compete against other franchising organizations both within and outside the restaurant industry for new franchise developers.

Trademarks and Service Marks

We own the rights to the "Applebee's Neighborhood Grill & Bar®" service mark and certain variations thereof and to other service marks used in our Applebee's system in the United States and in various foreign countries. In addition, we own trademarks and service marks used in the IHOP system, including "International House of Pancakes," "IHOP" and variations of each, as well as "The Never Empty Coffee Pot," "Rooty Tooty Fresh 'N Fruity," "Harvest Grain 'N Nut," and "Come Hungry, Leave Happy." We have registered or applied to register our material trademarks and service marks with the United States Patent and Trademark Office. We also register new trademarks and service marks from time to time. We will protect our trademarks and service marks by appropriate legal action when necessary.

In 2006, we became aware of certain technical issues relating to nearly all IHOP registrations and applications filed with the United States Patent and Trademark Office prior to July 5, 1999 (the "Pre-1999 Registrations"), which include registrations for various "IHOP" and "International House of Pancakes" marks, which affected their continued validity and rendered inaccurate certain statements in the Uniform Franchise Offering Circular ("UFOC") used by IHOP after July 5, 1999. We filed applications in the Patent and Trademark Office for new registrations of the Pre-1999 Registrations which are still in use (which applications are still pending) and cancelled the Pre-1999 Registrations which we believed to be invalid.

We believe that any issues regarding the invalidity of the federal registrations for the affected marks, and the related UFOC misstatements, have not had, and will not have, any material affect on the IHOP restaurants, the IHOP franchisees or the IHOP business. We own in the United States all trademarks and service marks that are material to the IHOP business, including common law rights in the trademarks subject to the Pre-1999 Registrations, derived from established usage of the "IHOP" and "International House of Pancakes" marks and IHOP's presence in 49 states. Our intellectual property rights include such common law rights, along with the newly filed applications, and registrations for marks applied for after July 5, 1999, among them, logos that include the terms "IHOP," "International House of Pancakes" and "Come Hungry. Leave Happy."

We are not aware of any infringing uses that could materially affect our business, or any prior claim to any rights in the marks which are the subject of the cancelled registrations that would prevent us from using or licensing the use thereof in connection with IHOP restaurants in any area of the United States. In addition, we have taken all corrective actions we believe necessary or appropriate with respect to any misstatements in the UFOCs derived from the invalid trademark registrations, including the filing of amendments to those UFOCs in those states where amended filings are required.

Seasonal Operations

We do not consider our operations to be seasonal to any material degree.

Government Regulation

We are subject to Federal Trade Commission ("FTC") regulation and a number of state laws which regulate the offer and sale of franchises. We are also subject to a number of state laws which regulate substantive aspects of the franchisor-franchisee relationship. The FTC's Trade Regulation Rule on Franchising (the "FTC Rule") requires us to furnish to prospective franchisees a UFOC containing information prescribed by the FTC Rule.

State laws that regulate the offer and sale of franchises and the franchisor-franchisee relationship presently exist in a number of states. State laws that regulate the offer and sale of franchises require registration of the franchise offering with the state authorities. Those states that regulate the franchise relationship generally require that the franchisor deal with its franchisees in good faith, prohibit

interference with the right of free association among franchisees, limit the imposition of unreasonable standards of performance on a franchisee and regulate discrimination against franchisees with respect to charges, royalty fees or other fees. Although such laws may restrict a franchisor in the termination and/or non-renewal of a franchise agreement by, for example, requiring "good cause" to exist as a basis for the termination and/or non-renewal, advance notice to the franchisee of the termination or non-renewal, an opportunity to cure a default and a repurchase of inventory or other compensation upon termination, these provisions have not had a significant effect on franchise operations.

Each restaurant is subject to licensing and regulation by a number of governmental authorities, which may include liquor license authorities (in the case of Applebee's restaurants) health, sanitation, safety, fire, building and other agencies in the state or municipality in which the restaurant is located. Difficulties in obtaining, or failure to obtain, the required licenses or approvals could delay or prevent the development of a new restaurant in a particular area or cause the temporary closure of existing restaurants.

We are subject to federal and state environmental regulations, but these have not had a material effect on our operations. More stringent and varied requirements of local governmental bodies with respect to zoning, land use and environmental factors could delay or prevent the development of new restaurants in particular areas.

Various federal and state labor laws govern our and our franchisees' relationships with our respective employees. These include such matters as minimum wage requirements, overtime and other working conditions. Significant additional government-imposed increases in minimum wages, paid leaves of absence, mandated health benefits or increased tax reporting and tax payment requirements with respect to employees who receive gratuities could be detrimental to the economic viability of our restaurants.

Environmental Matters

We are not aware of any federal, state or local environmental laws or regulations that are likely to materially impact our revenues, cash flow or competitive position, or result in any material capital expenditure. However, we cannot predict the effect of possible future environmental legislation or regulations.

Employees

At December 31, 2007, we employed approximately 32,300 employees, of whom 860 were full-time, non-restaurant, corporate personnel. Our employees are not represented by any collective bargaining agreement, and we have never experienced a work stoppage. We believe our employee relations are good.

Item 1A. Risk Factors.

Risks Relating to our Restaurant Business

Shortages or interruptions in the supply or delivery of food supplies or price increases could adversely affect our system-wide sales, revenues or profits. Our franchised and Company-operated restaurants are dependent on frequent deliveries of fresh produce, groceries and other food and beverage products. This subjects us to the risk of shortages or interruptions in food and beverage supplies which may result from a variety of causes including, but not limited to, shortages due to adverse weather, labor unrest, political unrest, terrorism or other unforeseen circumstances. Such shortages could adversely affect our revenue and profits. Similarly, unanticipated increases in the cost of food and beverage products could adversely affect our revenue and profits. The inability to secure adequate and reliable supplies or distribution of food and beverage products could limit our ability to make changes to our

core menus or offer promotional "limited time only" menu items, which may limit our ability to implement our business strategies. Our restaurants bear risks associated with the timeliness of deliveries by suppliers and distributors as well as the solvency, reputation, labor relationships, freight rates, prices of raw materials and health and safety standards of each supplier and distributor. Other significant risks associated with our suppliers and distributors include improper handling of food and beverage products and/or the adulteration or contamination of such food and beverage products. Disruptions in our relationships with suppliers and distributors may reduce the profits generated by Company-owned restaurants or the payments we receive from franchisees. Although we may establish one or more purchasing cooperatives and procure products and services from such purchasing cooperative on behalf of our restaurants and franchisees, we are under no obligation to do so and may stop maintaining or procuring products and services from such purchasing cooperatives at any time.

Changing health or dietary preferences may cause consumers to avoid Applebee's and IHOP's brand products in favor of alternative foods. The food service industry as a whole rests on consumer preferences and demographic trends at the local, regional, national and international levels, and the impact on consumer eating habits of new information regarding diet, nutrition and health. Our franchise development and system-wide sales depend on the sustained demand for products and goods for which we control offerings and innovation, but which may be affected by factors we do not control. Changes in nutritional guidelines issued by the United States Department of Agriculture, issuance of similar guidelines or statistical information by federal, state or local municipalities, or academic studies, among other things, may impact consumer choice and cause consumers to select foods perceived as healthier than those that are offered by Applebee's or IHOP restaurants. We may not be able to adequately adapt Applebee's or IHOP restaurants' product lines to keep pace with developments in current consumer preferences, which may result in reductions to the revenues generated by our Company-owned restaurants and the franchise payments we receive from franchisees.

Negative publicity in connection with unanticipated events may materially and adversely affect our business. Multi-unit food service businesses such as ours can be materially and adversely affected by widespread negative publicity of any type, but particularly regarding food quality, food-borne illness, food tampering, obesity, injury or other health concerns with respect to certain foods, whether or not accurate or valid. The risk of food-borne illness or food tampering cannot be completely eliminated. Any outbreak of food-borne illness or other food-related incidents attributed to Applebee's or IHOP restaurants or within the food service industry or any widespread negative publicity regarding the Applebee's or IHOP brands or the restaurant industry in general could have a material adverse effect on our financial condition or results of operations.

The restaurant industry is highly competitive, and that competition could lower our revenues, margins and market share. The performance of individual restaurants may be adversely affected by factors such as traffic patterns, demographics and the type, number and location of competing restaurants. The restaurant industry is highly competitive with respect to price, service, location, personnel and the type and quality of food. Each Applebee's and IHOP restaurant competes directly and indirectly with a large number of national and regional restaurant chains, as well as with locally-owned quick service restaurants, fast-casual restaurants, sandwich shops and similar types of businesses. The trend toward convergence in grocery, deli, and restaurant services may increase the number and variety of Applebee's and IHOP restaurants' competitors. In addition to the prevailing baseline level of competition, major market players in non-competing industries may choose to enter the food services market. Such increased competition could have a material adverse effect on the financial condition and results of operations of Applebee's or IHOP restaurants in affected markets. Applebee's and IHOP restaurants also compete with other restaurant chains for qualified management and staff, and we compete with other restaurant chains for available locations for new restaurants. Applebee's and IHOP restaurants also face competition from the introduction of new products and menu items by competitors, as well as substantial price discounting, and may continue to do so in the future. Although

we may implement a number of business strategies, the future success of new products, initiatives and overall strategies is highly difficult to predict and will be influenced by competitive product offerings, pricing and promotions offered by competitors. Our ability to differentiate the Applebee's and IHOP brands from their competitors, which is in part limited by the advertising budget available to us and consumer perception, cannot be assured. These factors could reduce the gross sales or profitability at Applebee's or IHOP restaurants, which would reduce the revenues generated by Company-owned restaurants and the franchise payments received from franchisees.

We may have difficulty expanding into new geographic markets in the United States. We cannot be sure that we will be able to successfully expand or acquire critical market presence for our brands in new geographic markets, as we may encounter well-established competitors with substantially greater financial resources. Our franchisees may be unable to find attractive locations, acquire name recognition, successfully market our products and attract new customers. Competitive circumstances and consumer characteristics in new market segments and new geographic markets may differ substantially from those in the market segments and geographic markets in which we have substantial experience. We cannot assure that our franchisees will be able to profitably operate new franchised restaurants in new geographic markets. Management decisions to curtail or cease investment in certain locations or markets may result in impairment charges.

We may have difficulty expanding in new markets outside the United States. We cannot be sure that we will be successful in our international markets or in achieving expected growth. Certain inherent risks are associated with international markets such as foreign currency exchange rate fluctuations, interpretation and application of laws and regulations, lack of political stability, restrictive actions of foreign or United States governmental authorities affecting trade and foreign investment, including protective measures such as export and customs duties and tariffs and restrictions on the level of foreign ownership, import or other business licensing requirements, the enforceability of intellectual property and contract rights, and lower levels of consumer spending on a per capita basis than in the United States.

Our business is subject to macroeconomic and other factors that may negatively impact our results of operations. Our business is dependent to a significant extent on national, regional and local economic conditions, particularly those that affect the demographics that are usually "heavy users" of Applebee's or IHOP restaurants. In particular, where disposable income available for discretionary spending is reduced (such as by higher housing, taxes, energy, interest or other costs or where the perceived wealth of customers has decreased (because of circumstances such as lower residential real estate values, increased foreclosure rates, increased tax rates or other economic disruptions)), our business could experience lower sales and customer traffic as potential customers choose lower-cost alternatives (such as quick-service restaurants or fast casual dining) or choose alternatives to dining out. Applebee's and IHOP restaurants are also affected by demographic trends, trade areas and traffic patterns near the restaurants. These factors could reduce Applebee's or IHOP restaurant gross sales or profitability and in turn, payments from franchisees.

A number of other factors, some of which are outside our control, may materially and adversely affect our business. The sales and profitability of our restaurants and, in turn, payments from our franchisees may be negatively impacted by a number of factors, some of which are outside our control. The most significant are:

- declines in comparable store sales growth rates due to: (i) failing to consistently provide high quality products and innovate new products to retain the existing customer base and attract new customers; (ii) competitive intrusion in a market; (iii) opening new restaurants that may cannibalize the sales of existing restaurants; and (iv) failure of national or local marketing to be effective;

- negative trends in operating expenses such as: (i) increases in food costs including rising commodity costs; (ii) increases in labor costs including increases in minimum wage and other employment laws, immigration reform, increases due to tight labor market conditions, health care and workers compensation costs; and (iii) increases in other operating costs including utilities, lease-related expenses and credit card processing fees;

- the inability to open new restaurants at acceptable sales volumes;

- the inability to increase menu pricing to offset increased operating expenses;

- failure to effectively manage further penetration into mature markets;

- negative trends in other expenses such as interest rates and the cost of construction materials that will affect our ability or our franchisees' ability to maintain and refurbish existing stores;

- the inability to manage a large number of restaurants due to unanticipated changes in executive management, and availability of qualified restaurant management, staff and other personnel;

- the inability to operate effectively in new and/or highly competitive geographic regions or local markets in which we or our franchisees have limited operating experience; and

- the inability to manage a large number of restaurants in many geographic areas with a standardized operational and marketing approach.

Ownership of real property exposes us to potential liability. The ownership of real property exposes us to potential environmental liabilities from U.S. Federal, state and local governmental authorities and private lawsuits by individuals and other private businesses. The potential environmental liabilities in connection with the ownership of real estate are highly uncertain. We currently do not have actual knowledge of any environmental liabilities that would have a material adverse effect on the Company. From time to time, our properties have experienced some non-material environmental liabilities. While we are unaware of any material environmental liabilities, it is possible that material environmental liabilities relating to our properties may be exposed or may arise in the future.

We and our franchisees are subject to a variety of litigation risks that may negatively impact performance. We and our franchisees are subject to complaints or litigation from guests alleging illness, injury or other food quality, food safety, health or operational concerns. Adverse publicity resulting from such allegations could harm the operation and profitability of the Applebee's or IHOP restaurants, regardless of whether the allegations are valid. Failure to comply with the various U.S. Federal and state labor laws pertaining to minimum wage, overtime pay, meal and rest breaks, unemployment tax rates, workers' compensation rates, citizenship or residency requirements, child labor requirements and sales taxes may have a material adverse effect on our business or operations. In addition, employee claims based on, among other things, discrimination, harassment or wrongful termination may divert financial and management resources and adversely affect operations. We and our franchisees are also subject to "dram shop" laws in some states pursuant to which we and our franchisees may be subject to liability in connection with personal injuries or property damages incurred in connection with wrongfully serving alcoholic beverages to an intoxicated person. We may also initiate legal proceedings against franchisees for breach of the terms of their franchise agreements. Each of these claims may reduce the profits generated by Company-owned restaurants and the ability of franchisees to make payments to us. These claims may also reduce the ability of franchisees to enter into new franchise agreements with us. As a franchisor, we may be named a defendant and sustain liability in any legal proceeding against a franchisee under the doctrines of vicarious liability, agency, negligence or otherwise.

Employment of employees at certain Company-owned restaurants exposes us to potential liability. We are subject to U.S. Federal, state and local employment laws that expose us to potential liability if we are determined to have violated employment laws by the applicable government authority. The losses that may be incurred as a result of any violation of such employment laws are difficult to quantify. In particular, our subsidiary, Applebee's International, Inc. is party to a number of employment-related and wage-related lawsuits, including a collective action suit filed in July 2006 in a U.S. Federal court in Missouri relating to minimum wage and tip credit for past and present servers and bartenders whose minimum wage calculation included "tip credit." The plaintiffs allege, among other things, that Applebee's International violated the Fair Labor Standards of 1938, as amended (the "Fair Labor Standards Act"), by failing to pay the legally mandated minimum wage for work such as general preparation or maintenance work, for which the employees did not earn tips. We are actively defending against the case and intend to seek decertification of the class, which motion is expected to be heard in early 2009 following discovery proceedings. Since the case is at a very preliminary stage, we cannot currently make an estimate as to the chance of success for the plaintiffs or the magnitude of liability associated with the case if the class is not decertified and if the case is decided against us, significant changes to the timekeeping systems of Applebee's restaurants or increases in employee wage rates may be required. Franchisees, like other restaurant operators, may face similar claims based on their methods of operation.

Our failure or the failure of our franchisees to comply with federal, state and local governmental regulations may subject us to losses and harm our brands. The restaurant industry is subject to extensive U.S. Federal, state and local governmental regulations, including those relating to the preparation and sale of food and alcoholic beverages and those relating to building and zoning requirements and employment. We are also subject to licensing and regulation by state and local departments relating to the service of alcoholic beverages, health, sanitation, fire and safety standards, and to laws governing relationships with employees, including minimum wage requirements, overtime, working conditions and citizenship requirements. In connection with the continued operation or remodeling of certain restaurants, we or our franchisees may be required to expend funds to meet United States federal, state and local and foreign regulations. The ability to obtain or maintain such licenses or publicity resulting from actual or alleged violations of such laws could have an adverse effect on our results of operations. We are subject to federal regulation and certain state laws which govern the offer and sale of franchises. Many state franchise laws contain provisions that supersede the terms of franchise agreements, including provisions concerning the termination or non-renewal of a franchise. Some state franchise laws require that certain materials be registered before franchises can be offered or sold in that state. The failure to obtain or retain licenses or approvals to sell franchises could adversely affect the us and the franchisees. Changes in, and the cost of compliance with, government regulations could have a material effect on operations.

We are subject to the Fair Labor Standards Act, various other laws and state and local regulations in the United States and in the foreign countries in which we operate from time to time, governing such matters as minimum-wage requirements, overtime and other working conditions and citizenship requirements. A significant number of the food-service employees in our restaurants are paid at rates related to the United States federal minimum wage or the relevant state minimum wage, and past increases in the United States federal and state minimum wage, as well as changes in the method of calculating the minimum wage and crediting of tips, have increased labor costs, as would future increases. Any increases in labor costs might result in us or our franchisees inadequately staffing Applebee's or IHOP restaurants. Understaffed restaurants could result in reduced gross sales and decreased profits at such restaurants.

We and our franchisees must also comply with Title III of the Americans with Disabilities Act (the "ADA"). Compliance with the ADA generally requires that public spaces provide reasonable accommodation to disabled individuals and that new commercial spaces or modifications of commercial

spaces conform to specific accessibility guidelines unless materially unfeasible. Although newer restaurants are designed to meet the ADA construction standards, some older restaurants may not. A finding of noncompliance with the ADA could result in the imposition of injunctive relief, fines, an award of damages to private litigants or additional capital expenditures to remedy such noncompliance. Any imposition of injunctive relief, fines, damage awards or capital expenditures could adversely affect our revenue or profits.

Harm to our brands may have a material adverse effect on our business. The success of our restaurant business is largely dependent upon brand recognition and the strength of our franchise systems. The continued success of Company-owned restaurants and our franchisees will be directly dependent upon the strength of the Applebee's and IHOP systems. There is no assurance that the prior performance of the Applebee's or IHOP system will be indicative of future results. Changes or problems within the Applebee's or IHOP system or at other locations (*e.g.*, crime, scandal, litigation, negative publicity, on site accidents and injuries or other harm to customers) can have a substantial negative impact on the operations of otherwise successful individual locations. Although each franchisee is required to maintain liability insurance pursuant to its franchise agreements, a successful liability claim could injure the reputation of all Applebee's or IHOP restaurants. Even if unsuccessful, such a claim could cause unfavorable publicity and entail substantial expense.

Restaurant development plans under development agreements may not be implemented effectively. We rely on franchisees to develop Applebee's and IHOP restaurants. Development involves substantial risks, including the following:

- the availability of suitable locations and terms for potential development sites;
- the ability of franchisees to fulfill their commitments to build new restaurants in the numbers and the time frame specified in their development agreements;
- the availability of financing to franchisees at acceptable rates and terms;
- delays in completion of construction;
- developed properties not achieving desired revenue or cash flow levels once opened;
- competition for suitable development sites;
- changes in governmental rules, regulations, and interpretations (including interpretations of the requirements of the ADA); and
- general economic and business conditions.

We cannot assure that present or future development will perform in accordance with our expectations. We cannot assure that the development and construction of facilities will be completed, or that any such development will be completed in a timely manner.

The opening and success of Applebee's and IHOP restaurants depends on various factors, including the demand for Applebee's and IHOP restaurants and the selection of appropriate franchisee candidates, the availability of suitable sites, the negotiation of acceptable lease or purchase terms for new locations, costs of construction, permit issuance and regulatory compliance, the ability to meet construction schedules, the availability of financing and other capabilities of franchisees. There is no assurance that franchisees planning the opening of restaurants will have the business abilities or sufficient access to financial resources necessary to open the restaurants required by their agreements. It cannot be assured that franchisees will successfully participate in our strategic initiatives or operate their restaurants in a manner consistent with our concept and standards.

Various factors affecting advertising may materially adversely affect our restaurant business. We plan to continue our IHOP advertising campaign, "Come hungry. Leave happy", which we believe resonates

positively with our customers, as well as continue to shift advertising expenditures from local market spending to coordinate national spending with the support of our franchisees. We will soon launch new advertising to re-establish the brand positioning of Applebee's and deliver a clear and consistent message to consumers regarding the dining experience offered by Applebee's restaurants. This business strategy involves advertising at the national, regional and local levels. If competitors increase spending on advertising and promotion or develop more effective advertising, the cost of advertising increases, or the advertising funds available to us decrease for any reason, including implementation of reduced spending strategies, or the advertising and promotion of the Applebee's and IHOP brands proves to be less effective than that of competitors, our restaurant business could be materially and adversely affected.

Risks Relating to Franchisees

Concentration of Applebee's franchised restaurants in a limited number of franchisees subjects us to greater credit risk. As of December 31, 2007, Applebee's franchisees operated 1,354 Applebee's restaurants in the United States (which comprised 73% of the total Applebee's restaurants in the United States). As of December 31, 2007, the nine largest Applebee's franchisees owned 714 restaurants, representing 52.7% of all franchised Applebee's restaurants in the United States. The concentration of franchised restaurants in a limited number of franchisees subjects us to a significant level of credit risk in respect of such franchisees. Each of the risks relating to franchisees described in this section is magnified in respect of such franchisees. The risk associated with these franchisees is particularly magnified among those franchisees who are the sole or dominant franchisee for a particular region of the United States, as is the case for most domestic franchised territories. In particular, if any of these franchisees experiences financial or other difficulties, they may default on their obligations under their respective franchise agreements including payments to us and the maintenance and improvement of their respective restaurants. If any of these franchisees are subject to bankruptcy or insolvency proceedings, a bankruptcy court may prevent the termination of the related franchise agreements and development agreements. Any franchisee that is experiencing financial difficulties may also be unable to participate in implementing changes to our business strategy. Any franchisee who owns and operates a significant number of Applebee's restaurants who fails to comply with its other obligations under the franchise agreement, such as the quality and preparation of food supplies and maintenance of restaurants, could cause irreparable harm to the Applebee's brand and subject us to potential liability claims by consumers even if we are not legally liable for the franchisee's actions or failure to act. The refranchising of most the Company-owned Applebee's restaurants that is part of our strategy is not expected to reduce the concentration of franchised Applebee's restaurants in a limited number of franchisees because the existing franchisees are the most likely candidates to acquire such Company-owned restaurants. The concentration of the franchised Applebee's restaurants in a limited number of franchisees may also reduce our negotiating power in negotiating the terms of sale of the Company-owned Applebee's restaurants to such franchisees. Development rights for Applebee's restaurants are also concentrated among a limited number of existing franchisees. Therefore if any of these existing franchisees experience financial difficulties that do not require them to cede such development rights, future development of Applebee's restaurants in the applicable domestic territories may be materially adversely affected.

Termination or non-renewal of franchise agreements may disrupt restaurant performance. Each franchise agreement is subject to termination by us in the event of default by the franchisee after applicable cure periods. Upon the expiration of the initial term of a franchise agreement, the franchisee generally has an option to renew the franchise agreement for an additional term. There is no assurance that franchisees will meet the criteria for renewal or will desire or be able to renew their franchise agreements. If not renewed, a franchise agreement, and payments required thereunder, will terminate. We may be unable to find a new franchisee to replace such lost revenues. Furthermore, while we will be entitled to terminate franchise agreements following a default that is not cured within the applicable

grace period, if any, the disruption to the performance of the restaurants could materially and adversely affect our business.

Franchisees may breach the terms of their franchise agreements in a manner that adversely affects our brands. Franchisees are subject to specified product quality standards and other requirements pursuant to the related franchise agreements in order to protect our brand and to optimize restaurant performance. However, franchisees may receive through the supply chain or produce defective food or beverage products, which may adversely impact the goodwill of our brands. Franchisees may also breach the standards set forth in their respective franchise agreements.

Franchisees are subject to potential losses that are not covered by insurance that may negatively impact their ability to make payments to us and perform other obligations under franchise agreements. Franchisees may have insufficient insurance coverage to cover all of the potential risks associated with the ownership and operation of their restaurants. A franchisee may have insufficient funds to cover unanticipated increases in insurance premiums or losses that are not covered by insurance. Certain extraordinary hazards may not be covered and insurance may not be available (or may be available only at prohibitively expensive rates) with respect to many other risks. Moreover, there is no assurance that any loss incurred will not exceed the limits on the policies obtained, or that payments on such policies will be received on a timely basis, or even if obtained on a timely basis, that such payments will prevent losses to such franchisee or enable timely franchise payments. Accordingly, in cases in which a franchisee experiences increased insurance premiums or must pay claims out-of-pocket, the franchisee may not have the funds necessary to pay franchise payments.

Franchisees generally are not "limited purpose entities", making them subject to business, credit, financial and other risks. Franchisees may be natural persons or legal entities. Franchisees generally are not "limited-purpose entities," making them subject to business, credit, financial and other risks, which may be unrelated to the operations of Applebee's or IHOP restaurants. These unrelated risks could materially and adversely affect a franchisee and its ability to make its franchise payments in full or on a timely basis. Any such decrease in franchise payments may have a material adverse effect on us. As a result, franchisees may apply for relief under bankruptcy and other laws relating to creditors' rights in the United States and other jurisdictions where their restaurants may be located. In addition, franchisees may be subject to involuntary application of such bankruptcy and other laws. The bankruptcy of a franchisee could adversely affect our ability to collect payments due under the franchise agreement of such franchisee and to protect our rights under, and otherwise realize the value of, such franchise agreement. This may occur as a result of, among other things, application of the automatic stay, delays and uncertainty in the bankruptcy process and the potential rejection of such franchise agreement.

The number and quality of franchisees is subject to change over time, which may negatively affect our business. Our Applebee's business is highly concentrated in a limited number of franchisees. We cannot guarantee the retention of any, including the top performing, franchisees in the future, or that we will maintain the ability to attract, retain, and motivate sufficient numbers of franchisees of the same caliber. The quality of existing franchisee operations may be diminished by factors beyond our control, including franchisees' failure or inability to hire or retain qualified managers and other personnel. Training of managers and other personnel may be inadequate. These and other such negative factors could reduce the franchisee's restaurant revenues, impact payments under the franchise agreements and could have a material adverse effect on us. These negative factors will be magnified by the limited number of existing franchisees.

The inability of franchisees to fund capital expenditures may adversely impact future growth. Our business strategy includes revitalizing Applebee's store locations through a new remodel program and other operational changes. The success of that business strategy will depend to a significant extent on the ability of the franchisees to fund the necessary capital expenditures to aid the repositioning and

re-energizing of the brand. Labor and material costs expended will vary by geographical location and are subject to general price increases. To the extent the franchisees are not able to fund the necessary capital expenditures, our business strategy may take longer to implement and may not be as successful as we expect, which could have a material adverse effect on our business.

An insolvency proceeding involving a franchisee could prevent the collection of payments or the exercise of rights under the related franchise agreement. An insolvency proceeding involving a franchisee could prevent us from collecting payments or exercising any of our other rights under the related franchise agreement. In particular, the protection of the statutory automatic stay that arises by operation of Section 362 of the United States Bankruptcy Code upon the commencement of a bankruptcy proceeding against a franchisee would prohibit us from terminating a franchise agreement previously entered into with a franchisee. Furthermore, a franchisee that is subject to bankruptcy proceedings may reject the franchise agreement in which case we would be limited to a general unsecured claim against the franchisee's bankruptcy estate on account of breach-of-contract damages arising from the rejection. Payments previously made to us by a franchisee that is subject to a bankruptcy proceeding may also be recoverable on behalf of the franchisee as a preferential transfer under the United States Bankruptcy Code.

Risks Relating to Intellectual Property

Third party claims with respect to intellectual property assets, if decided against us, may result in competing uses or require adoption of new, non-infringing intellectual property, which may in turn adversely affect sales and revenues. There can be no assurance that third parties will not assert infringement or misappropriation claims against us, or claims that our rights in our trademarks, service marks and other intellectual property assets are invalid or unenforceable. Any such claims could have a material adverse effect on us or our franchisees if such claims were to be decided against us. If our rights in any intellectual property assets were invalidated or deemed unenforceable, it would permit competing uses of such assets which, in turn, could lead to a decline in restaurant revenues and sales of other branded products and services (if any). If the intellectual property assets became subject to third party infringement, misappropriation or other claims, and such claims were decided against us, then we could be required to develop or adopt non-infringing intellectual property or acquire a license to the intellectual property that is the subject of the asserted claim. There could be significant expenses associated with the defense of any infringement, misappropriation, or other third party claims.

If franchisees and other sublicensees do not observe the required quality and trademark usage standards, our brands may suffer reputational damage, which could in turn adversely affect our business. We sublicense our intellectual property assets to our franchisees and to product suppliers, manufacturers, distributors, advertisers and other third parties. The franchise agreements and other sublicense agreements require that each franchisee or other sublicensee use the intellectual property assets in accordance with established or approved quality control guidelines. However, there can be no assurance that the franchisees or other sublicensees will use the intellectual property assets in accordance with such guidelines. Franchisee and sublicensee noncompliance with the terms and conditions of the governing franchise agreement or other sublicense agreement may reduce the overall goodwill of our brands, whether through failing to meet health and safety standards or to maintain quality control or product consistency, or through participating in improper or objectionable business practices. Franchisees and other sublicensees may refer to our brand improperly in writings or conversation, resulting in the weakening of the distinctiveness of our brands. There can be no assurance that the franchisees or other sublicensees will not take actions that could have a material adverse effect on the reputation of the Applebee's or IHOP brands. Any such actions could have a corresponding material adverse effect on our business and revenues.

In addition, even if the sublicensee product suppliers, manufacturers, distributors, or advertisers observe and maintain the quality and integrity of the intellectual property assets in accordance with the

relevant sublicense agreement, any product manufactured by such suppliers may be subject to regulatory sanctions and other actions by third parties which can, in turn, negatively impact the perceived quality of our restaurants and the overall goodwill of our brands, regardless of the nature and type of product involved. Any such actions could have a material adverse effect on our business, by virtue of, among other things, reducing the public's acceptance of Applebee's or IHOP restaurants, thereby reducing restaurant revenues and corresponding franchise payments to us.

Risks Related to the Applebee's Acquisition

Our business strategy may not achieve the anticipated results. We expect to apply a new business strategy to the Applebee's business that includes, among other things, (i) the sale of most of the Company-owned real property in sale/leaseback transactions, (ii) the refranchising of more than 90% of the Company-owned restaurants, (iii) specific changes in the manner in which our business is managed and serviced, such as the establishment of one or more purchasing cooperatives, and the procurement of products and services from such purchasing cooperatives, and (iv) more generally, an improvement to the overall performance of the Applebee's business by applying many of the same strategies we previously applied to the IHOP restaurant business. However, the Applebee's business is different in many respects from the IHOP business. In particular, the Applebee's restaurants are part of the casual dining segment of the restaurant industry whereas the IHOP restaurants are part of the family dining segment, and the Applebee's business is larger and distributed differently across the United States and appeals to a different segment of the consumer market. Therefore, there can be no assurance that the business strategy we apply to the Applebee's business will be suitable or will achieve similar results to the application of such business strategy to the IHOP system. In particular, the refranchising of Company-owned restaurants may not improve the performance of such restaurants and may not reduce the capital expenditures to the extent we anticipate or result in the other intended benefits of the strategy. The conversion of a Company-owned restaurant to a franchised restaurant will reduce the total monthly revenue received by us from the restaurant because we receive all of the revenues generated by a Company-owned restaurant but receive only the franchise payments generated by franchised restaurants. However, we also expect the conversion of a Company-owned restaurant to a franchised restaurant to reduce or eliminate the operating costs we incur in connection with the restaurant because the operating costs will be the responsibility of the franchisee that owns and operates the restaurant. The actual benefit from the refranchising of the restaurants is highly uncertain and may be less than anticipated and may not be sufficient to offset the loss of revenues from the conversion of the Company-owned restaurants.

There also can be no assurance that we will be able to sell most of the Company-owned real property or refranchise more than 90% of the Company-owned restaurants on desirable terms or within the anticipated time frame. The anticipated proceeds from the sale/leaseback transactions are based on current market values, capitalization ratios and a number of other assumptions. If the market valuations, capitalization ratios or such other assumptions prove to be incorrect, the actual proceeds received from the sale/leaseback transactions may be less than anticipated. Similarly, the anticipated proceeds from the refranchising of the Company-owned restaurants are based on current market values, recent comparable transaction valuations, and a number of other assumptions. The refranchising transactions are not expected to be completed for 24 to 36 months following the November 29, 2007 closing date. If the market rents, comparable transaction valuations or other assumptions prove to be incorrect, the actual proceeds from the refranchising of the Company-owned restaurants may be less than anticipated. In addition, adverse economic, weather or other conditions existing in the states in which Company-owned real property is located may adversely affect our ability to execute the sale/leaseback transactions or the refranchising transactions or to achieve the anticipated returns from such transactions. Market conditions may have changed at the time the refranchising transactions occur. Finally, the operational improvements initiatives or purchasing initiatives may not be successful or

achieve the desired results. In particular, there can be no assurance that the existing franchisees or prospective new franchisees will respond favorably to such initiatives.

The significant costs that we incur in connection with the acquisition may not be offset by cost-savings in the future. We have incurred substantial costs associated with the Applebee's acquisition. These costs are primarily associated with the fees of attorneys, accountants and our financial advisors. In addition, substantial unanticipated costs may be incurred in connection with the integration of the business of Applebee's with our existing business. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the two businesses, will offset these costs over time, this net benefit may not be achieved in the near term, or at all.

We may fail to realize the anticipated benefits of the acquisition as a result of risks associated with integrating the business of Applebee's with our existing business. Our ability to realize the anticipated benefits of the Applebee's acquisition will depend, in part, on our ability to integrate certain aspects of the business of Applebee's with our existing business. The combination of two independent companies is a complex, costly and time-consuming process. This process may disrupt our business, and may not result in the full benefits we expect. The difficulties of combining the operations of the companies include, among others:

- unanticipated issues in integrating information, communications and other systems;
- retaining key employees;
- consolidating corporate and administrative infrastructures;
- the diversion of management's attention from ongoing business concerns; and
- coordinating geographically separate organizations.

If we fail to improve the operations of Applebee's, we may be unable to achieve some or all of the expected benefits of the Applebee's acquisition. We intend to effect marketing and operational improvements with a view to improving Applebee's system performance. We may experience delays or difficulties in effecting these improvements. If we are unable to improve Applebee's system performance, we may be unable to achieve some or all of the expected benefits of the Applebee's acquisition.

We incurred substantial indebtedness to finance the Applebee's acquisition which could adversely affect our business and limit our ability to plan for or respond to changes in our business. As of December 31, 2007, we had outstanding long-term debt of $2.3 billion, almost all of which was incurred to finance the acquisition. In addition, we may incur additional debt to the extent permitted under the terms of our debt covenants. Our substantial indebtedness and the fact that a large portion of our cash flow from operations must be used to make principal and interest payments on our indebtedness have important consequences to our business and our shareholders, including:

- reducing funds available for working capital, capital expenditures, acquisitions and other purposes;
- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- creating competitive disadvantages compared to other companies with less indebtedness; and
- limiting our ability to apply proceeds from a securities offering or asset sale to purposes other than the repayment of debt.

In addition, our debt covenants limit our ability to incur additional indebtedness, make investments, pay dividends and engage in other transactions. Our failure to comply with these

covenants could result in an event of default that, if not cured or waived, could result in the acceleration of all of our indebtedness.

We may be unable to generate sufficient cash flow to satisfy our significant debt service obligations, which would adversely affect our financial condition and results of operations. Our ability to make principal and interest payments on and to refinance our indebtedness will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If our business does not generate sufficient cash flow from operations, if currently anticipated cost savings and operating improvements are not realized on schedule, in the amounts anticipated or at all, or if future borrowings are not available to us in amounts sufficient to enable us to pay our indebtedness or to fund our other liquidity needs, our financial condition and results of operations may be adversely affected. If we cannot generate sufficient cash flow from operations to make scheduled principal and interest payments on our debt obligations in the future, we may need to refinance all or a portion of our indebtedness on or before maturity, sell assets, cease payments of dividends, delay capital expenditures or seek additional equity. If we are unable to refinance any of our indebtedness on commercially reasonable terms or at all, or to effect any other action relating to our indebtedness on satisfactory terms or at all, our business may be harmed.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

The table below shows the location and status of the 1,976 Applebee's restaurants as of December 31, 2007:

Location	Franchise	Company-Operated	Total
United States			
Alabama	28	—	28
Alaska	2	—	2
Arizona	33	—	33
Arkansas	9	2	11
California	91	27	118
Colorado	30	—	30
Connecticut	11	—	11
Delaware	8	3	11
Florida	108	—	108
Georgia	70	—	70
Idaho	11	—	11
Illinois	55	14	69
Indiana	59	7	66
Iowa	26	—	26
Kansas	19	15	34
Kentucky	31	5	36
Louisiana	17	—	17
Maine	—	11	11
Maryland	14	12	26
Massachusetts	—	32	32
Michigan	20	65	85
Minnesota	2	61	63
Mississippi	14	3	17
Missouri	2	60	62
Montana	7	—	7
Nebraska	19	—	19
Nevada	—	14	14
New Hampshire	—	16	16
New Jersey	53	—	53
New Mexico	11	7	18
New York	96	1	97
North Carolina	55	2	57
North Dakota	10	—	10
Ohio	94	—	94
Oklahoma	20	—	20
Oregon	20	—	20
Pennsylvania	71	2	73
Rhode Island	—	8	8
South Carolina	41	—	41
South Dakota	7	—	7
Tennessee	38	4	42
Texas	34	59	93
Utah	16	—	16
Vermont	—	3	3
Virginia	2	71	73
Washington	37	—	37
West Virginia	15	2	17
Wisconsin	43	4	47
Wyoming	5	—	5

Total Domestic	1,354	510	1,864

International			
Bahrain	1	—	1
Brazil	5	—	5
Canada	23	—	23
Chile	2	—	2
China	—	1	1
Ecuador	1	—	1
Egypt	1	—	1
Greece	8	—	8
Guatemala	2	—	2
Honduras	5	—	5
Italy	2	—	2
Jordan	1	—	1
Kuwait	3	—	3
Lebanon	1	—	1
Mexico	44	—	44
Puerto Rico	1	—	1
Qatar	2	—	2
Saudi Arabia	8	—	8
United Arab Emirates	1	—	1
Total International	111	1	112
Totals	1,465	511	1,976

The table below shows the location and status of the 1,344 IHOP restaurants as of December 31, 2007:

Location	Franchise	Company-Operated	Area License	Total
United States				
Alabama	17	—	—	17
Alaska	3	—	—	3
Arizona	33	—	—	33
Arkansas	13	—	—	13
California	224	—	—	224
Colorado	26	1	—	27
Connecticut	5	—	—	5
Delaware	4	—	—	4
Florida	—	—	142	142
Georgia	60	—	3	63
Hawaii	5	—	—	5
Idaho	8	—	—	8
Illinois	51	—	—	51
Indiana	17	—	—	17
Iowa	9	—	—	9
Kansas	16	—	—	16
Kentucky	2	1	—	3
Louisiana	23	—	—	23
Maine	1	—	—	1
Maryland	29	—	—	29
Massachusetts	16	—	—	16
Michigan	17	—	—	17
Minnesota	9	—	—	9
Mississippi	9	—	—	9
Missouri	23	—	—	23
Montana	5	—	—	5
Nebraska	6	—	—	6
Nevada	23	—	—	23
New Hampshire	2	—	—	2
New Jersey	35	—	—	35
New Mexico	11	—	—	11
New York	41	—	—	41
North Carolina	35	—	—	35
North Dakota	1	—	—	1
Ohio	19	9	—	28
Oklahoma	21	—	—	21
Oregon	8	—	—	8
Pennsylvania	16	—	—	16
Rhode Island	1	—	—	1
South Carolina	23	—	—	23
South Dakota	2	—	—	2
Tennessee	28	—	—	28
Texas	162	—	—	162
Utah	19	—	—	19
Virginia	48	—	—	48
Washington	27	—	—	27
West Virginia	5	—	—	5
Wisconsin	13	—	—	13
Wyoming	3	—	—	3
International				
Mexico	1	—	—	1

Virgin Islands	1	—	—	1
Canada	—	—	12	12
Totals	1,176	11	157	1,344

As of December 31, 2007, we operated 511 Applebee's restaurants and 11 IHOP restaurants for a total of 522 company-operated restaurants. Of these restaurants, we leased the building for 82 sites, owned the building and leased the land for 241 sites and owned the land and building for 199 sites.

Of the 1,176 franchisee-operated IHOP restaurants, 61 were located on sites owned by us, 713 were located on sites leased by us from third parties and 402 were located on sites owned or leased by franchisees. All of the IHOP restaurants operated by area licensees and all of the franchisee-operated Applebee's restaurants were located on sites owned or leased by the franchisee.

Of the 511 company-operated Applebee's restaurants, 199 were located on sites owned by us, 312 were located on sites leased by us.

Our leases of IHOP restaurants generally provide for an initial term of 20 to 25 years, with most having one or more five-year renewal options. Our leases of Applebee's restaurants generally have an initial term of 10 to 20 years, with renewal terms of 5 to 20 years. In addition, our leases in many instances include escalation of rent payments during the initial term and/or during the renewal terms. The leases typically provide for payment of rents in an amount equal to the greater of a fixed amount or a specified percentage of gross sales and for payment by us of taxes, insurance premiums, maintenance expenses and certain other costs. Historically, it has been our practice to seek and extend, through negotiation, those leases that expire without renewal options. However, from time to time, we choose not to renew a lease or are unsuccessful in negotiating satisfactory renewal terms. When this occurs, the restaurant is closed and possession of the premises is returned to the landlord.

Under our Applebee's franchise agreements, we have certain rights to gain control of a restaurant site in the event of default under the franchise agreement. Because most IHOP franchised restaurants developed by us under our Old Business Model are subleased to the franchisees, IHOP has the ability to regain possession of the subleased restaurant if the franchisee defaults in the payment of rent or other terms of the sublease.

We currently lease our principal corporate offices in Glendale, California, under a lease expiring in June 2010. In addition, we own a new office building in the Kansas City metropolitan area and lease small executive suite space in various cities across the United States for use as regional offices. The building and land related to an old facility in the Kansas City metropolitan area was sold to a third party in January 2008. We have presented these assets in our consolidated balance sheet under assets held for sale as of December 31, 2007.

Item 3. Legal Proceedings.

We are subject from time to time to lawsuits, claims and governmental inspections or audits arising in the ordinary course of business. Some of these lawsuits purport to be class actions and/or seek substantial damages. In the opinion of management, these matters are adequately covered by insurance or, if not so covered, are without merit or are of such a nature or involve amounts that would not have a material adverse impact on our business or consolidated financial position.

New Jersey Building Laborers Pension and Annuity Funds v. Applebee's

On July 26, 2007, the New Jersey Building Laborers Pension and Annuity Funds filed a putative class action complaint in the Court of Chancery of the State of Delaware for New Castle County against Applebee's International, Inc., its directors, and IHOP Corp. alleging, among other things, that the transaction then proposed with IHOP would be unfair to Applebee's stockholders.

The parties to the litigation agreed in principle to the broad terms of a disclosure-based settlement as described in a Memorandum of Understanding executed on behalf of the parties by their respective attorneys and submitted to the Delaware Court of Chancery on October 12, 2007. As a result, certain disclosures were added to the Applebee's proxy statement in support of the merger. The parties filed a

Stipulation of the Settlement with the Court on December 7, 2007. A final order approving the settlement was issued on February 27, 2008.

Gerald Fast v. Applebee's

The Company is currently defending a collective action filed under the Fair Labor Standards Act styled Gerald Fast v. Applebee's International, Inc., in which named plaintiffs claim that tipped workers in company restaurants perform excessive amounts of non-tipped work for which they should be compensated at the minimum wage. The court has conditionally certified a nationwide class of servers and bartenders who have worked in company-operated Applebee's restaurants since June 19, 2004. Unlike a class action, a collective action requires potential class members to "opt in" rather than "opt out." On February 12, 2008, 5,540 opt-in forms were filed with the court. Conditional certification is granted under a lenient standard and the Company will have an opportunity to have the class de-certified following the close of discovery at the end of 2008. The Company believes it has strong defenses supporting the de-certification of the class, as well as strong defenses to the substantive claims asserted, and intends to vigorously defend this case. An estimate of the possible loss, if any, or the range of the loss cannot be made and, therefore, the Company has not accrued a loss contingency related to this matter.

Appraisal Rights

The Delaware General Corporation Law provides appraisal rights to the record holders of shares of any Delaware corporation that is a party to a merger or consolidation, subject to specified exceptions and to compliance with specified procedural requirements. The Company has received notices from stockholders representing 3,197,263 shares of Applebee's stock that they intend to seek an appraisal of those shares instead of accepting the merger consideration of $25.50 per share. No appraisal petition has yet been filed. The Company believes that a strong case can be made that the fair value of Applebee's stock is not higher than the merger consideration, however, at this time, it is not possible to predict what a court might award to appraisal petitioners as the fair value of their stock.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "IHP". The following table sets forth the high and low closing prices of our common stock on the NYSE, and dividends paid, for each quarter of 2007 and 2006.

	Fiscal Year 2007			Fiscal Year 2006		
	Prices			Prices		
Quarter	High	Low	Dividends Paid	High	Low	Dividends Paid
First	$ 60.21	$ 51.69	$ 0.25	$ 53.80	$ 45.82	$ 0.25
Second	60.57	53.19	0.25	51.09	43.94	0.25
Third	71.70	54.22	0.25	48.91	44.06	0.25
Fourth	67.46	35.57	0.25	54.59	46.30	0.25

Holders

As of January 31, 2008, there were approximately 9,840 registered holders of record of our common stock. That number excludes the beneficial owners of shares held in "street" name through banks, brokers and other financial institutions.

Dividends

The Company had accrued $1.7 million as dividends for the Series A Perpetual Preferred Stock as of December 31, 2007. The dividends were paid in January 2008.

The Company has paid regular quarterly dividends of $0.25 per common share since May 2003. Future dividend declarations on the common shares may be made at the discretion of the board of directors after consideration of the Company's earnings, financial condition, cash requirements, future prospects and other factors.

On January 9, 2008, we declared a quarterly cash dividend of $0.25 per common share. The dividend is payable on February 22, 2008 to stockholders of record on February 1, 2008.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of December 31, 2007, regarding shares outstanding and available for issuance under our existing equity compensation plans:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	541,756	$ 36.41	857,942
Equity compensation plans not approved by security holders	—	—	—
Total	541,756	$ 36.41	857,942

The number of securities remaining available for future issuance includes 721,042 shares and 136,900 shares under our 2001 Stock Incentive Plan and 2005 Stock Incentive Plan for Non-Employee Directors, respectively. Please refer to Note 14 to the accompanying consolidated financial statements for a description of each plan.

Issuer Purchases of Equity Securities

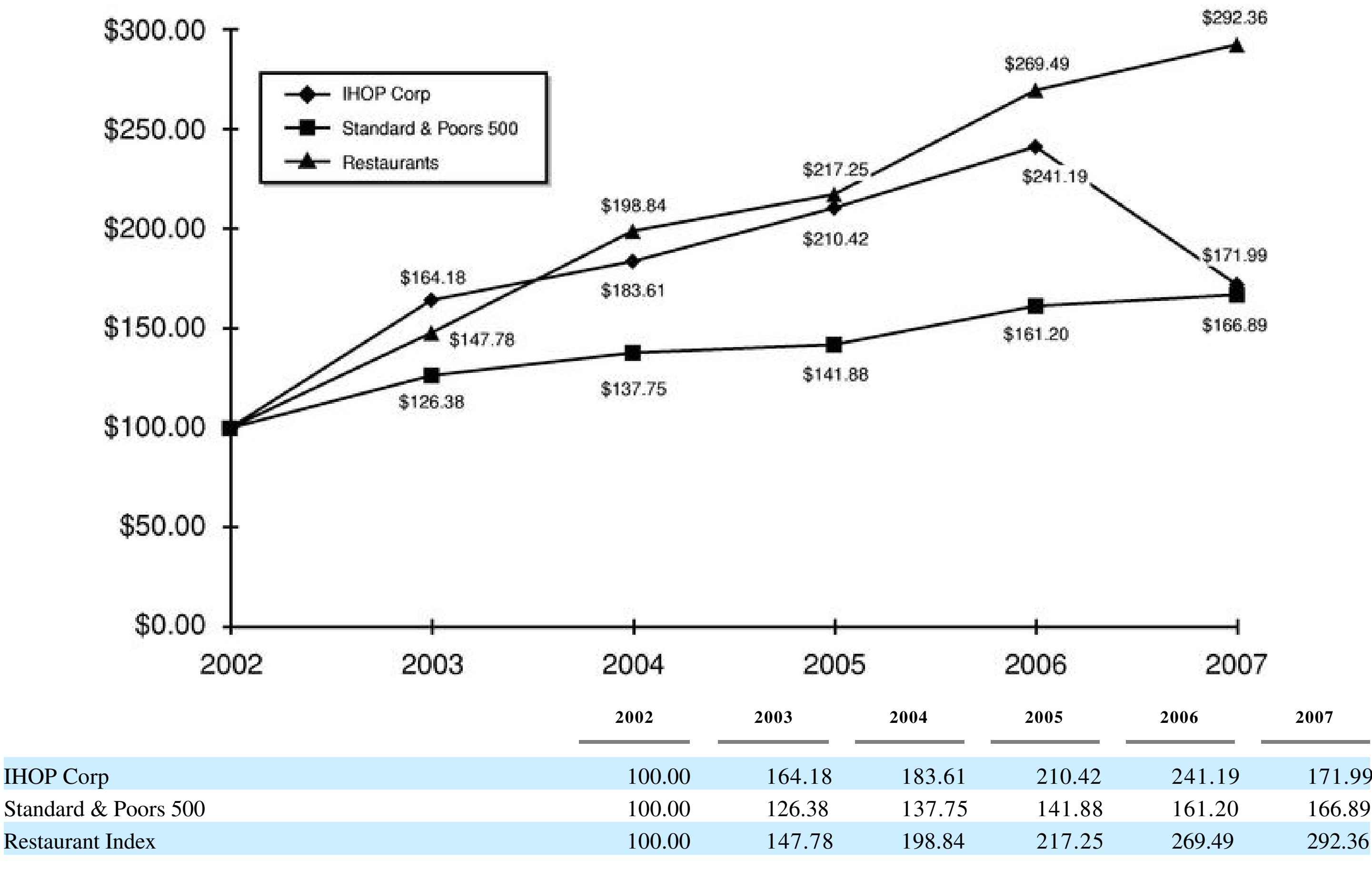
In January 2003, our Board of Directors authorized a program to repurchase shares of our common stock. The Board approved the repurchase of up to 7.2 million shares of common stock from time to time, depending on market conditions and other factors. The total number of shares repurchased through December 31, 2007 under the stock repurchase program is 6,327,877. This includes 4,991,576 shares repurchased in 2003, 2004, 2005 and 2006.

No repurchases were made during the fourth quarter of 2007. There remain 872,123 shares which may still be purchased under the authorization.

Stock Performance Graph

The graph below shows a comparison of the cumulative total stockholder return on our common stock with the cumulative total return on the S&P 500 Composite Index ("S&P 500") and the Value-Line Restaurants Index ("Restaurant Index") over the five-year period ended December 31, 2007. The graph and table assume $100 invested at the close of trading on the last day of trading in 2002 in our common stock and in each of the market indices, with reinvestment of all dividends. Stockholder returns over the indicated periods should not be considered indicative of future stock prices or stockholder returns.

Comparison of Five-Year Cumulative Total Return
IHOP Corp., Standard & Poors 500 And Value Line Restaurants Index
(Performance Results Through December 31, 2007)



	2002	2003	2004	2005	2006	2007
IHOP Corp	100.00	164.18	183.61	210.42	241.19	171.99
Standard & Poors 500	100.00	126.38	137.75	141.88	161.20	166.89
Restaurant Index	100.00	147.78	198.84	217.25	269.49	292.36

Item 6. Selected Financial Data.

The following selected consolidated financial data should be read in conjunction with the consolidated financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this Annual Report on Form 10-K. The consolidated statement of operations and the consolidated balance sheet data for the years ended and as of December 31, 2007, 2006, 2005, 2004 and 2003 are derived from our audited consolidated financial statements.

	Fiscal Year Ended December 31,				
	2007(a)	2006	2005	2004	2003
	(In thousands, except per share amounts)				
Revenues					
Franchise revenues	$ 205,757	$ 179,331	$ 167,384	$ 157,584	$ 140,131
Company restaurant sales	125,905	13,585	13,964	31,564	74,880
Rental income	132,422	132,101	131,626	131,763	117,258
Financing revenues	20,475	24,543	35,049	38,091	72,536
Total revenues	484,559	349,560	348,023	359,002	404,805
Costs and expenses					
Franchise expenses	88,054	83,079	78,768	77,402	66,887
Company restaurant expenses	117,435	15,601	15,095	34,701	81,737
Rental expenses	98,402	97,904	98,391	95,392	86,620
Financing expenses	1,215	4,240	12,299	12,556	32,531
General and administrative expenses	81,597	63,543	58,801	59,890	54,575
Interest expense	28,654	7,902	8,322	8,395	8,741
Amortization of intangible assets	1,132	—	—	—	—
Other expense, net	2,147	4,398	4,585	2,387	3,592
Impairment and closure charges	4,326	43	896	14,112	2,187
Loss on derivative financial instrument	62,131	—	—	—	—
Reorganization charges	—	—	—	—	9,085
Early debt extinguishment costs	2,223	—	—	—	—
Total costs and expenses	487,316	276,710	277,157	304,835	345,955
(Loss) income from continuing operations before income taxes	(2,757)	72,850	70,866	54,167	58,850
(Benefit) provision for income taxes	(2,247)	28,297	26,929	20,746	22,068
(Loss) income from continuing operations	(510)	44,553	43,937	33,421	36,782
Income from discontinued operations	30	—	—	—	—
Net (loss) income	$ (480)	$ 44,553	$ 43,937	$ 33,421	$ 36,782
Net (loss) income	$ (480)	$ 44,553	$ 43,937	$ 33,421	$ 36,782
Less: Preferred stock dividends	(1,742)	—	—	—	—
Net (loss) income available to common stockholders	$ (2,222)	$ 44,553	$ 43,937	$ 33,421	$ 36,782
Net (loss) income per common share					
Basic	$ (0.13)	$ 2.46	$ 2.26	$ 1.62	$ 1.72
Diluted	$ (0.13)	$ 2.43	$ 2.24	$ 1.61	$ 1.70
Weighted average shares outstanding					
Basic	17,232	18,085	19,405	20,606	21,424

Diluted	17,232	18,298	19,603	20,791	21,614
Dividends declared per common share	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 0.75
Dividends paid per common share	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 0.75
Balance Sheet Data (end of year)					
Cash and cash equivalents	$ 26,838	$ 19,516	$ 23,111	$ 44,031	$ 27,996
Restricted cash—current	128,138	—	—	—	—
Restricted cash—non-current	57,962	—	—	—	—
Marketable securities	300	—	—	14,504	45,537
Property and equipment, net	1,139,616	309,737	317,959	326,848	314,221
Total assets	3,831,162	766,250	770,203	821,084	842,197
Long-term debt, net of current maturities	2,263,887	94,468	114,210	133,768	139,615
Capital lease obligations, net of current maturities	168,242	170,412	172,681	173,925	177,664
Stockholders' equity	209,373	289,213	293,846	339,764	382,360

(a) We acquired Applebee's International, Inc. on November 29, 2007. The results of operations related to this acquisition have been included in our fiscal 2007 consolidated operating results since the date of the acquisition.

Item 7. 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. This report contains statements that involve expectations, plans or intentions (such as those relating to future business or financial results, new features or services, or management strategies). These statements are forward-looking and are subject to risks and uncertainties, so actual results may vary materially from those expressed or implied by any forward-looking statements. You can identify these forward-looking statements by words such as "may," "will," "should," "expect," "anticipate," "believe," "estimate," "intend," "plan," and other similar expressions. You should consider our forward-looking statements in light of the risks discussed under the heading "Risk Factors" in Item 1A above as well as our consolidated financial statements, related notes, and the other financial information appearing elsewhere in this report and our other filings with the Securities and Exchange Commission. We assume no obligation to update any forward-looking statements.

You should read the following Management's Discussion and Analysis of Financial Condition and Results of Operations in conjunction with the consolidated financial statements and the related notes that appear elsewhere in this report.

Overview

IHOP Corp. (the "Company," "we" or "our") was incorporated under the laws of the State of Delaware in 1976. The first International House of Pancakes ("IHOP") restaurant opened in 1958 in Toluca Lake, California. Shortly thereafter we began developing and franchising additional restaurants. In November 2007, we completed the acquisition of Applebee's International, Inc. ("Applebee's") which became a wholly owned subsidiary of the Company. We own and operate two restaurant concepts in the casual dining and family dining niches: Applebee's Neighborhood Grill and Bar® and IHOP. Reference herein to Applebee's and IHOP restaurants are to those franchise-operated restaurants and company-operated restaurants. Sales of restaurants that are owned by franchises and area licensees are not attributable to the Company. With more than 3,300 restaurants combined, we are one of the largest full-service restaurant companies in the world.

Key Overall Strategies

We believe the Applebee's acquisition will add a complementary growth vehicle in the casual dining segment of the restaurant industry. We will seek to enhance shareholder value by implementing the following business strategies for Applebee's and IHOP restaurants.

Applebee's Key Strategies

<u>Refranchise Company-Operated Restaurants and Sell Owned Real Estate</u>

We intend to implement a strategy that is based on our experience of transitioning the IHOP business from a more capital-intensive development model to a less capital-intensive development model. To implement this strategy, we intend to:

- enter into sale-leaseback transactions for the approximately 190 company-owned real estate parcels; and
- refranchise approximately 480 company-operated domestic restaurants. This process is expected to extend until 2010.

We expect to apply the net after-tax cash proceeds from these two initiatives to repay certain principal of the debt issued in conjunction with the Applebee's acquisition. In addition, these two

initiatives and the strategic emphasis on franchising going forward are designed to reduce the operating and overhead costs attributable to the domestic company-operated restaurants and reduce the capital requirements needed to operate the business.

Re-energize the Applebee's Brand

We will seek to apply many of the same strategies applied previously to the IHOP restaurant business to improve performance and enhance customer demand at Applebee's restaurants. This strategy will emphasize clear brand positioning of Applebee's based on consumer feedback and marketing research and seek to deliver a clear, focused and consistent message relating to the dining experience. In connection with this strategy, we will seek to:

- strengthen our advertising campaign and message;
- improve a selected number of products on the Applebee's menu, as well as reduce the number of items on the menu and change the manner of presentation of the menu;
- establish a clear approach to the appearance of the restaurants by developing a re-vamped remodel image while retaining the "neighborhood" characteristics that are a hallmark of Applebee's; and
- align all elements of the customer experience including uniforms, silverware and plateware to communicate a unified customer message.

Improve Restaurant Operations

We will seek to improve operations at Applebee's restaurants by further improving the quality and consistency of the food and guest experience through enhanced training, more effective quality control and menu initiatives. We will require franchisees to participate in this strategy through the use of a new franchisee ratings system and other tools to improve the performance of the Applebee's system. We will also seek to improve overall service levels and operations efficiency by providing new ways to receive customer feedback. In addition, we will seek to reduce costs and improve supply chain efficiency by capitalizing on supply chain synergies between the IHOP system and the Applebee's system.

Strengthen Company Restaurant Profitability

We will focus on improving the profitability of company-owned Applebee's restaurants. We will seek to improve food cost margins on limited-time offers by creating higher margin promotions, and on regular menu items by combining purchases within the Applebee's and IHOP systems. We will try to reduce labor costs by simplifying the rollout of new initiatives and limited-time promotions. We also believe there is an opportunity to increase prices at Company operated restaurants.

Partner with Franchisees

We will leverage the expertise and qualifications of the current Applebee's franchisee base and will seek to keep a high level of collaboration with franchisees to build a closer relationship.

There can be no assurance that the strategies described above, when implemented, will achieve the intended results, including the sale-leaseback of the approximately 190 company-owned real parcels and the refranchising of approximately 480 domestic company-operated restaurants, within the expected time frame described above.

IHOP's Key Strategies

We pursue growth through a three part strategic framework: (1) energize the IHOP brand; (2) improve operations performance; and (3) maximize franchise development.

Energize the IHOP Brand

We seek to energize our brand by continuing our "Come Hungry. Leave Happy" advertising campaign. This message has successfully resonated with our guests for almost five years and we expect to continue with this campaign in the future. In addition, we seek to enhance our media strategies to emphasize national advertising on broadcast, cable and syndicated television and strengthen our product promotion process. Over the last two years, we have shifted the allocation of our media spending towards national advertising. Five of the six media windows utilized by us in 2007 placed significant emphasis on national media spending. We had not utilized any national media prior to 2003. In 2003, we also initiated the strategy of limited time offers on promotional products. Since that time, we have enhanced our execution of this promotional product approach by improving the appeal of these promotions and the franchisees' execution.

In addition, by the end of 2011, our franchisees will have completed the remodel of all restaurants to our current updated look. We developed new prototype and remodel programs in 2004 which have become the standards for all development and remodel activity going forward. We also launched our "IHOP 'n Go" takeout program in February 2007 and a successful gift card program in 2006 in order to ensure that we remain relevant with our customers and meet their changing dining patterns.

Improve Operations Performance

We will seek to continue to improve the operations of the restaurants. During 2003, we established an IHOP franchisee ratings system to evaluate the operational standards of each of our restaurant units. This franchisee rating system is a comprehensive scorecard in which we assign grades that cover mystery shop scores, operational assessment scores and health department ratings, among other things. By December 31, 2007, 85% of all franchisees had received grades of "A" or "B" restaurants. In addition, we intend to continue focusing on making exceptional service a priority for franchisees by providing tools for improved restaurant execution, while highlighting our motto "service is as good as our pancakes." Substantially all IHOP restaurants are using pollable point-of-sale (POS) systems to capture and report a broad range of sales and product mix data. This information is used by management to, among other things, gauge guest acceptance of menu items and the success of promotions and limited time offers.

Maximize Franchise Development

Under the New Business Model, IHOP seeks to maximize franchise development by emphasizing the recruitment of franchise developers within and outside the current system in order to grow its revenues. Because of our strong existing franchisee base, since 2003, more than 88% of new restaurants have been opened by pre-existing franchisees. This strategy has proven very successful as franchisees have developed approximately 220 units since the inception of the New Business Model and we have a pipeline of 467 additional new units committed, optioned or pending. In addition, we may take steps to intervene, consolidate, and rehabilitate one or two existing markets if we believe that doing so is advisable in order to fully realize development potential. To effect this strategy, we would repurchase units from certain existing franchisees and package them in a sale to a franchise developer who would commit to maximize development in the market.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net revenues and expenses in the reporting period. We base our estimates and assumptions on current facts, historical experience and various other factors that we believe to be reasonable under the circumstances, the

results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. Accounting assumptions and estimates are inherently uncertain and actual results may differ materially from our estimates.

We believe the following critical accounting policies require us to make significant judgments and estimates in the preparation of our consolidated financial statements:

Purchase Price Allocation

The purchase price for acquisitions is allocated to the identifiable tangible and intangible assets acquired and liabilities assumed based on their respective fair values in accordance with Statement of Financial Accounting Standards ("SFAS") No. 141, *Business Combinations* ("SFAS 141"). The determination of estimated fair values of identifiable intangible assets and certain tangible assets require significant estimates and assumptions, including but not limited to, determining the estimated future cash flows, estimated useful lives of assets and appropriate discount rates. We believe the estimated fair values assigned to the Applebee's assets acquired and liabilities assumed are based on reasonable assumptions. However, the fair value estimates for the purchase price allocation may change during the allowable allocation period under SFAS 141, which is up to one year from the acquisition date, if additional information becomes available that would require changes to our estimates.

Long-Lived Assets

We assess long-lived and intangible assets with finite lives for impairment when events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. We test impairment using historical cash flows and other relevant facts and circumstances as the primary basis for our estimates of future cash flows. We consider factors such as the number of years the restaurant has been operated by us, sales trends, cash flow trends, remaining lease life, and other factors which apply on a case-by-case basis. The analysis is performed at the individual restaurant level for indicators of permanent impairment. Recoverability of the restaurant's assets is measured by comparing the assets' carrying value to the undiscounted 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 charging to earnings. This process requires the use of estimates and assumptions, which are subject to a high degree of judgment. If these assumptions change in the future, we may be required to record impairment charges for these assets.

Goodwill and Intangibles

Goodwill represents the excess of acquisition cost over the fair value of the net assets of acquired businesses. The amounts and useful lives assigned to intangible assets acquired, other than goodwill, impact the amount and timing of future amortization. The value of our intangible assets, including goodwill, could be impacted by future adverse changes such as (i) any future declines in our operating results, (ii) a decline in the valuation of our common stock, or (iii) any failure to meet the performance projections included in our forecasts of future operating results. We evaluate these assets, including intangible assets deemed to have indefinite lives, on an annual basis in the fourth quarter or more frequently if we believe indicators of impairment exist. In the process of our annual impairment review, we primarily use the income approach method of valuation that includes the discounted cash flow method as well as other generally accepted valuation methodologies to determine the fair value of our intangible assets. Management's judgment is required in the forecasts of future operating results that are used in the discounted cash flow method of valuation.

Leases

Our restaurants are located on (i) sites owned by us, (ii) sites leased by us from third parties and (iii) sites owned or leased by franchisees. At the inception of the lease, each property is evaluated to determine whether the lease will be accounted for as an operating or capital lease in accordance with the provisions of Statement of Financial Accounting Standards No. 13, *Accounting for Leases* ("SFAS 13") and subsequent amendments.

The lease term used for straight-line rent expense is calculated from the date we obtain possession of the leased premises through the lease termination date. Prior to January 2, 2006, we capitalized rent expense from possession date through construction completion 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. Straight-line rent recorded during the preopening period (construction completion through restaurant open date) was recorded as expense. Commencing January 2, 2006, we expense rent from possession date through restaurant open date, in accordance with FASB Staff Position No. 13-1, *Accounting for Rental Costs Incurred during a Construction Period.* Once a restaurant opens for business, we record straight-line rent over the lease term plus contingent rent to the extent it exceeded the minimum rent obligation per the lease agreement. 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.

There is potential for variability in the rent holiday period, which begins on the possession date and ends on the restaurant open date, during which no cash rent payments are typically due under the terms of the lease. Factors that may affect the length of the rent holiday period generally relate to construction related delays. Extension of the rent holiday period due to delays in restaurant opening will result in greater preopening rent expense recognized during the rent holiday period and lesser occupancy expense during the rest of the lease term (post-opening).

For leases that contain rent escalations, we record the total rent payable during the lease term, as determined above, on the straight-line basis over the term of the lease (including the rent holiday period beginning upon our possession of the premises), and record the difference between the minimum rents paid and the straight-line rent as a lease obligation. Certain leases contain provisions that require additional rental payments based upon restaurant sales volume ("contingent rent"). Contingent rentals are accrued each period as the liabilities are incurred, in addition to the straight-line rent expense noted above.

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.

Management makes judgments regarding the probable term for each restaurant property lease, which can impact the classification and accounting for a lease as capital or operating, the rent holiday and/or escalations in payment that are taken into consideration when calculating straight-line rent and the term over which leasehold improvements for each restaurant are amortized. These judgments may produce materially different amounts of depreciation, amortization and rent expense that would be reported if different assumed lease terms were used.

Insurance Reserves

We use estimates in the determination of the appropriate liabilities for general liability, workers' compensation and health insurance. The estimated liability is established based upon historical claims data and third-party actuarial estimates of settlement costs for incurred claims. Unanticipated changes in these factors may require us to revise our estimates. We periodically reassess our assumptions and judgments and make adjustments when significant facts and circumstances dictate. A change in any of the above estimates could impact our consolidated statements of earnings, and the related asset or liability recorded in our consolidated balance sheets would be adjusted accordingly. Historically, actual results have not been materially different than the estimates that are described above.

Stock-Based Compensation

We account for stock-based compensation in accordance with SFAS No. 123 (revised 2004), *Share-Based Payment* ("SFAS 123(R)"). Accordingly, we measure stock-based compensation expense at the grant date, based on the fair value of the award, and recognize the expense over the employee's requisite service period using the straight-line method. Under SFAS 123(R), the fair value of each employee stock option and restricted stock award is estimated on the date of grant using an option pricing model that meets certain requirements. We currently use the Black-Scholes option pricing model to estimate the fair value of our share-based compensation. The Black-Scholes model meets the requirements of SFAS 123(R). The measurement of stock-based compensation expense is based on several criteria including, but not limited to, the valuation model used and associated input factors, such as expected term of the award, stock price volatility, risk free interest rate and forfeiture rate. These inputs are subjective and are determined using management's judgment. If differences arise between the assumptions used in determining stock-based compensation expense and the actual factors which become known over time, we may change the input factors used in determining future stock-based compensation expense. Any such changes could materially impact our operations in the period in which the changes are made and in subsequent periods.

Derivative Financial Instruments

In the normal course of business we utilize derivative instruments to manage our exposure to interest rate risks. We account for our derivative instruments under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138, *Accounting for Certain Derivative Instruments and Certain Hedging Activities-an amendment of FASB Statement No. 133* and SFAS No. 149, *Amendment of Statement 133 on Derivative Instruments and Hedging Activities*. The standard requires that all derivative instruments be recorded on the balance sheet at fair value and establishes criteria for designation and effectiveness of the hedging relationships.

We use derivative financial instruments primarily for purposes of hedging exposures to fluctuations in interest rates. All derivatives are recognized on the balance sheet at fair value. For derivative instruments that are designated and qualify as a cash flow hedge (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income or loss and reclassified into earnings in the same line item associated with the forecasted transaction in the same period or periods during which the hedged transaction affects earnings (for example, in "interest expense" when the hedged transactions are interest cash flows associated with debt). The remaining gain or loss on the derivative instrument in excess of the cumulative change in the present value of future cash flows of the hedged item, if any, is recognized in other income/expense in current earnings during the period of change.

At inception of the hedge, we choose the Hypothetical Derivative Method of effectiveness calculation, which we must use for the life of the contract and we will measure effectiveness quarterly.

When hedge treatment is achieved under SFAS 133, the changes in fair values related to the effective portion of the derivatives are recorded in other comprehensive income or loss or in income/expense, depending on the designation of the derivative as a cash flow hedge. We obtain the values on a quarterly basis from the counterparty of the derivative contracts. The undesignated portion of the derivative contract is calculated and recorded in Company's Consolidated Statements of Operations at each quarter end until settled.

Income Taxes

We provide for income taxes based on our estimate of federal and state income tax liabilities. Our annual tax rate is based on our income, statutory tax rates and tax planning opportunities available to us in the various jurisdictions in which we operate. Tax laws are complex and subject to different interpretations by the taxpayers and respective governmental authorities. Significant judgment is required in determining our tax expense and in evaluating our tax positions. We review our tax positions quarterly and adjust the balances as new information becomes available.

We recognize deferred tax assets and liabilities using the enacted tax rates for the effect of temporary differences between the financial reporting basis and the tax basis of recorded assets and liabilities. Deferred tax accounting requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portions or all of the net deferred tax assets will not be realized. 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. When we establish or reduce the valuation allowance against our deferred tax assets, our income tax expense will increase or decrease, respectively, in the period such determination is made.

Tax contingency reserves result from our estimates of potential liabilities resulting from differences between actual and audited results. 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. Changes in the tax contingency reserves result from resolution of audits of prior year filings, the expiration of the statute of limitations, changes in tax laws and current year estimates for asserted and unasserted items. Inherent uncertainties exist in estimates of tax contingencies due to changes in tax law, both legislated and concluded through the various jurisdictions' tax court systems. Significant changes in our estimates could materially affect our reported results.

Under FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—An Interpretation of FASB Statement No. 109* ("FIN 48"), tax positions that previously failed to meet the more-likely-than-not threshold should be recognized in the first subsequent financial reporting period in which that threshold is met. Previously recognized tax positions that no longer meet the more-likely-than-not threshold should be derecognized in the first subsequent financial reporting period in which that threshold is not longer met. We are subject to taxation in many jurisdictions, and the calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in various tax jurisdictions. The application is subject to legal and factual interpretation, judgment and uncertainty. Tax laws and regulations themselves are subject to change as a result of changes in fiscal policy, changes in legislation, the evolution of regulations and court rulings. Therefore, the actual liability for taxes may be materially different from our estimates, which could result in the need to record additional tax liabilities or potentially to reverse previously recorded tax liabilities.

New Accounting Pronouncements

In September 2006, the Financial Accounting Standard Board ("FASB") issued SFAS No. 157, *Fair Value Measurements* ("SFAS 157") which defines fair value, establishes a framework and gives guidance regarding the method used for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy, as defined, and may require companies to provide additional disclosures based on that hierarchy. SFAS 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 assessing the impact that SFAS 157 may have on our consolidated financial statements.

In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* ("SFAS 158"). This statement requires companies to recognize a net liability or asset and an offsetting adjustment to accumulated other comprehensive income to report the funded status of defined benefit pension and other postretirement benefit plans. The statement requires prospective application, and the recognition and disclosure requirements were effective for companies with fiscal years ending after December 15, 2006. Additionally, SFAS 158 requires companies to measure plan assets and obligations at their year end balance sheet date. This requirement is effective for fiscal years ending after December 15, 2008. The impact of the initial adoption was not material to our consolidated financial statements and we are in compliance with the measurement date provisions of this statement.

In February 2007, the FASB issued SFAS 159, *The Fair Value Option for Financial Assets and Liabilities—Including an amendment of FASB Statement No. 115* ("SFAS 159"). SFAS 159 expands the use of fair value accounting but does not affect existing standards which requires assets or liabilities to be carried at fair value. The objective of SFAS 159 is to improve financial reporting by providing companies with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. Under SFAS 159, a company may elect to use fair value to measure eligible items at specified election dates and report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. Eligible items include, but are limited to, accounts and loans receivable, available-for-sale and held-to-maturity securities, equity method investments, accounts payable, guarantees, issued debt and firm commitments. If elected, SFAS 159 is effective for fiscal years beginning after November 15, 2007. We are currently evaluating the impact adoption of SFAS 159 may have on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* ("SFAS 141(R)"). SFAS 141(R)establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141(R) also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141(R) is effective for fiscal years beginning after December 15, 2008. We will adopt SFAS 141(R) in the first quarter of fiscal 2009 and apply the provisions of this statement for any acquisition after the adoption date. We are currently evaluating the potential impact, if any, of the adoption of SFAS 141(R) on our consolidated financial statements.

Applebee's Acquisition

On November 29, 2007, we acquired 100% of the capital stock of Applebee's pursuant to an agreement and plan of merger entered into by us and Applebee's (the "Applebee's acquisition"). The Applebee's acquisition was financed with the net proceeds of the Series 2007-3 Fixed Rate Term Notes, the net proceeds from the issuance of IHOP Corp.'s preferred stock in the aggregate amount of approximately $221 million and the net proceeds of notes issued in a securitization transaction (the

"Applebee's Securitization") involving the transfer of substantially all of Applebee's assets through direct and indirect wholly-owned subsidiaries of Applebee's to a newly formed, special purpose Delaware limited liability company that, together with its subsidiaries, have pledged such assets as collateral under a master indenture securing payment of notes issued thereunder and related obligations. Assets pledged as collateral in connection with the Applebee's Securitization will not be available to make payments on the Series 2007-3 Fixed Rate Term Notes or any other notes issued by the indirect subsidiaries of the Company created to securitize the IHOP restaurant business. The results of operations related to this acquisition have been included in our fiscal 2007 consolidation results since the date of the acquisition.

The primary reason for the Applebee's acquisition was to add a growth vehicle in the casual dining segment of the restaurant industry. We attribute the goodwill associated with the transaction to the long-term historical performance and the anticipated future performance of Applebee's.

Segment Reporting

Our revenues and expenses are recorded in four segments: franchise operations, company restaurant operations, rental operations, and financing operations. Within the applicable segment, we operate two distinct restaurant concepts: Applebee's and IHOP.

Applebee's

The franchise operations segment consists of restaurants operated by Applebee's franchisees in the United States and 17 countries outside the United States and one U.S. territory. Franchise operations revenue consists primarily of franchise royalty revenues. Franchise operations expenses include costs related to intellectual property provided to certain franchisees.

The company restaurant operations segment consists of company-operated restaurants in the United States and China. Company restaurant sales are retail sales at company-operated restaurants. Company restaurant expenses are operating expenses at company-operated restaurants and include food, labor, benefits, utilities, rent and other restaurant operating costs. The operating results of this segment are substantially generated by Applebee's.

Rental operations activities are not currently a part of Applebee's business.

Financing operations activities are not currently a part of Applebee's business.

IHOP

The franchise operations segment consists of restaurants operated by IHOP franchisees and area licensees in the United States, one U.S. territory and two countries outside the U.S. Franchise operations revenue consists primarily of franchise royalty revenues, sales of proprietary products, franchise advertising fees and the portion of the franchise fees allocated to IHOP intellectual property. Franchise operations expenses include advertising expense, the cost of proprietary products and pre-opening training expenses and other franchise-related costs.

The company restaurant operations segment consists of company-operated restaurants in the United States. In addition, from time to time, restaurants that are reacquired from franchisees are operated by IHOP on a temporary basis. Company restaurant sales are retail sales at company-operated restaurants. Company restaurant expenses are operating expenses at company-operated restaurants and include food, labor, benefits, utilities, rent and other restaurant operating 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 franchisee-operated restaurants. The rental operations segment is exclusively generated by IHOP.

Financing operations revenue consists of the portion of franchise fees not allocated to IHOP 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.

Captive Insurance Subsidiary

In connection with the acquisition of Applebee's, the Company acquired Neighborhood Insurance, Inc., a Vermont corporation and a wholly-owned captive insurance subsidiary of Applebee's which provides Applebee's and qualified Applebee's franchisees with workers' compensation and general liability insurance. The captive insurance subsidiary ceased writing insurance prior to the acquisition. Franchise operations expense includes costs related to the resolution of claims arising from franchisee participation in our captive insurance program. Our consolidated balance sheets include the following balances related to the captive insurance subsidiary as of December 31, 2007:

- Franchise premium receivables of approximately $0.4 million included in receivables related to captive insurance subsidiary.
- Cash equivalents and other long-term investments restricted for the payment of claims of approximately $9.8 million are included in restricted assets related to the captive insurance subsidiary.
- Loss reserve related to captive insurance subsidiary of approximately $7.0 million. The current portion of approximately $3.8 million was included in other accrued expenses and the long-term portion of approximately $3.2 million was included in other non-current liabilities.

Restaurant Data

The following table sets forth, for each of the past three years, 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 restaurants owned by the Company, as well as those owned by franchisees and area licensees. Sales of 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. Pro forma information on Applebee's restaurant

data and restaurant development and franchising activity is presented in the section entitled "Pro forma comparison of the fiscal years ended December 31, 2007 and 2006—Applebee's" herein.

	Year Ended December 31,		
	2007	2006	2005
IHOP Restaurant Data			
Effective restaurants(a)			
Franchise	1,144	1,095	1,047
Company	12	8	7
Area license	158	156	151
Total	1,314	1,259	1,205
System-wide(b)			
IHOP sales percentage change(c)	6.9%	7.4%	5.4%
IHOP same-store sales percentage change(d)	2.2%	2.5%	2.9%
Franchise(b)			
IHOP sales percentage change(c)	7.1%	7.5%	6.2%
IHOP same-store sales percentage change(d)	2.2%	2.5%	2.9%
Company			
IHOP sales percentage change(c)	26.0%	(2.7)%	(55.8)%
Area License(b)			
IHOP sales percentage change(b)(c)	4.2%	6.5%	8.7%

(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 include restaurants owned by the Company as well as those owned by franchisees and area licensees.

(b) "System-wide sales" are retail sales of IHOP restaurants operated by franchisees, area licensees (related to IHOP only) and the Company, as reported to the Company. IHOP franchise restaurant sales were $522.0 million and $2.1 billion for the fourth quarter and fiscal year ended December 31, 2007, respectively, and sales at IHOP area license restaurants were $51.9 million and $211.9 million for the fourth quarter and fiscal year ended December 31, 2007, respectively. Domestic franchise sales for Applebee's restaurants in the 2007 period subsequent to the acquisition date were $319.5 million. 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. Sales of 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 year compared to the prior fiscal year for all restaurants in that category.

(d) "Same-store sales percentage change" reflects the percentage change in sales, in any given fiscal year compared to the prior fiscal year, 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 IHOP restaurants located in Florida.

The following table summarizes IHOP restaurant development and franchising activity:

	Year Ended December 31,				
	2007	2006	2005	2004	2003
IHOP Restaurant Development Activity					
Beginning of year	1,302	1,242	1,186	1,165	1,103
New openings					
Company-developed	—	4	4	6	56
Franchisee-developed	57	57	58	35	13
International franchisee-developed	2	—	—	—	—
Area license	1	8	5	6	5
Total new openings	60	69	67	47	74
Closings					
Company	(2)	—	(1)	(11)	(8)
Franchise	(12)	(8)	(10)	(15)	(4)
Area license	(4)	(1)	—	—	—
End of year	1,344	1,302	1,242	1,186	1,165
Summary—end of year					
Franchise(a)	1,176	1,132	1,082	1,028	979
Company	11	10	7	10	44
Area license(a)	157	160	153	148	142
Total	1,344	1,302	1,242	1,186	1,165
IHOP Restaurant Franchising Activity					
Company-developed	—	—	3	8	72
Franchisee-developed(a)	57	57	58	35	13
International franchisee-developed	2	—	—	—	—
Rehabilitated and refranchised	4	9	26	33	19
Total restaurant franchised	63	66	87	76	104
Reacquired by the Company	(7)	(8)	(23)	(12)	(11)
Closed	(12)	(8)	(10)	(15)	(4)
Net addition	44	50	54	49	89

(a) We historically reported IHOP restaurants in Canada as franchise restaurants although the restaurants were operated under an area license agreement. Beginning with 2004, Canadian IHOP restaurants are reported as "Area License." Prior year information has been restated to conform to the current year presentation.

Results of Operations

The following table contains information derived from our consolidated statements of operations expressed as a percentage of total operating revenues, except where otherwise noted. Percentages may not add due to rounding.

	Year Ended December 31,		
	2007	2006	2005
Revenues			
Franchise operations revenues	42.5%	51.3%	48.1%
Company restaurant sales	26.0	3.9	4.0
Rental operations income	27.3	37.8	37.8
Financing operations revenues	4.2	7.0	10.1
Total revenues	100.0%	100.0%	100.0%
Costs and Expenses			
Franchise operation expenses	18.2%	23.8%	22.6%
Company restaurant expenses	24.2	4.5	4.3
Rental operations expenses	20.3	28.0	28.3
Financing operations expenses	0.3	1.2	3.5
General and administrative expenses	16.8	18.2	16.9
Interest expense	5.9	2.3	2.4
Amortization of intangible assets	0.2	0.0	0.0
Other expense, net	0.4	1.3	1.4
Impairment and closure charges	0.9	0.0	0.3
Loss on derivative financial instrument	12.8	0.0	0.0
Early debt extinguishment costs	0.5	0.0	0.0
Total costs and expenses	100.6	79.2	79.6
(Loss) income from continuing operations before income taxes	(0.6)	20.8	20.4
(Benefit) provision for income taxes	(0.5)	8.1	7.7
(Loss) income from continuing operations	(0.1)	12.7	12.6
Income from discontinued operations, net of tax	0.0	0.0	0.0
Net (loss) income	(0.1)%	12.7%	12.6%

Comparison of the fiscal years ended December 31, 2007 and 2006

Overview

Our 2007 financial results were significantly impacted by one month of Applebee's operations since the date of acquisition, a loss on a derivative financial instrument and increased interest expense on $2.3 billion worth of funded debt. In comparing the Company's financial results for 2007 to those in 2006, we note that:

- net loss of $0.5 million in 2007 was comprised of IHOP net income of $0.8 million offset by Applebee's net loss of $1.3 million;
- IHOP net income decreased in 2007 to $0.8 million from $44.6 million in 2006 primarily due to the loss on derivative financial instrument of $62.1 million ($37.8 million net of tax) in 2007;

- franchise operations profit for IHOP restaurants in 2007 increased by $7.4 million or 7.7% due to higher revenues associated with franchise restaurant retail sales;

- general and administrative expenses for IHOP increased by $5.8 million or 9.1% primarily due to costs related to the Applebee's acquisition; and
- diluted weighted average shares outstanding decreased by 5.8% in 2007.

Franchise Operations

	2007	2006	Variance
Revenues			
Applebee's	$ 14,173	$ —	$ 14,173
IHOP	191,584	179,331	12,253
Total Franchise Revenues	$ 205,757	$ 179,331	$ 26,426

Consolidated franchise revenues grew by $26.4 million or 14.7% in 2007 as compared to 2006. Consolidated franchise revenues grew due to the Applebee's acquisition which increased franchise revenues by $14.2 million or 7.9%, as well as a 7.1% increase in IHOP franchise restaurant retail sales in 2007 as compared to 2006. The 7.1% increase in IHOP franchise restaurant retail sales was primarily attributable to the following:

- effective IHOP franchise restaurants increased by 4.5%; and
- same-store sales for IHOP franchise restaurants increased by 2.2%.

"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. IHOP 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.

In 2007, IHOP had various promotions including the rollout of new menu items in November 2007, and other promotions throughout the year which included "Pancake Surrender," "Fruit Crepe Fever," "Sweet Strawberry Serenade," "Stuffed French Toast Treasures," and "Cinn-A-Stacks Celebration." IHOP also increased national advertising spending (to include an additional promotional period in November and December 2007) over local media spending in 2006 for that period.

Consolidated franchise expenses increased by $5.0 million or 6.0% in 2007 as compared to 2006, which was primarily due to the increase in franchise expenses for IHOP restaurants in the amount of $4.8 million or 5.8%. IHOP franchise expenses such as advertising and the cost of proprietary products are related to IHOP franchise restaurant retail sales. The increase in IHOP franchise expenses was primarily a result of the 7.1% increase in IHOP franchise restaurant retail sales. Partially offsetting this increase, IHOP franchise expenses benefited from lower incentives to IHOP franchisees for point-of-sale system purchases, as well as a reduction in the amount of financial relief granted to IHOP franchisees. The reduction in franchisee relief granted was primarily due to fewer underperforming restaurants in our system than in previous periods.

Company Restaurant Operations

	2007	2006	Increase
Revenues			
Applebee's	$ 108,784	$ —	$ 108,784
IHOP	17,121	13,585	3,536
Total Company Restaurant Sales	$ 125,905	$ 13,585	$ 112,320

Total company restaurant sales in 2007 increased by $112.3 million as compared to 2006. The increase in total company restaurant sales was due almost exclusively to the Applebee's acquisition which contributed $108.8 million of the increase. The company restaurant expenses increased by $101.8 million as compared to 2006. This increase was due almost exclusively to Applebee's, which contributed $97.8 million of the increase.

Company restaurant operations loss, which is income less expenses, for IHOP company restaurants was $2.5 million in 2007, or 23.5% higher than the loss of $2.0 million in 2006. This is primarily due to lower sales per restaurant as well as higher salary and benefits costs.

Rental Operations

Rental operations profit, which is rental income less rental expenses and exclusively IHOP, decreased by $0.2 million or 0.5% in 2007, as compared to 2006. Rental operations profit in 2007 compared to 2006 was impacted by the write-off of deferred rent resulting from terminated subleases on restaurants reacquired in 2006. Deferred rent on operating subleases is the difference between straight-line rent and the actual amount received. Straight-line rent is the amount of rent over the full lease term spread over equal monthly amounts.

Financing Operations

Financing operations profit, which is financing revenues less financing expenses, is exclusively attributable to the IHOP business unit. In 2007 financing operations profit decreased by $1.0 million or 5.1% compared to 2006. This decrease was primarily attributable to the decrease in franchise and equipment note interest due to the expected reduction in franchise fee note balances. These decreases were partially offset by an increase in net profit margin on the sale of franchises and equipment associated with company-developed and rehabilitated and refranchised restaurants. In 2007, the Company had a net profit margin of $0.1 million associated with four refranchised restaurants, compared to a negative margin of $0.5 million associated with nine refranchised restaurants in 2006.

Loss on Derivative Financial Instrument

As further described under "Liquidity and Capital Resources," we entered into a swap arrangement in July 2007. Settlement of the swap resulted in additional interest expense related to the designated portion of $62.1 million for 2007 and $1.2 million of interest expense related to the amortization of other comprehensive loss related to the designated portion of the swap over the expected life of the related debt, which is included in the accompanying Consolidated Statements of Operations.

General and Administrative Expenses

General and administrative expenses increased by $18.1 million or 28.4% in 2007 compared to the prior year, primarily due to one month of Applebee's expenses in the amount of $12.3 million. General and administrative expenses for IHOP as a percentage of total IHOP operating revenues increased 19.2% in 2007 compared to 18.2% in 2006, primarily due to increased professional services, and increased expenses for equity based compensation. Professional services increased by $3.9 million in 2007 compared to 2006, primarily due to consulting fees related to the integration of Applebee's. Excluding the acquisition-related expenditures of $3.0 million, growth would have been 4.4%. Equity based compensation expenses related to the issuance of additional restricted stock increased by $1.6 million in 2007 compared to 2006. In addition, other compensation increased by $0.5 million compared to 2006.

Interest Expense

Interest expense increased by $20.8 million in 2007 compared to 2006, primarily due to one month of Applebee's expenses in the amount of $14.6 million which is attributable to interest associated with the securitzation for the acquisition. Interest expense for IHOP increased by $6.1 million or 77.4% in 2007 compared to 2006 as a result of the higher level of debt associated with the securitizations.

Impairment and Closure Charges

Impairment and closure charges increased to $4.3 million in 2007 from $43,000 in 2006. Impairment and closure charges in 2007 included the impairment of long lived assets for three restaurants closed in 2007, and two currently operated restaurants in Cincinnati. Impairment charges in 2006 were primarily for the impairment of long lived assets on three restaurants. The decision to close or impair the restaurants in 2007 and 2006 was a result of a comprehensive analysis that examined restaurants not meeting minimum return on investment thresholds and certain other operating performance criteria and represented a change in strategy from prior practices. The assets for these restaurants were written down to their estimated fair value.

Early Debt Extinguishment Costs

Early debt extinguishment costs in the amount of $2.2 million in 2007 resulted from early debt retirement with funds generated by the securitization transactions for IHOP. These costs include the write-off of deferred financing costs in the amount of $1.0 million, and $1.2 million for prepayment penalties as a result of paying off IHOP's pre-existing debt.

Provision for Income Taxes

We recognized a tax benefit of $2.2 million in 2007 as compared to a tax provision of $28.3 million in 2006. The change was primarily due to the release of certain unrecognized tax benefits as a result of the lapse of statute of limitations, higher compensation related income tax credits, and claims for the refund of income taxes paid in previous years partially offset by changes in state tax rates and state tax laws. These adjustments have a significant impact on the effective tax rate in 2007 because of the decrease in our pretax book income.

Comparison of the fiscal years ended December 31, 2006 and 2005

Overview

Our 2006 financial results were driven by an increase in franchise operations profit, due to higher revenues associated with franchise restaurant retail sales. Partially offsetting this increase was an increase in general and administrative expenses in 2006 compared to 2005. A comparison of our financial results for 2006 to those in 2005 included:

- an increase in same-store sales of 2.5% in 2006;
- an increase in franchise operations profit of $7.6 million or 8.6%;
- an increase in cash flows provided by operating activities in 2006 to $64.9 million, compared to $55.4 million in 2005;
- an increase in general and administrative expenses of $4.7 million or 8.1% (excluding stock-based compensation expense in the amount of $3.9 million in 2006, general and administrative expenses would have increased by $1.1 million or 1.9% in 2006 compared to the prior year); and
- a decrease in diluted weighted average shares outstanding of 6.7%.

Franchise Operations

Franchise revenues grew by $11.9 million or 7.1% in 2006 compared to 2005. Franchise revenues grew primarily due to a 7.5% increase in franchise restaurant retail sales in 2006 compared to 2005. The 7.5% increase in franchise restaurant retail sales was primarily attributable to the following:

- the number of effective franchise restaurants increased by 4.6%; and
- same-store sales for franchise restaurants increased by 2.5%.

Effective franchise restaurants increased by 48 or 4.6% due to new restaurant openings in 2006 and the annualized effect of new restaurant development in 2005. The increases in same-store sales for franchise restaurants of 2.5% in 2006 was driven by increased guest traffic that significantly outpaced moderate increases in guest check averages. In 2006, our limited-time promotions, All You Can Eat Pancakes, Funnel Cake Carnival, French Toast Fantasy and Super Rooty Tooty Fresh 'N Fruity, contributed to the increased guest traffic as well as pricing moderation demonstrated by our franchisees which further reinforced IHOP's price/value relationship with guests.

Franchise expenses increased by $4.3 million or 5.5% in 2006 compared to 2005. 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 7.5% increase in franchise restaurant retail sales. Partially offsetting this increase, franchise expenses benefited from lower incentives to our franchisees for point-of-sale system purchases, as well as a reduction in the amount of financial relief granted to franchisees. The reduction in franchisee relief granted was primarily due to fewer underperforming restaurants in our system than in previous years.

Company Restaurant Operations

Company restaurant operations loss, which is IHOP company restaurant sales less related expenses, was $2.0 million in 2006 or 78.2% more than the loss of $1.1 million in 2005. Company restaurant operations loss in 2006 was due primarily to lower levels of sales at recently opened locations in our Cincinnati market. At the end of the fourth quarter of 2006, we operated ten restaurants, all of which are located in our dedicated IHOP market of Cincinnati, Ohio.

Rental Operations

Rental operations profit increased by $1.0 million or 2.9% in 2006 compared to 2005. Rental operations profit in 2006 was primarily impacted by the increase in same-store sales for franchise restaurants of 2.5% in 2006.

Financing Operations

Financing operations profit, which is financing revenues less financing expenses, decreased by $2.4 million or 10.8% in 2006 compared to 2005. This 10.8% decrease in financing operations profit was primarily due to the decrease in franchise and equipment note interest as a result of declining long-term note balances. The Company anticipates long-term note balances to continue to decrease as our franchise fee and equipment notes receivables amortize continually in the future.

Financing revenues decreased by $10.5 million or 30.0% in 2006 compared to the prior year. The decrease in revenues was partially due to the decrease in revenues associated with the number of rehabilitated and refranchised restaurants under the Old Business Model. In 2006, there were nine rehabilitated and refranchised restaurants compared to 26 in 2005. In addition, the decrease in financing revenues in 2006 compared to 2005 was impacted by the decrease in franchise and equipment note interest due to the expected reduction in franchise fee note balances.

Financing expenses decreased by $8.1 million or 65.5% in 2006 compared to 2005. This decrease was primarily due to the decrease in costs associated with the number of restaurants rehabilitated and refranchised in 2006 compared to 2005.

Interest Expense

Interest expense decreased by $0.4 million or 5.0% in 2006 compared to 2005. This was primarily due to decreased interest expense associated with our conventional debt.

General and Administrative Expenses

General and administrative expenses increased by $4.7 million or 8.1% in 2006 compared to the prior year, primarily due to expenses in the amount of $3.9 million in 2006 related to the implementation of *FASB Statement 123(R), Share-Based Payment*, which requires all share-based payments, including grants of stock options, to be recognized in the income statement based on their estimated fair values. Excluding stock-based compensation expense in the amount of $3.9 million in 2006, general and administrative expenses would have increased by $1.1 million or 1.9% in 2006 compared to 2005. In addition, expenses related to our Performance Share Plans for executive management increased by $1.1 million in 2006 compared to 2005 as a result of the addition of a third cycle of performance share awards in 2006. General and administrative expenses were also impacted by normal increases in salaries and wages of $0.7 million or 2.8% in 2006 compared to 2005, which was offset by a decrease in legal professional services. Legal professional services decreased in the amount of $1.0 million or 63.2% in 2006 compared to 2005 as a result of fewer legal expenses related to cases aimed at removing poor performing operators from the IHOP system.

Provision for Income Taxes

Our effective tax rate for 2006 was 38.8% compared to 38.0% in 2005. The increase in our effective tax rates was primarily due to a review and adjustment for higher tax rates in states in which we operate.

Pro Forma Comparison of the fiscal years ended December 31, 2007 and 2006—Applebee's

The 2007 information includes the 11-month data from Applebee's prior to the acquisition date of November 29, 2007 and the one-month data of Applebee's subsequent to the acquisition date ("Pro Forma 2007"). The 2006 and prior information represents data derived from Applebee's prior to the acquisition date ("Predecessor Applebee's").

Restaurant Data

The following table sets forth, for each of the past three years, the number of effective restaurants in the Applebee's system and information regarding the percentage change in sales at those restaurants compared to the same period in the prior year.

	Year Ended December 31,		
	2007	2006	2005
	(Pro Forma)	(Predecessor Applebee's)	
Applebee's Restaurant Data			
Effective restaurants(a)			
Franchise	1,429	1,353	1,264
Company	513	506	463
Total	1,942	1,859	1,727
System-wide(b)			
Applebee's domestic sales percentage change(c)(e)	(0.2)%	8.4%	7.7%
Applebee's domestic same-store sales percentage change(d)(e)	(2.1)%	(0.6)%	1.7%
Franchise(b)			
Applebee's domestic sales percentage change (c)(e)	0.1%	7.6%	6.8%
Applebee's domestic same-store sales percentage change(d)(e)	(2.0)%	(0.5)%	2.6%
Company			
Applebee's sales percentage change(c)(e)	(0.9)%	10.6%	10.4%
Applebee's same-store sales percentage (d)(e)	(2.2)%	(1.0)%	(0.9)%

(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 Applebee's system, which include restaurants owned by Applebee's as well as those owned by franchisees.

(b) "System-wide sales" are retail sales of Applebee's restaurants operated by franchisees and Applebee's as reported to the Company. The Company acquired Applebee's International, Inc. on November 29, 2007. Applebee's system-wide sales information includes the full year. Domestic franchise restaurant sales for Applebee's restaurants were $803.3 million and $3,348.4 million in the fourth quarter and fiscal year ended December 31, 2007, respectively. Domestic franchise sales for Applebee's restaurants in the 2007 period subsequent to the acquisition date were $319.5 million. Franchise restaurant retail sales are sales recorded at restaurants that are owned by franchisees 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. Sales of 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 year compared to the prior fiscal year for all restaurants in that category. The sales percentage changes for Applebee's restaurants for the three months ended December 31, 2007 and 2006 were impacted by a 14th week in 2006. The sales percentage changes for Applebee's restaurants in 2006 and 2007 were impacted by a 53rd week in 2006. In addition, all periods for company-owned Applebee's restaurants exclude the impact of discontinued operations.

(d) "Same-store sales percentage change" reflects the percentage change in sales, in any given fiscal year compared to the prior fiscal year, 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.

(e) These amounts represent changes for Applebee's restaurants for the full year. We acquired Applebee's on November 29, 2007. The change in Applebee's store sales and same-store sales was (5.1)% and (4.5)%, respectively, for the five-week period in the 2007 period subsequent to the acquisition date. The change in domestic franchise restaurant store sales and same-store sales, as reported to the Company, was (2.4)% and (5.0)%, respectively, for the five-week period in the 2007 period subsequent to the acquisition date. The change in domestic system store sales was (3.1)% and (4.8)%, respectively, for the five-week period in the 2007 period subsequent to the acquisition date.

The following table summarizes Applebee's restaurant development and franchising activity:

	Year Ended December 31,				
	2007	2006	2005	2004	2003
	(Pro forma)	(Predecessor Applebee's)			
Applebee's Restaurant Development Activity					
Beginning of year	1,930	1,804	1,671	1,585	1,496
New openings					
Company-developed	14	35	52	32	26
Franchisee-developed	66	108	92	77	74
Total new openings	80	143	144	109	100
Closings					
Company	(24)	(4)	(1)	(1)	(2)
Franchise	(10)	(13)	(10)	(22)	(9)
End of year	1,976	1,930	1,804	1,671	1,585
Summary—end of year					
Franchise	1,465	1,409	1,318	1,247	1.202
Company	511	521	486	424	383
Total	1,976	1,930	1,804	1,671	1,585
Applebee's Restaurant Franchising Activity					
Domestic franchisee-developed	44	90	78	66	67
International franchisee-developed	22	18	14	11	7
Refranchised	—	—	—	—	9
Total restaurant franchised	66	108	92	77	83
Reacquired by the Company	—	(4)	(11)	(10)	(11)
Closed	(10)	(13)	(10)	(22)	(9)
Net addition	56	91	71	45	63

Results of Operations

The following table illustrates the full year comparative pro forma information on certain financial results of Applebee's on a stand-alone basis as compared to Predecessor Applebee's for 2006. The pro forma financial information is presented for reference only and should not be construed as representative of future operating results. The pro forma results for 2007 contained 52 weeks while 2006 contained 53 weeks.

	2007 (Pro Forma)	2006 (Predecessor Applebee's)
	(In thousands)	
Franchise revenues	$ 143,697	$ 141,663
Company restaurant sales	1,158,537	1,168,703
Franchise expenses	$ 1,528	$ 2,699
Company restaurant expenses	1,039,126	1,021,493
General and administrative expenses	198,820	140,824

Franchise Operations

Pro forma Applebee's franchise revenues in 2007 increased 1.4% from $141.7 million to $143.7 million as compared to 2006 primarily due to an increase in effective restaurants from 1,353 restaurants in 2006 to 1,429 restaurants in 2007. This increase was partially offset by a decrease in franchise revenues due to the impact of an extra week in 2006 and a decrease in domestic same-store sales of 2.0% in 2007 as compared to 2006.

Pro forma Applebee's franchise expenses in 2007 decreased 43.4% from $2.7 million in 2006 to $1.5 million in 2007. This decrease was due primarily to a decrease in claims expense recognized related to the captive insurance subsidiary.

Company Restaurant Operations

Pro forma Applebee's company restaurant sales for the full fiscal year in 2007 decreased 0.9% from $1,168.7 million in 2006 to $1,158.5 million in 2007. This decrease was due primarily to the impact of the extra week in 2006 as compared to 2007 and a decline in guest traffic of approximately 4%. This decrease was partially offset by an increase in guest check of approximately 2% as well as an increase in the effective number of company restaurants of approximately 1%. Company same-store sales decreased by 2.2% in 2007 as compared to 2006.

Pro forma company restaurant operation profit for Applebee's company restaurants decreased by $27.8 million from $147.2 million in 2006 to $119.4 million in 2007. The components of company restaurant expenses, as a percentage of company restaurant sales, were as follows:

	2007 (Pro forma)	2006 (Predecessor Applebee's)	Variance
Food and beverage	26.9%	26.7%	0.2%
Labor	34.9	33.6	1.3
Direct and occupancy	27.8	26.8	1.0
Pre-opening expense	0.2	0.4	(0.2)
Total Cost of Company Restaurant Sales	89.7%	87.4%	2.3%

Percentages may not add due to rounding.

Total food and beverage costs increased by 0.2% in 2007 as compared to 2006. This increase was due primarily to the unfavorable impact of a shift in menu mix and higher food costs related to Applebee's menu promotions which was partially offset by menu price increases of approximately 2.7%.

Total labor costs increased by 1.3% in 2007 as compared to 2006. The increase in 2007 was due primarily to higher restaurant management salaries and hourly wage rates including the impact of state minimum wage rate increases as well as higher management incentive compensation.

Direct and occupancy costs increased by 1.0% in 2007 as compared to 2006 due primarily to lower sales volumes at company restaurants which resulted in unfavorable year-over-year comparisons for depreciation and rent, as a percentage of sales, due to their relatively fixed nature as well as higher repairs and maintenance and credit card usage expense. This increase was partially offset by lower kitchen and dining supplies expense.

Pre-opening expense decreased by 0.2% in 2007 as compared to 2006 due to the number of company restaurant openings.

General and Administrative Expenses

General and administrative expenses as a percentage of sales increased from 10.7% in 2006 to 15.3% in 2007. The increase was due primarily to additional stock-based compensation recognized and severance costs accrued for employees who are expected to be terminated in connection with the Applebee's acquisition as well as the costs related to the exploration of strategic alternatives for enhancing shareholder value.

Liquidity and Capital Resources of the Company

We currently anticipate that our cash and cash equivalents, together with expected cash flows from operations sale-leaseback and refranchising will be sufficient to meet our anticipated cash requirements for working capital, retirement of securitized debt, capital expenditures and other obligations for at least the next 12 months.

Cash Flows

Our primary sources of liquidity are cash provided by operating activities and principal receipts from notes and equipment contracts receivable from our franchisees. Moreover, proceeds from the securitization transactions which were completed during 2007 provided an additional source of cash. Principal uses of cash were the purchase of Applebee's, payments on debt, payments of dividends, capital investment and common stock repurchases.

In summary, our cash flows were as follows:

	2007	2006	2005
		(In thousands)	
Net cash provided by operating activities	$ 106,323	$ 64,859	$ 55,353
Net cash (used in) provided by investing activities	(1,937,392)	9,296	24,348
Net cash provided by (used in) financing activities	1,838,391	(77,750)	(100,621)
Net increase (decrease) in cash and cash equivalents	$ 7,322	$ (3,595)	$ (20,920)

Operating Activities

Cash provided by operating activities is primarily driven by revenues earned and collected from our franchisees, operating earnings from our company-operated restaurants and rental operations profit from our leases. Franchise revenues consist of royalties, IHOP advertising fees, and sales of proprietary products for IHOP which fluctuate with increases or decreases in franchise retail sales. Franchise retail

sales are impacted by the development of IHOP and Applebee's restaurants by our franchisees and by fluctuations in same-store sales. Company-operated operating earnings are impacted by many factors which include but are not limited to changes in traffic pattern, pricing activities and changes in operating expenses. Rental operations profit is rental income less rental expenses. 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.

Cash provided by operating activities increased to $106.3 million in 2007 from $64.9 million in 2006. The increase was due primarily to one month of Applebee's operating activities offset by the decrease in net income as a result of an increase in interest expense of $68.2 million due to the swap agreement (as described in Item 7A) and the higher level of debt associated with the March 2007 and November 2007 securitizations.

Investing Activities

Net cash used in investing activities in 2007 was primarily attributable to the $2.0 billion acquisition of Applebee's, net of cash acquired and accrued acquisition costs, and $11.9 million in capital expenditures, of which $9.1 million related to Applebee's, offset by $16.6 million in principal receipts from notes and equipment contracts receivable. Net cash provided by investing activities in 2006 and 2005 was primarily attributable to principal receipts from notes and equipment contracts receivables, offsetting capital expenditures. IHOP capital expenditures were $2.8 million, $9.4 million and $7.4 million in 2007, 2006 and 2005, respectively. The decrease in 2007 was primarily due to the timing of costs associated with the continued development of our dedicated company operations market in Cincinnati, Ohio. There were zero, four and four restaurants developed in our dedicated company operations market in 2007, 2006 and 2005, respectively.

The following table represents the principal receipts on various receivables due from our franchisees as of December 31, 2007:

	Principal Receipts Due By Period						
	2008	2009	2010	2011	2012	Thereafter	Total
	(In thousands)						
Equipment leases(1)	$ 6,457	$ 6,928	$ 6,948	$ 6,945	$ 6,913	$ 125,809	$ 160,000
Direct financing leases(2)	2,984	3,497	4,081	4,769	5,625	97,524	118,480
Franchise notes and other(3)	8,891	6,138	4,761	2,826	2,005	4,634	29,255
Total	$ 18,332	$ 16,563	$ 15,790	$ 14,540	$ 14,543	$ 227,967	$ 307,735

(1) Equipment lease receivables extend through the year 2029.

(2) Direct financing lease receivables extend through the year 2024.

(3) Franchise note receivables extend through the year 2015.

Financing Activities

Net cash provided by financing activities in 2007 was primarily attributable to the $2.3 billion in proceeds received from the issuances of the Series 2007-1 FRN, the Applebee's November 2007-1 Notes, Applebee's Series 2007-1 Class A-1 Variable Funding Senior Notes and the Series 2007-3 FRN (see Note 10 to the consolidated financial statements) and $222.8 million related to preferred stock issuances and $8.9 million related to stock option exercises. This was offset by the repayment of $268.2 million in long-term debt through the use of proceeds from the 2007 debt issuances, cash of $186.1 million placed in restriction due primarily to the securitization structures, the $138.0 million payment of debt issuance costs, $76.0 million related to stock repurchases and $17.3 million in dividend

payments. Net cash used in financing activities in 2006 and 2005 was primarily attributable to stock repurchases, dividend payments, repayment of long-term debt and principal payments on capital lease obligations, offset by stock option exercises.

Securitized Debt

In March 2007, we issued $175 million of Series 2007-1 fixed rate notes and completed a securitized financing facility providing for the issuance of up to $25 million of Series 2007-2 variable funding notes. These debts are collateralized by IHOP restaurant assets (see Note 10 to the consolidated financial statements).

In connection with the Applebee's acquisition in November 2007, we completed two separate securitization transactions with total proceeds of $2.039 billion. The securitization transactions consisted of an issuance of debt collateralized by Applebee's restaurant assets (see Note 10 to the consolidated financial statements) and a separate issuance of debt within the March 2007 securitization structure, collateralized by IHOP restaurant assets. The Applebee's securitization totaled $1.794 billion and consisted of four classes of fixed rate notes and a revolving credit facility of up to $100 million of variable funding notes. In addition, the variable funding notes provide for the issuance of letters of credit. As of December 31, 2007, we have $20.3 million of letters of credit outstanding which were issued to cover potential insurance losses. The IHOP securitization consisted of the issuance of $245 million of Series 2007-3 fixed rate notes.

All these notes are subject to a series of covenants and restrictions under the relevant note indenture that are 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 coverage ratios to be met, and (iii) consolidated leverage ratios. We plan to utilize cash flow and proceeds from the sale of assets at Applebee's through both refranchising and sale-leasebacks over the next two to three years to significantly pay down our debt.

Share Repurchases and Dividends

Under the current stock repurchase program which began in 2003, the Company was authorized to repurchase up to 7.2 million shares of common stock. During 2007, we repurchased a total of 1.3 million shares at an aggregate cost of approximately $77.0 million. Since the inception of the program, the Company has bought back 6.3 million shares for a total of $280.0 million. As of December 31, 2007, there were 0.9 million shares remain available for repurchase under this program. Subsequent to the Applebee's acquisition, we do not expect to repurchase shares in 2008, but to resume share repurchases in 2010 or 2011, financial conditions permitting.

We had accrued $1.7 million as dividends for the Series A Perpetual Preferred Stock as of December 31, 2007. The dividends were paid in January 2008.

We have paid regular quarterly dividends of $0.25 per common share since May 2003. On January 9, 2008, we declared a quarterly cash dividend of $0.25 per common share, payable on February 22, 2008, to stockholders of record as of February 1, 2008. Future dividends will be declared at the discretion of the Board of Directors.

Off-Balance Sheet Arrangements

As of December 31, 2007, we had no off-balance sheet arrangements, as defined in Item 303(a)(4) of SEC Regulation S-K.

Contractual Obligations and Commitments

The following are our significant contractual obligations and commitments as of December 31, 2007:

Contractual Obligations	Payments Due By Period 1 Year	2-3 Years	4-5 Years	More than 5 Years	Total
	(in thousands)				
Debt	$ —	$ —	$ —	$ 2,304,000	$ 2,304,000
Operating leases	94,123	184,014	177,651	946,701	1,402,489
Capital leases	24,627	49,954	49,837	217,291	341,709
Purchase commitments	193,147	73,733	—	—	266,880
Settlement with taxing authorities	146	—	—	—	146
Other obligations(1)	10,711	464	—	—	11,175
Total minimum payments	322,754	308,165	227,488	3,467,992	4,326,399
Less interest	(18,528)	(34,788)	(31,032)	(83,174)	(167,522)
	$ 304,226	$ 273,377	$ 196,456	$ 3,384,818	$ 4,158,877

(1) Related to severance costs.

As discussed in Note 16 of the Notes to the Consolidated Financial Statements, effective January 1, 2007, we adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109*. At December 31, 2007, we had a reserve for unrecognized tax benefit including potential interest and penalties, net of related tax benefit, totaling $16.9 million, of which approximately $0.1 million is expected to be paid within one year. For the remaining liability, due to the uncertainties related to these tax matters, we are unable to make a reasonably reliable estimate when cash settlement with a taxing authority will occur.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to financial market risk, including interest rates and commodity prices. We address these risks through controlled risk management that includes the use of derivative financial instruments to economically hedge or reduce these exposures. We do not enter into financial instruments for trading or speculative purposes.

Interest Rate Risk

Our interest income and expense is more sensitive to fluctuations in the general level of U.S. interest rates than to changes in rates in other markets. Changes in the U.S. interest rates affect the interest earned on our cash and cash equivalents and investments, and interest expense on our variable funding notes.

Our short and long-term investments are comprised primarily of certificates of deposits and auction rate securities that are included in restricted assets related to the captive insurance subsidiary. We have classified these investments as available-for-sale. Investments in fixed interest rate earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates. Our future investment income may fall short of expectations due to changes in interest rates. Due to the short time period between reset dates of the interest rates, there are no unrealized gains or losses associated with the auction rate securities. As of December 31, 2007, we had investments in auction rate securities with contractual maturities ranging from 2030 to 2033. Such investments have a weighted average yield of approximately 4.0%. Based on our cash and cash equivalent and short-term and long-term investment holdings as of December 31,

2007, a 1% decline in interest rates would decrease our annual interest income by approximately $0.1 million.

On July 16, 2007, we entered into an interest rate swap contract (the "Swap") as a condition of the acquisition financing with Lehman Brothers Special Financial Inc. ("LBSFI"), guaranteed by Lehman Brothers Holdings, Inc. ("LBHI"). The Swap was intended to hedge our interest payments on the asset-backed notes that were issued in November 2007 to finance the Applebee's acquisition. The Swap sets forth the terms of a five-year interest rate swap in which we would be the fixed rate payer and LBSFI would be the floating rate payer (the "Reference Swap"). The Reference Swap has an effective date of July 16, 2008, a notional amount of $2.039 billion, a floating rate of LIBOR and a fixed rate of 5.694%. On November 29, 2007, we terminated the interest rate swap contract upon the consummation of the Applebee's acquisition. The fair value of the Swap was $124.0 million. The fair value of the designated portion of the Swap amounted to $61.9 million ($38.0 million net of tax effect) and is included as "Accumulated other comprehensive loss" in our consolidated balance sheet as of December 31, 2007. The fair value of the undesignated portion of the Swap resulted in additional interest expense of $62.1 million for the year ended December 31, 2007, which was included in our consolidated statement of operations.

At December 31, 2007, we had approximately $90 million of variable rate debt. If the interest on our variable rate debt were to increase or decrease by 1% for the year, annual interest expense would increase or decrease by approximately $0.9 million based on the amount of outstanding variable rate debt at December 31, 2007.

Commodity Prices

Many of the food products purchased by us and our franchisees and area licensees are affected by commodity pricing and are, therefore, subject to unpredictable price volatility. To moderate the volatility, Applebee's enters into fixed price purchase commitments. IHOP attempts to mitigate price fluctuations by entering into forward purchase agreements on all our major products. None of these food product contracts or agreements is a derivative instrument. Extreme changes in commodity prices and/or long-term changes could affect our franchisees, area licensees and company-operated restaurants adversely. We expect that, in most cases, the IHOP and Applebee's systems would be able to pass increased commodity prices through to our consumers via increases in menu prices. From time to time, competitive circumstances could limit short-term menu price flexibility, and in those cases margins would be negatively impacted by increased commodity prices. We believe that any changes in commodity pricing that cannot be adjusted for by changes in menu pricing or other strategies would not be material to our financial condition, results of operations or cash flows.

In some instances, we enter into commitments to purchase food and other items on behalf of the IHOP and Applebee's systems. At December 31, 2007, our outstanding purchase commitments were $266.9 million. The Company has developed processes to facilitate the liquidation of these commitments to minimize financial exposure.

Item 8. Financial Statements and Supplementary Data.

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IHOP Corp. and Subsidiaries

Consolidated Balance Sheets

(In thousands, except share amounts)

	December 31, 2007	December 31, 2006
Assets		
Current assets		
Cash and cash equivalents	$ 26,838	$ 19,516
Restricted cash	128,138	—
Short-term investments, at market value	300	—
Receivables, net	115,335	45,571
Inventories	13,280	396
Prepaid income taxes	30,695	3,320
Prepaid expenses	30,831	1,553
Deferred income taxes	21,862	5,417
Assets held for sale	60,347	—
Current assets related to discontinued operations	6,052	—
Total current assets	433,678	75,773
Non-current restricted cash	57,962	—
Restricted assets related to captive insurance subsidiary	10,518	—
Long-term receivables	288,452	302,088
Property and equipment, net	1,139,616	309,737
Goodwill	730,728	10,767
Other intangible assets, net	1,011,457	—
Other assets, net	156,193	67,885
Non-current assets related to discontinued operations	2,558	—
Total assets	$ 3,831,162	$ 766,250
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt	$ —	$ 19,738
Accounts payable	99,019	14,689
Accrued employee compensation and benefits	56,795	13,359
Deferred revenue	76,802	—
Accrued financing costs	63,045	1,601
Other accrued expenses	49,203	9,600
Deferred compensation	21,236	—
Accrued interest payable	15,240	2,498
Total current liabilities	381,340	61,485
Long-term debt, less current maturities	2,263,887	94,468
Capital lease obligations, less current maturities	168,242	170,412
Deferred income taxes	504,865	76,017

Other liabilities	113,103	74,655
Non-current liabilities related to discontinued operations	3,302	—
Commitments and contingencies		
Preferred stock, Series A, $1 par value, 220,000 shares authorized; 190,000 shares issued and outstanding	187,050	—
Stockholders' equity		
Preferred stock, Series B, $1 par value, 10,000,000 shares authorized; 35,000 shares issued and outstanding	35	—
Common stock, $.01 par value, 40,000,000 shares authorized; 2007: 23,359,664 shares issued and 17,105,469 shares outstanding; 2006: 22,818,007 shares issued and 17,873,548 shares outstanding	230	227
Additional paid-in-capital	184,710	131,748
Retained earnings	338,790	358,975
Accumulated other comprehensive loss	(36,738)	(133)
Treasury stock, at cost (2007: 6,254,195 shares; 2006: 4,944,459 shares)	(277,654)	(201,604)
Total stockholders' equity	209,373	289,213
Total liabilities and stockholders' equity	$ 3,831,162	$ 766,250

See the accompanying notes to the consolidated financial statements.

IHOP Corp. and Subsidiaries

Consolidated Balance Sheets

(In thousands, except share amounts)

IHOP Corp. and Subsidiaries

Consolidated Statements of Operations

(In thousands, except per share amounts)

	Year Ended December 31,		
	2007	2006	2005
Revenues			
Franchise revenues	$ 205,757	$ 179,331	$ 167,384
Company restaurant sales	125,905	13,585	13,964
Rental income	132,422	132,101	131,626
Financing revenues	20,475	24,543	35,049
Total revenues	484,559	349,560	348,023
Costs and Expenses			
Franchise expenses	88,054	83,079	78,768
Company restaurant expenses	117,435	15,601	15,095
Rental expenses	98,402	97,904	98,391
Financing expenses	1,215	4,240	12,299
General and administrative expenses	81,597	63,543	58,801
Interest expense	28,654	7,902	8,322
Amortization of intangible assets	1,132	—	—
Other expense, net	2,147	4,398	4,585
Impairment and closure charges	4,326	43	896
Loss on derivative financial instrument	62,131	—	—
Early debt extinguishment costs	2,223	—	—
Total costs and expenses	487,316	276,710	277,157
(Loss) income from continuing operations before income taxes	(2,757)	72,850	70,866
(Benefit) provision for income taxes	(2,247)	28,297	26,929
(Loss) income from continuing operations	(510)	44,553	43,937
Income from discontinued operations, net of tax	30	—	—
Net (loss) income	$ (480)	$ 44,553	$ 43,937
Net (loss) income	$ (480)	$ 44,553	$ 43,937
Less: Preferred stock dividends	(1,742)	—	—
Net (loss) income available to common stockholders	$ (2,222)	$ 44,553	$ 43,937

Net (loss) income available to common stockholders per share			
Basic	$ (0.13)	$ 2.46	$ 2.26
Diluted	$ (0.13)	$ 2.43	$ 2.24
Weighted average shares outstanding			
Basic	17,232	18,085	19,405
Diluted	17,232	18,298	19,603
Dividends declared per common share	$ 1.00	$ 1.00	$ 1.00
Dividends paid per common share	$ 1.00	$ 1.00	$ 1.00

See the accompanying notes to the consolidated financial statements.

IHOP Corp. and Subsidiaries

Consolidated Statements of Stockholders' Equity

(In thousands, except share amounts)

	Preferred Stock		Common Stock							
	Shares Issued	Series B Amount	Shares Issued	Amount	Additioal Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at cost	Contribution To ESOP	Total
Balance, December 31, 2004	—	$ —	22,252,750	$ 223	$ 112,874	$ 308,173	$ (401)	$ (82,015)	$ 910	$ 339,764
Net income	—	—	—	—	—	43,937	—	—	—	43,937
Unrealized gain on interest rate swap, net of tax	—	—	—	—	—	—	196	—	—	196
Comprehensive income										44,133
Repurchase of treasury shares	—	—	—	—	—	—	—	(77,474)	—	(77,474)
Reissuance of treasury shares to ESOP			—	—	330	—	—	580	(910)	—
Issuance of shares pursuant to stock plans	—	—	190,510	2	5,083	—	—	—	—	5,085
Issuance of restricted stock	—	—	21,500	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	310	—	—	—	—	310
Tax benefit from stock options exercised	—	—	—	—	1,578	—	—	—	—	1,578
Dividends—common stock	—	—	—	—	—	(19,550)	—	—	—	(19,550)
Balance, December 31, 2005	—	—	22,464,760	225	120,175	332,560	(205)	(158,909)	—	293,846
Net income	—	—	—	—	—	44,553	—	—	—	44,553
Unrealized gain on interest rate swap, net of tax	—	—	—	—	—	—	72	—	—	72
Comprehensive income										44,625
Repurchase of treasury shares	—	—	—	—	—	—	—	(42,695)	—	(42,695)
Issuance of shares pursuant to stock plans	—	—	353,247	2	5,942	—	—	—	—	5,944
Stock option expense	—	—	—	—	1,905	—	—	—	—	1,905
Amortization of restricted stock grants	—	—	—	—	2,006	—	—	—	—	2,006
Tax benefit from stock options exercised			—	—	1,720	—	—	—	—	1,720
Dividends—common stock			—	—	—	(18,138)	—	—	—	(18,138)
Balance, December 31, 2006	—	—	22,818,007	227	131,748	358,975	(133)	(201,604)	—	289,213
Net loss	—	—	—	—	—	(480)	—	—	—	(480)
Unrealized loss on interest rate swap, net of tax	—	—	—	—	—	—	(36,605)	—	—	(36,605)
Comprehensive loss										(37,085)
Cumulative effect of										

adoption of FIN 48	—	—	—	—	—	(489)	—	—	—	(489)
Repurchase of treasury shares	—	—	—	—	—	—	—	(77,020)	—	(77,020)
Issuance of preferred stock Series B, net of $750 issuance costs	35,000	35	—	—	34,215	—	—	—	—	34,250
Issuance of shares pursuant to stock plans	—	—	541,657	3	8,925	—	—	970	—	9,898
Stock-based compensation	—	—	—	—	6,165	—	—	—	—	6,165
Tax benefit from stock options exercised	—	—	—	—	3,476	—	—	—	—	3,476
Dividends—common stock	—	—	—	—	—	(17,293)	—	—	—	(17,293)
Dividends—preferred stock	—	—	—	—	—	(1,742)	—	—	—	(1,742)
Accretion of Series B preferred stock	—	—	—	—	181	(181)	—	—	—	—
Balance, December 31, 2007	35,000	$ 35	23,359,664	$ 230	$ 184,710	$ 338,790	$ (36,738)	$ (277,654)	$ —	$ 209,373

See the accompanying notes to the consolidated financial statements.

IHOP Corp. and Subsidiaries

Consolidated Statements of Stockholders' Equity (Continued)

(In thousands, except share amounts)

IHOP Corp. and Subsidiaries

Consolidated Statements of Cash Flows

(In thousands)

	Year Ended December 31,		
	2007	2006	2005
Cash flows from operating activities			
Net (loss) income	$ (480)	$ 44,553	$ 43,937
Adjustments to reconcile net (loss) income to cash flows provided by operating activities			
Depreciation and amortization	31,829	20,050	19,866
Debt extinguishment and other costs	2,223	—	—
Loss on derivative financial instrument	62,131	—	—
Impairment and closure charges	4,381	43	896
Deferred income taxes	(31,324)	6,304	(3,689)
Stock-based compensation expense	6,958	3,911	287
Tax benefit from stock-based compensation	3,476	1,720	1,578
Excess tax benefit from stock options exercised	(2,693)	(1,720)	—
Gain on sale of land	(98)	—	—
Changes in operating assets and liabilities			
Receivables	(22,479)	(2,524)	(148)
Inventories	512	141	(389)
Prepaid expenses	(17,147)	(4,975)	(487)
Accounts payable	37,266	(394)	(2,050)
Accrued employee compensation and benefits	(21,868)	2,614	1,560
Deferred revenues	43,685	—	—
Other accrued expenses	13,553	(3,422)	(2,336)
Loss reserve and unearned premiums related to captive insurance subsidiary	(613)	—	—
Other	(2,989)	(1,442)	(3,672)
Cash flows provided by operating activities	106,323	64,859	55,353
Cash flows from investing activities			
Additions to property and equipment	(11,871)	(9,426)	(7,365)
Reductions (additions) to long term receivables	1,538	(159)	(36)
Acquisition of business, net of cash acquired	(1,943,567)	—	—
Investment in captive insurance subsidiary	345	—	—
Gross purchase and redemption of marketable securities, net	—	—	13,843
Proceeds from sale of property and equipment	870	—	890
Principal receipts from notes and equipment contracts receivable	16,617	17,781	19,403
Additions to assets held for sale	(688)	(594)	(2,387)
Property insurance proceeds	(636)	1,694	—

Cash flows (used in) provided by investing activities	(1,937,392)	9,296	24,348
Cash flows from financing activities			
Proceeds from issuance of long-term debt	2,296,216	—	—
Proceeds from landlords	—	—	1,000
Repayment of long-term debt	(268,199)	(19,568)	(5,838)
Principal payments on capital lease obligations	(5,364)	(4,088)	(3,844)
Dividends paid	(17,293)	(18,138)	(19,550)
Issuance of preferred stock	222,800	—	—
Purchase of treasury stock, net	(76,050)	(42,695)	(77,474)
Proceeds from stock options exercised	8,928	5,944	5,085
Excess tax benefit from stock options exercised	2,693	1,720	—
Payment of debt issuance costs	(138,021)	(925)	—
Prepayment penalties on early debt extinguishment costs	(1,219)	—	—
Restricted cash related to securitization	(186,100)	—	—
Cash flows provided by (used in) financing activities	1,838,391	(77,750)	(100,621)
Net change in cash and cash equivalents	7,322	(3,595)	(20,920)
Cash and cash equivalents at beginning of year	19,516	23,111	44,031
Cash and cash equivalents at end of year	$ 26,838	$ 19,516	$ 23,111
Supplemental disclosures			
Interest paid	$ 31,331	$ 29,759	$ 29,967
Income taxes paid	25,712	35,142	30,795
Capital lease obligations incurred	—	2,329	3,050

See the accompanying notes to the consolidated financial statements.

IHOP Corp. and Subsidiaries

Notes to the Consolidated Financial Statements

1. The Company

IHOP Corp. (the "Company) was incorporated under the laws of the State of Delaware in 1976. The first International House of Pancakes ("IHOP") restaurant opened in 1958 in Toluca Lake, California. Shortly thereafter the Company began developing and franchising additional restaurants. In November 2007, the Company completed the acquisition of Applebee's International, Inc. ("Applebee's") pursuant to an agreement and plan of merger entered into by and among IHOP Corp. and Applebee's. Upon consummation of the acquisition, Applebee's became a wholly owned subsidiary of IHOP Corp. The Company owns and operates two restaurant concepts in the casual dining and family dining niches: Applebee's and IHOP.

2. Basis of Presentation and Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of IHOP Corp. and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated on consolidation.

Fiscal Periods

The Company's fiscal year ends on the Sunday nearest to December 31 of each year. For convenience, the Company reports all fiscal years as ending on December 31 and fiscal quarters as ending on March 31, June 30 and September 30.

Reclassification

Certain reclassifications have been made to prior year information to conform to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates, including those related to provisions for doubtful accounts, legal contingencies, income taxes, goodwill and intangible assets. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Company's financial instruments consist primarily of cash and cash equivalents, short-term and long-term investments, receivables, accounts payable accrued liabilities and long-term debt. The carrying value of these financial instruments approximate their fair values at December 31, 2007 and 2006.

Concentration of Credit Risk

The Company's cash, cash equivalents, receivables and investments are potentially subject to concentration of credit risk. Cash, cash equivalents and investments are placed with financial

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

institutions that management believes are creditworthy. The Company does not believe that it is exposed to any significant credit risk on cash and cash equivalents. At times, cash and cash equivalent balances may be in excess of FDIC insurance limits. Receivables are derived from revenues earned from franchisees and distributors located primarily in the United States. The Company maintains an allowance for doubtful accounts based upon our historical experience. Historically, such losses have been within our expectations. The Company does not expect to incur material losses with respect to financial instruments that potentially subject the Company to concentration of credit risk.

Cash and Cash Equivalents

The Company considers all highly liquid investment securities with remaining maturities at the date of purchase of three months or less to be cash equivalents. These cash equivalents are stated at cost which approximates market value.

Restricted Assets

Restricted Cash

The Company entered into three separate securitization transactions which resulted in the issuance of a total of $2.3 billion in debt. The proceeds received from these transactions primarily were used to fund the acquisition of Applebee's. In addition, a portion of the proceeds was used to fund certain cash accounts as required by the indenture and other related agreements ("Securitization Agreements"). These cash accounts are to be used only for the purposes specified in the Securitization Agreements. The Company has presented these cash accounts as restricted cash in both the current and non-current asset sections of the consolidated balance sheets.

Other Restricted Assets

The Company has restricted assets related to its captive insurance subsidiary which are included in non-current assets in the consolidated balance sheets. The captive insurance subsidiary was formed to provide insurance coverage to Applebee's and its franchisees. These restricted assets are primarily auction rate securities and are restricted for the payment of insurance claims.

Investments

The Company has certificates of deposit that are included in short-term investments and auction rate securities that are included in restricted assets related to the captive insurance subsidiary in its consolidated balance sheets. The Company has classified all investments as available-for-sale. Due to the short time period between reset dates of the interest rates, there are no unrealized gains or losses associated with the auction rate securities. The contractual maturities of the auction rate securities range from 2030 to 2033.

Inventories

Inventories consisting of food, beverages, merchandise and supplies are stated at the lower of cost (on a first-in, first-out basis) or market. When necessary, the Company reserves for obsolescence and shrinkage based upon inventory turnover trends, historical experience and the specific identification method.

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Equipment under capital leases is stated at the present value of the minimum lease payments. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or remaining useful lives. Leasehold improvements and equipment under capital leases are amortized on a straight-line basis over their estimated useful lives or the lease term, if less. The Company has capitalized certain costs incurred in connection with the development of internal-use software which are included in property and equipment and amortized over the expected useful life of the asset. The general ranges of depreciable and amortizable lives are as follows:

Category	Depreciable Life
Buildings and improvements	25 - 40 years
Leaseholds and improvements	Shorter of primary lease term or 3 - 25 years
Equipment and fixtures	2 - 10 years
Properties under capital leases	Primary lease term or remaining primary lease term

Property and equipment are identified as assets held for sale when they meet the held for sale criteria of Statement of Financial Accounting Standards ("SFAS") No. 144, *Accounting for Impairment or Disposal of Long-lived Assets* ("SFAS 144"). The Company ceases recording depreciation on assets that are classified as held for sale.

The Company capitalizes interest on borrowings during the active construction period of major capital projects. Capitalized interest is added to the cost of qualified assets and is amortized over the estimated useful lives of the assets.

Long-Lived Assets

The Company evaluates the recoverability of its long-lived assets which includes amortizable intangible and tangible assets in accordance with SFAS 144. The Company tests impairment using historical cash flows and other relevant facts and circumstances as the primary basis for our estimates of future cash flows. The Company considers factors such as the number of years the restaurant has been in operation, sales trends, cash flow trends, remaining lease life, and other factors which apply on a case-by-case basis. The analysis is performed at the individual restaurant level for indicators of permanent impairment.

Recoverability of a 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, this may be an indicator for impairment. If it is decided that there has been an impairment, the carrying amount is written down to the estimated fair value, and a loss resulting from impairment is recognized by charging to earnings. The fair value is determined by discounting the future cash flows based on our cost of capital.

The Company may decide to close certain company-operated restaurants. Typically such decisions are based on operating performance or strategic considerations. In these instances, the Company reserves, or writes off, the full carrying value of these restaurants as impaired.

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Periodically, the Company will reacquire a previously franchised restaurant. At the time of reacquisition, the franchise will be recorded at the lower of (1) the sum of the franchise receivables and costs of reacquisition, or (2) the estimated net realizable value. The net realizable value of a reacquired franchise is based on the Company's average five-year historical franchise resale value. The historical resale value used in 2007 was $200,000. An impairment loss will be recognized equal to the amount by which the reacquisition value exceeds the historical resale value.

On a quarterly basis, the Company assesses whether events or changes in circumstances have occurred that potentially indicate the carrying value of long-lived assets may not be recoverable. The Company concluded that there were events or changes in circumstances which had triggered impairment reviews during 2007, 2006 and 2005. As a result, the Company recorded impairment and closure charges of approximately $4,326,000, $43,000 and $896,000 for the fiscal years ended December 31, 2007, 2006 and 2005.

Goodwill and Intangible Assets

Goodwill is recorded when the aggregate purchase price of an acquisition exceeds the estimated fair value of the net identified tangible and intangible assets acquired. Intangible assets resulting from the acquisition are accounted for using the purchase method of accounting and are estimated by management based on the fair value of the assets received. Identifiable intangible assets are comprised primarily of trademarks, trade names and franchise agreements. Identifiable assets are being amortized over the period of estimated benefit using the straight-line method and estimated useful lives. Goodwill and indefinite life intangible assets are not subject to amortization.

In accordance with SFAS No. 142, *Goodwill and Other Intangible Assets* ("SFAS 142"), the Company tests goodwill and other indefinite life intangible assets for impairment on an annual basis in the fourth quarter or more frequently if the Company believes indicators of impairment exist. An impairment review is performed for each reporting unit. Reporting units may be operating segments as a whole or an operation on a level below an operating segment. In the process of the Company's annual impairment review, the Company primarily uses the income approach method of valuation that includes the discounted cash flow method as well as other generally accepted valuation methodologies to determine the fair value of our intangible assets. The Company completed the required impairment review at the end of 2007, 2006 and 2005 and noted no impairment. Consequently, no impairment charges were recorded.

Self-Insurance Liability

The Company is self-insured for a significant portion of its employee workers' compensation, general liability and health insurance obligations. The Company maintains stop-loss coverage with third party insurers to limit its total exposure. The accrued liability associated with these programs is based on historical claims data and our estimate of the ultimate costs to be incurred to settle known claims and claims incurred but not reported as of the balance sheet date. The estimated liability is not discounted and is based on a number of assumptions and factors, including historical trends, actuarial assumptions and economic conditions. If actual trends, including the severity or frequency of claims, differ from our estimates, our financial results could be impacted.

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Company's revenues are recorded in four categories: franchise operations, company restaurant operations, rental operations and financing operations.

The franchise operations revenue consists primarily of royalty revenues, sales of proprietary products at IHOP, IHOP advertising fees and the portion of the franchise fees allocated to the Company's intellectual property. Company restaurant sales are retail sales at company-operated restaurants. Rental operations revenue includes revenue from operating leases and interest income from direct financing leases. 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.

Revenues from franchised and area licensed restaurants include royalties, continuing rent and service fees and initial franchise fees. Royalties are recognized in the period in which the sales are reported to have occurred. Continuing fees are recognized in the period earned. Initial franchise fees are recognized upon the opening of a restaurant, which is when the Company has performed substantially all initial services required by the franchise agreement. Fees from development agreements are deferred and recorded into income when a restaurant under the development agreement is opened.

Sales by company-operated restaurants are recognized when food and beverage items are sold. Company restaurant sales are reported net of sales taxes collected from guests and the sales taxes are remitted to the appropriate taxing authorities.

In addition, the Company records a liability in the period in which a gift card is issued and proceeds are received. As gift cards are redeemed, this liability is reduced and revenue is recognized. The Company recognizes gift card breakage income when the likelihood of the redemption of the gift card becomes remote.

Leases

The Company leases the majority of all IHOP restaurants. The restaurants are subleased to IHOP franchisees or in a few instances are operated by the Company. The Company's IHOP leases generally provide for an initial term of 15 to 25 years, with most having one or more five-year renewal options at the Company option. In addition, the Company leases a majority of its company-operated Applebee's restaurants. Franchisees are responsible for financing their properties. The Applebee's company-operated leases generally have an initial term of 10 to 20 years, with renewal terms of 5 to 20 years, and provide for a fixed rental plus, in certain instances, percentage rentals based on gross sales. The rental payments or receipts on leases that meet the operating lease criteria are recorded as rental expense or rental income. Rental expense and rental income for these operating leases are recognized on the straight-line basis over the original terms of the leases. The difference between straight-line rent expense or income and actual amounts paid or received represents deferred rent and is included in the balance sheets as other assets or other liabilities, respectively.

The rental payments or receipts on those property leases that meet the capital lease criteria will result in the recognition of interest expense or interest income and a reduction of capital lease obligation or financing lease receivable. Capital lease obligations are amortized based on the Company's incremental borrowing rate and direct financing leases are amortized using the implicit interest rate.

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

The lease term used for straight-line rent expense is calculated from the date the Company obtains possession of the leased premises through the lease termination date. Prior to January 2, 2006, the Company capitalized rent expense from possession date through construction completion 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. Straight-line rent recorded during the preopening period (construction completion through restaurant open date) was recorded as expense. Commencing January 2, 2006, the Company expenses rent from possession date through restaurant open date as expense, in accordance with FASB Staff Position No. 13-1, *Accounting for Rental Costs Incurred during a Construction Period.* Once a restaurant opens for business, the Company records straight-line rent over the lease term plus contingent rent to the extent it exceeded the minimum rent obligation per the lease agreement. The adoption of FAS 13-1 did not have a material impact on the Company's financial condition or results of operations.

The Company uses a consistent lease term when calculating depreciation of leasehold improvements, when determining straight-line rent expense and when determining classification of its leases as either operating or capital. For leases that contain rent escalations, the Company records the total rent payable during the lease term, as determined above, on the straight-line basis over the term of the lease (including the rent holiday period beginning upon our possession of the premises), and records the difference between the minimum rents paid and the straight-line rent as a lease obligation. Certain leases contain provisions that require additional rental payments based upon restaurant sales volume ("contingent rent"). Contingent rentals are accrued each period as the liabilities are incurred, in addition to the straight-line rent expense noted above.

Certain lease agreements contain tenant improvement allowances, rent holidays, and lease premium, which are amortized over the shorter of the estimated useful life or lease term. For tenant improvement allowances, the Company also records a deferred rent liability or an obligation in our non-current liabilities on the consolidated balance sheets and amortizes the deferred rent over the term of the lease as a reduction to company restaurant expenses in the consolidated statements of earnings.

Preopening Expenses

Expenditures related to the opening of new or relocated restaurants are charged to expense when incurred.

Advertising

Franchise fees designated for IHOP's national advertising fund and local marketing and advertising cooperatives are recognized as revenue as the fees are earned and become receivables from the franchisee in accordance with SFAS No. 45, *Accounting for Franchise Fee Revenue* ("SFAS 45"). In accordance with Statement of Position No. 93-7, *Reporting on Advertising Costs* ("SOP 93-7), related advertising obligations are accrued and the costs expensed at the same time the related revenue is recognized. Franchise fees designated for Applebee's national advertising fund and local advertising cooperatives constitute agency transactions and are not recognized as revenues and expenses. In both cases, the advertising fees are recorded as a liability against which specific costs are charged.

Advertising expense reflected in the consolidated statements of operations includes local marketing advertising costs incurred by company-operated restaurants, contributions to the national advertising fund made by Applebee's company-operated restaurants and certain advertising costs incurred by the

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Company to benefit future franchise operations. Costs of advertising is expensed either as incurred or the first time the advertising takes place in accordance with SOP 93-7. Advertising expense included in company restaurant operations and franchise operations for the years ended December 31, 2007, 2006 and 2005 was $5.0 million, $1.0 million and $1.1 million, respectively. In addition, significant advertising expenses also are incurred by franchisees through the national advertising funds and local marketing and advertising cooperatives.

Asset Retirement Obligations

The Company currently has certain leases which may require it to return the property to the landlord in its original condition. The Company records expenses for these leases in its consolidated financial statements as company restaurant expenses.

Derivative Financial Instruments

The Company accounts for derivative instruments and hedging activities in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* ("SFAS 133"). All derivatives are recognized on the balance sheet at their fair value. On the date that the Company enters into a derivative contract, management formally documents all relationships between hedging instruments and hedged items, as well as risk management objectives and strategies for undertaking various hedge transactions.

Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash flow hedge (a "swap"), to the extent that the hedge is effective, are recorded in accumulated other comprehensive income, until earnings are affected by the variability of cash flows of the hedged transaction. The Company measures effectiveness of the swap at each quarter end, using the hypothetical derivative method. Under this method, hedge effectiveness is measured based on a comparison of the change in fair value of the actual swap designated as the hedging instrument and the change in fair value of the hypothetical swap which would have the terms that identically match the critical terms of the hedged cash flows from the anticipated debt issuance. The amount of ineffectiveness, if any, recorded in earnings would be equal to the excess of the cumulative change in the fair value of the swap over the cumulative change in the fair value of the plain vanilla swap lock, as defined in the accounting literature. Once a swap is settled, the effective portion is amortized over the estimated life of the hedged item.

The Company utilizes derivative financial instruments to manage its exposure to interest rate risks. The Company does not enter into derivative financial instruments for trading purposes.

Income Taxes

The Company utilizes the liability method of accounting for income taxes as set forth in SFAS No. 109, *Accounting for Income Taxes* ("SFAS 109"). Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized. The Company also determines its tax contingencies in accordance with SFAS No. 5, *Accounting for Contingencies* ("SFAS 5"). The Company records estimated tax liabilities to the extent the contingencies are probable and can be reasonably estimated.

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

The Company adopted FASB Interpretation 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48") on January 1, 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 of 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.

Stock-Based Compensation

The Company has in effect stock incentive plans under which incentive stock options have been granted to employees and restricted stock units and non-qualified stock options have been granted to employees and non-employee members of the Board of Directors. Effective January 1, 2006, the Company adopted SFAS No. 123 (revised 2004), *Share-Based Payment* ("SFAS 123(R)"), which requires all stock-based payments to employees, including grants of employee stock options and restricted stock units to be recognized in the financial statements based on their respective grant date fair values and does not allow the previously permitted pro forma disclosure-only method as an alternative to financial statement recognition. SFAS 123(R) also requires the benefits of tax deduction in excess of recognized compensation cost be reported as a financing cash flow, rather than as an operating cash flow as required under previous literature. In March 2005, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 107, *Share-Based Payment* ("SAB 107"), which provides guidance regarding the interaction of SFAS 123(R) and certain SEC rules and regulations. The Company has applied the provisions of SAB 107 in its adoption of SFAS 123(R).

SFAS 123(R) requires companies to estimate the fair value of stock-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense ratably over the requisite service periods. The Company has estimated the fair value of each award as of the date of grant or assumption using the Black-Scholes option pricing model, which considers, among other factors, the expected life of the award and the expected volatility of the Company' stock price. Although the Black-Scholes model meets the requirement of SFAS 123(R) and SAB 107, the fair values generated by the model may not be indicative of the actual fair values of the Company's awards, as it does not consider other factors important to those stock-based payment awards, such as continued employment, periodic vesting requirements and limited transferability.

The Company adopted SFAS 123(R) using the modified-prospective method of recognition of compensation expense related to stock-based payments. The Company's consolidated statements of income for the year ended December 31, 2006 reflect the impact of adopting SFAS 123(R). In accordance with the modified prospective transition method, the Company's consolidated statements of income for the prior periods have not been restated to reflect, and do not include, the impact of SFAS 123(R).

The Company accounts for option grants to non-employees using the guidance of SFAS 123(R) and Emerging Issues Task Force ("EITF") No. 96-18, *Accounting for Equity Instruments That are Issued*

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods and Services, whereby the fair value of such options is determined using the Black-Scholes option pricing model at the earlier of the date at which the non-employee's performance is complete or a performance commitment is reached.

Comprehensive Income (Loss)

SFAS No. 130, *Reporting Comprehensive Income*, establishes standards for reporting and displaying comprehensive income (loss) and its components in the consolidated financial statements. Accumulated other comprehensive loss is attributable to the unrealized loss, net of tax, on two interest rate swaps that the Company entered into during 2002 and 2007.

Net Income (Loss) Per Share

Basic net income per share is computed by dividing the net income available to common stockholders for the period by the weighted average number of common shares outstanding during the period. Diluted net income per share is computed by dividing the net income available to common stockholders for the period by the weighted average number of common shares and potential shares of common stock outstanding during the period if their effect is dilutive. For the year ended December 31, 2007, certain dilutive shares were not included in computing the diluted net loss per share because their effect was anti-dilutive. The Company uses the treasury stock method to calculate the weighted average shares used in the diluted earnings per share calculation in accordance with SFAS 128, *Earnings per Share*. Potentially dilutive common shares include the assumed exercise of stock options, assumed vesting of restricted stock units and assumed conversion of preferred stock using the if-converted method.

Business Segments

The Company's revenues and expenses are recorded in four segments: franchise operations, company restaurant operations, rental operations, and financing operations. Within each segment, the Company operates two distinct restaurant concepts: Applebee's and IHOP.

Applebee's

The franchise operations segment consists of restaurants operated by Applebee's franchisees in the United States and 17 countries outside the United States and one U.S. territory. Franchise operations revenue consists primarily of franchise royalty revenues. Franchise operations expenses include costs related to intellectual property provided to certain franchisees.

The company restaurant operations segment consists of company-operated restaurants in the United States and China. Company restaurant sales are retail sales at company-operated restaurants. Company restaurant expenses are operating expenses at company-operated restaurants and include food, labor, benefits, utilities, rent and other restaurant operating costs. The operating results of this segment are substantially generated by Applebee's restaurants.

Rental operations activities are not currently a part of Applebee's business.

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Financing operations activities are not currently a part of Applebee's business.

IHOP

The franchise operations segment consists of restaurants operated by IHOP franchisees and area licensees in the United States, one U.S. territory and two countries outside the U.S. Franchise operations revenue consists primarily of franchise royalty revenues, sales of proprietary products, franchise advertising fees and the portion of the franchise fees allocated to IHOP intellectual property. Franchise operations expenses include advertising expense, the cost of proprietary products and pre-opening training expenses and other franchise-related costs.

The company restaurant operations segment consists of company-operated restaurants in the United States. In addition, from time to time, restaurants that are reacquired from franchisees are operated by IHOP on a temporary basis. Company restaurant sales are retail sales at company-operated restaurants. Company restaurant expenses are operating expenses at company-operated restaurants and include food, labor, benefits, utilities, rent and other restaurant operating 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 franchisee-operated restaurants. The rental operations segment is exclusively operated by IHOP restaurants.

Financing operations revenue consists of the portion of franchise fees not allocated to IHOP 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.

New Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157*, Fair Value Measurements* ("SFAS 157") which defines fair value, establishes a framework and gives guidance regarding the method used for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy, as defined and may require companies to provide additional disclosures based on that hierarchy. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is currently assessing the impact that SFAS 157 may have on its consolidated financial statements.

In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plan* ("SFAS 158"). This statement requires companies to recognize a net liability or asset and an offsetting adjustment to accumulated other comprehensive income to report the funded status of defined benefit pension and other postretirement benefit plans. The statement requires prospective application, and the recognition and disclosure requirements were effective for companies with fiscal years ending after December 15, 2006. Additionally, SFAS 158 requires companies to measure plan assets and obligations at their year-end balance sheet date. This requirement is effective for fiscal years ending after December 15, 2008. The impact of the initial adoption was not material to our consolidated financial statements and the Company is in compliance with the measurement date provisions of this statement.

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Liabilities—Including an amendment of FASB Statement No. 115* ("SFAS 159"). SFAS 159 expands the use of fair value accounting but does not affect existing standards which requires assets or liabilities to be carried at fair value. The objective of SFAS 159 is to improve financial reporting by providing companies with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. Under SFAS 159, a company may elect to use fair value to measure eligible items at specified election dates and report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. Eligible items include, but are not limited to, accounts and loans receivable, available-for-sale and held-to-maturity securities, equity method investments, accounts payable, guarantees, issued debt and firm commitments. If elected, SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact adoption of SFAS 159 may have on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* ("SFAS 141(R)"). SFAS 141(R) establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141(R) also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141(R) is effective for fiscal years beginning after December 15, 2008. The Company will adopt SFAS 141(R) in the first quarter of fiscal 2009 and apply the provisions of this Statement for any acquisition after the adoption date. The Company is currently evaluating the potential impact, if any, of the adoption of SFAS 141(R) on its consolidated financial statements.

3. Business Acquisition

On November 29, 2007, the Company completed the acquisition of Applebee's, a global dining company that develops, franchises and operates restaurants under the Applebee's Neighborhood Grill & Bar® brand. The Applebee's acquisition was completed pursuant to the Agreement and Plan of Merger, dated as of July 15, 2007 (the "Merger Agreement"), among the Company, its wholly-owned subsidiary CHLH Corp. ("Merger Sub"), and Applebee's. Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into Applebee's (the "Merger"), with Applebee's continuing as the surviving corporation and becoming a wholly-owned subsidiary of the Company.

Pursuant to the Merger Agreement, each share of common stock of Applebee's, par value $0.01 per share, issued and outstanding immediately prior to the effective time of the Merger (other than treasury shares, shares held by IHOP, Merger Sub or any subsidiary of Applebee's, and shares with respect to which appraisal rights are perfected in accordance with Section 262 of the Delaware General Corporation Law) was converted into the right to receive $25.50 in cash, without interest. The total transaction value (including direct transaction costs and expenses) was approximately $2.0 billion. The following table summarizes the components of the Applebee's purchase price:

	(In thousands)
Cash consideration	$ 1,948,093
Direct transaction costs	16,444
Total purchase price	$ 1,964,537

3. Business Acquisition (Continued)

The Company believes that the acquisition of Applebee's will produce the following significant benefits:

- *Increased Market Presence and Opportunities.* The combination should increase the combined company's market presence and opportunities for growth in sales, earnings and stockholders' returns.

- *Operating Efficiencies.* The combination provides an opportunity to pursue a heavily franchised business model which will generate stable revenue and reduce the volatility of cash flow performance over time.

- *Complementary Growth.* The acquisition provides a complementary growth vehicle in the casual segment of the restaurant industry attributable to Applebee's historical performance and anticipated future performance.

The Company believes that these primary factors support the amount of goodwill recorded as a result of the purchase price paid for Applebee's, in relation to other acquired tangible and intangible assets.

The Company has accounted for the Applebee's acquisition using the purchase method and, accordingly, the results of operations related to this acquisition have been included in the consolidated results of the Company since the acquisition date.

Purchase Price Allocation

The estimated purchase price for this acquisition was allocated to tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date of November 29, 2007. The Company believes the fair value assigned to the assets acquired and liabilities

3. Business Acquisition (Continued)

assumed were based on reasonable assumptions. The following table summarizes the estimated fair value of net assets acquired:

	(In thousands)
Short term-investments	$ 300
Receivables	47,117
Assets held for sale	9,470
Inventories	13,396
Prepaid income taxes	1,859
Prepaid expenses	40,790
Deferred income taxes (current)	11,648
Current assets related to discontinued operations	6,047
Property and equipment	890,623
Trade name	790,000
Franchise agreements	200,000
Goodwill	719,961
Other intangible assets	22,589
Restricted assets related to captive insurance subsidiary	10,863
Other assets	9,331
Non-current assets related to discontinued operations	2,558
Accounts payable	(30,165)
Other accrued expenses	(148,483)
Capital lease obligations	(3,747)
Loss reserves related to captive insurance subsidiary	(4,422)
Current liabilities related to discontinued operations	(1,514)
Debt	(120,994)
Deferred income taxes (non-current)	(479,453)
Other liabilities	(30,638)
Non-current liabilities related to discontinued operations	(3,636)
Net cash paid for acquisition	$ 1,953,500

The purchase price allocation for the Applebee's acquisition is preliminary. The Company's fair value estimates for the purchase price allocation may change during the allowable allocation period, which is up to one year from the acquisition date, if additional information becomes available. The goodwill resulted from this acquisition is not expected to be deductible for tax purposes.

Pro Forma Results of Operations

The unaudited pro forma data of the Company set forth below gives effect to the Applebee's acquisition as if it had occurred at the beginning of 2006. This pro forma data is presented for informational purposes only and does not purport to be indicative of the results of future operations of

3. Business Acquisition (Continued)

the Company or of the results that would have actually been attained had the acquisition taken place at the beginning of 2006.

	2007	2006
	(In thousands, except per share amounts)	
Pro forma total revenues	$ 1,663,836	$ 1,659,926
Pro forma total net loss	(46,335)	(28,245)
Pro forma net loss per share		
Basic	$ (2.69)	$ (1.56)
Diluted	$ (2.69)	$ (1.56)

4. Receivables

	2007	2006
	(In thousands)	
Accounts receivable	$ 57,735	$ 29,195
Gift card receivables	27,746	—
Credit card receivables	9,124	—
Notes receivable	25,210	31,687
Equipment leases receivable	160,000	166,964
Direct financing leases receivable	118,480	121,172
Other	8,491	—
	406,786	349,018
Less: allowance for doubtful accounts	(2,999)	(1,359)
	403,787	347,659
Less: current portion	(115,335)	(45,571)
Long-term receivables	$ 288,452	$ 302,088

Accounts receivable primarily includes receivables due from franchisees and distributors. Gift card receivables consist primarily of amounts due from third-party vendors. Credit card receivables consist primarily of amounts due from the Company's credit card companies. Notes receivable include franchise fee notes in the amount of $22.1 million and $30.2 million at December 31, 2007 and 2006, respectively. IHOP franchise fee notes have a term of five to eight years and are due in equal weekly installments, primarily bear interest averaging 9.47% per annum, and are collateralized by the franchise. The term of an equipment contract coincides with the term of the corresponding restaurant building lease. Equipment contracts are due in equal weekly installments, primarily bear interest averaging 10.22% per annum, and are collateralized by the equipment. Where applicable, franchise fee notes, equipment contracts and building leases contain cross-default provisions wherein a default under one constitutes a default under all. There is not a disproportionate concentration of credit risk in any geographic area.

4. Receivables (Continued)

The following table summarizes the activity in the allowance for doubtful accounts:

	Accounts and Notes Receivable
	(In thousands)
Balance at December 31, 2004	$ 1,026
Provision	984
Charge-offs	(715)
Recoveries	40
Balance at December 31, 2005	$ 1,335
Provision	1,149
Charge-offs	(1,154)
Recoveries	29
Balance at December 31, 2006	$ 1,359
Provision	2,039
Charge-offs	(399)
Recoveries	—
Balance at December 31, 2007	$ 2,999

5. Assets Held for Sale

The Company classifies assets as held for sale and ceases the amortization of the assets when there is a plan for disposal of the assets and those assets meet the held for sale criteria as defined in SFAS 144. Reacquired franchises, property and equipment and other assets held for sale are accounted for on the specific identification basis.

Reacquired franchises

For reacquired franchises, the Company records the franchise and equipment at the lower of (1) the sum of the franchise receivables and costs of reacquisition, or (2) the estimated net realizable value at the reacquisition date. Pending the sale of such franchise, the carrying value is amortized ratably over the remaining life of the asset or lease, and the estimated net realizable value is evaluated in conjunction with our impairment evaluation of long-lived assets. The estimated net realizable value used in 2006 was $200,000 for each franchise held for resale. There was $515,000 in reacquired franchises and equipment held for sale at December 31, 2007 and none at December 31, 2006.

Property and equipment

In December 2007, the Company began to actively market approximately 40 company-operated Applebee's restaurants. The marketing of these restaurants is part of the Company's plan to ultimately refranchise approximately 100 Applebee's restaurants in 2008. The assets for these restaurants, totaling $47.8 million have been presented as assets held for sale in the consolidated balance sheet as of December 31, 2007.

In connection with the Applebee's acquisition, the Company assumed a contract to sell a corporate office building for $9.0 million, net of commissions. The Company closed this transaction in January

5. Assets Held for Sale (Continued)

2008 and did not recognize a gain or loss. In December 2007, the Company began to actively market its corporate aircraft. The Company closed the sale of the aircraft in January 2008 for approximately $2.8 million. No gain or loss was recognized.

In 2007, the Company completed the transactions to sell the assets of four owned properties, as well as other miscellaneous items.

6. Property and Equipment

Property and equipment by category is as follows:

	2007	2006
	(In thousands)	
Land	$ 213,583	$ 31,260
Buildings and improvements	572,884	57,851
Leaseholds and improvements	290,789	257,007
Equipment and fixtures	130,760	23,905
Construction in progress	18,969	2,966
Properties under capital lease obligations	60,828	62,196
	1,287,813	435,185
Less accumulated depreciation and amortization of capital lease obligations	(148,197)	(125,448)
Property and equipment, net	$ 1,139,616	$ 309,737

The Company records capitalized interest in connection with the development of new restaurants and amortizes it over the estimated useful life of the related asset. In 2007, the Company capitalized $191,000 of interest costs.

Accumulated depreciation and amortization includes accumulated amortization for properties under capital lease obligations in the amount of $19.2 million and $17.0 million at December 31, 2007 and 2006, respectively.

In 2007, Applebee's International, Inc. entered into a transaction with the City of Lenexa, Kansas, to lease the land, building and property and equipment for its new corporate headquarters. In conjunction with the Applebee's acquisition, the Company assumed this lease. The transaction is designed to provide the Company with property tax exemptions for the facility of up to 90% after the effect of payments in lieu of taxes paid to the city. In conjunction with the lease, the city will purchase the facility with the proceeds of up to $52 million in Industrial Revenue Bonds ("IRBs") due May 1, 2018, which will be funded periodically during the construction period. Applebee's International, Inc. is the sole purchaser of the IRBs. The city has assigned the lease to the bond trustee for the benefit of the bondholder. As the sole bondholder, in effect, the Company controls the enforcement of the lease against itself. During 2007, the Company has funded approximately $4.5 million of the IRBs and has included this amount in property and equipment in the consolidated balance sheet. Due to the bargain purchase option contained within the lease, the Company has classified this amount as a capital lease. As a result of the right to offset, the capital lease obligation and the corresponding bond investments have been offset in the consolidated balance sheet.

7. Impairments and Closure Charges

Impairment and closure charges were $4.3 million, $43,000 and $896,000 in 2007, 2006 and 2005, respectively. Impairment and closure charges in 2007 included the impairment of long lived assets for three restaurants closed in 2007, and impairment losses on two restaurants in which the reacquisition values exceeded the historical resale values. Impairment and closure charges in 2006 were primarily for the impairment of long lived assets on three restaurants. The decision to close or impair the restaurants in 2007 and 2006 was a result of a comprehensive analysis that examined restaurants not meeting minimum return on investment thresholds and certain other operating performance criteria and represented a change in strategy from prior practices. The assets for these restaurants were written down to their estimated fair value.

In 2007, Applebee's closed 23 restaurants, of which four are expected to have significant sales transfer to other existing Applebee's restaurants in the same geographic area and the remaining 19 restaurants were presented as discontinued operations as required by SFAS 144. The Company has the following assets and liabilities related to discontinued operations as of December 31, 2007:

	December 31, 2007
	(In thousands)
Current assets:	
Property and equipment, net	$ 5,154
Other assets, net	568
Prepaid income taxes	330
Current assets related to discontinued operations	$ 6,052
Non-current assets:	
Deferred income taxes	$ 2,558
Non-current assets related to discontinued operations	$ 2,558
Current liabilities:	
Other accrued expenses	$ 1,515
Current liabilities related to discontinued operations(1)	$ 1,515
Non-current liabilities:	
Other non-current liabilities	$ 3,302
Non-current liabilities related to discontinued operations	$ 3,302

(1) Included in other accrued expenses on the consolidated balance sheets.

As required by SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities*, the Company recorded a lease liability related to the closure of its restaurants as of the date of the

7. Impairments and Closure Charges (Continued)

Applebee's acquisition. Subsequent to the acquisition date, the Company had the following activity in its leasing liabilities:

	Lease Obligations
	(In thousands)
Balance, November 29, 2007	$ 7,042
Additions	74
Payments	(222)
Balance, December 31, 2007	$ 6,893

8. Goodwill and Other Intangible Assets

Goodwill is summarized below:

	December 31, 2007	December 31, 2006
	(In thousands)	
Carrying amount, beginning of the year	$ 10,767	$ 10,767
Goodwill recorded in connection with the Applebee's acquisition	719,961	—
Carrying amount, end of the year	$ 730,728	$ 10,767

The Company did not have any intangible assets as of December 31, 2006. As of December 31, 2007, intangible assets subject to amortization relate primarily to the Applebee's acquisition and are as follows:

	December 31, 2007		
	Gross	Accumulated Amortization	Net
	(In thousands)		
Franchising rights	$ 200,000	$ (979)	$ 199,021
Recipes and menus	15,730	(151)	15,579
Reacquired franchise rights	485	(2)	483
Total	$ 216,215	$ (1,132)	$ 215,083

Amortization expense was $1.1 million for the year ended December 31, 2007. Annual amortization expense for next five fiscal years is estimated to be approximately $11.6 million annually.

8. Goodwill and Other Intangible Assets (Continued)

Intangible assets not subject to amortization related to the Applebee's acquisition are summarized below (in thousands):

	December 31, 2007
	(In thousands)
Trade name	$ 790,000
Liquor licenses	6,374
Total	$ 796,374

9. Captive Insurance Subsidiary

In connection with the acquisition of Applebee's, the Company acquired Neighborhood Insurance, Inc., a Vermont corporation and a wholly-owned captive insurance subsidiary of Applebee's, which provides Applebee's and qualified Applebee's franchisees with workers' compensation and general liability insurance. The captive insurance subsidiary ceased writing insurance prior to the acquisition. Cost of other franchise income includes costs related to the resolution of claims arising from franchisee participation in the captive insurance program. The Company's consolidated balance sheet includes the following balances related to the captive insurance subsidiary as of December 31, 2007:

- Franchise premium receivables of approximately $0.4 million included in receivables related to captive insurance subsidiary.
- Long-term investments restricted for the payment of claims of approximately $9.8 million are included in restricted assets related to the captive insurance subsidiary.
- Loss reserve related to captive insurance subsidiary of approximately $7.0 million. The current portion of approximately $3.8 million was included in other accrued expenses and the long-term portion of approximately of $3.2 million was included in other non-current liabilities.

Loss reserve estimates are established based upon third-party actuarial estimates of ultimate settlement costs for incurred claims (which includes claims incurred but not reported) using data currently available. The reserve estimates are regularly analyzed and adjusted when necessary. Unanticipated changes in the data used to determine the reserve may require us to revise our estimates.

The short-term portion of the reserve is computed by applying a percentage, based on historical claims payment activity), against the total captive claims ultimate provided by the actuarial firm. This estimate is reviewed on a quarterly basis and is adjusted as needed.

9. Captive Insurance Subsidiary (Continued)

The activity in the loss and loss adjustment reserve, which included Applebee's and participating franchisees, is summarized in the table below:

	December 31, 2007
	(In thousands)
Reserves at date of acquisition	$ 7,622
Claims incurred	(464)
Claims paid	(149)
Reserves, end of the year	7,009
Less current portion	3,809
Long-term portion	$ 3,200

10. Debt

Debt consists of the following components:

	2007	2006
	(In thousands)	
Series 2007-1 Class A-2-I-X Fixed Rate Term Senior Notes due December 2037, at a fixed interest rate of 7.2836%	$ 350,000	—
Series 2007-1 Class A-2-II-A Fixed Rate Term Senior Notes due December 2037, at a fixed rate of 7.1767% (inclusive of an insurance premium of 0.75%)	675,000	—
Series 2007-1 Class A-2-II-X Fixed Rate Term Senior Notes due December 2037, at a fixed rate of 7.0588%	650,000	—
Series 2007-1 Class M-1 Fixed Rate Term Subordinated Notes due December 2037, at a fixed rate of 8.4044%	119,000	—
Series 2007-1 Class A-1 Variable Funding Senior Notes, at a rate of 8.0% as of December 31, 2007	75,000	
Series 2007-1 Fixed Rate Notes due March 2037, at a fixed rate of 5.144% (inclusive of an insurance premium of 0.36%)	175,000	—
Series 2007-2 Variable Funding Note, at a rate of 5.6% as of December 31, 2007	15,000	—
Series 2007-3 Fixed Rate Term Notes due December 2037, at a fixed rate of 7.0588%	245,000	—
Discount on Fixed Rate Notes	(40,113)	—
Senior Notes due November 2008, payable in equal annual installments commencing November 2000, at a fixed interest rate of 7.42%	—	$ 7,778
Senior Notes Series B 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	—	20,000
Total debt	2,263,887	114,206

Less current maturities	—	(19,738)
Long-term debt	$ 2,263,887	$ 94,468

10. Debt (Continued)

March 2007 Securitization Transaction

On March 16, 2007, IHOP Franchising, LLC, a wholly owned subsidiary of the Company, and its wholly owned subsidiary, IHOP IP, LLC (collectively, the "IHOP Co-Issuers"), issued $175 million of Series 2007-1 Fixed Rate Notes (the "Series 2007-1 FRN") and completed a securitized financing facility providing for the issuance of up to $25 million of Series 2007-2 Variable Funding Notes (the "Series 2007-2 VFN" and together with the Series 2007-1 FRN, the "March 2007 Notes").

The March 2007 Notes were issued under a Base Indenture dated March 16, 2007 (the "IHOP Base Indenture") and related Series Supplements, each dated March 16, 2007 (together with the Base Indenture, the "Indenture") among the IHOP Co-Issuers and Wells Fargo Bank, National Association, as the Indenture Trustee. The March 2007 Notes were issued in private transactions and are secured under the Indenture by various types of collateral as described herein. The March 2007 Notes were the first issuances under this program. While the Applebee's notes (discussed below) are outstanding, the IHOP Co-Issuers are not allowed to make additional borrowings through the sale of new series of notes under this program.

Series 2007-1 Fixed Rate Notes

The Series 2007-1 FRN have a stated fixed interest rate of 5.144% per annum, an anticipated repayment date in March 2012, and a legal final payment date in March 2037. The effective interest rate on the Series 2007-1 FRN 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 Series 2007-1 FRN may be extended for two successive one-year periods at the election of the IHOP Co-Issuers subject to satisfaction of certain conditions as specified in the Indenture. The interest rate on the Series 2007-1 FRN would increase by 0.25% during any such extension period.

Series 2007-2 Variable Funding Notes

The Series 2007-2 VFN allow for drawings on a revolving basis. Interest on the Series 2007-2 VFN will generally be payable (a) in the event that commercial paper is issued to fund the Series 2007-2 VFN, 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 Series 2007-2 VFN, and (b) in the event that other means are used to fund the Series 2007-2 VFN, 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. It is expected that amounts will be drawn under the Series 2007-2 VFN from time to time as needed by the IHOP Co-Issuers in connection with the operation of the IHOP franchising business. As of December 31, 2007, a total of $15.0 million was drawn on the Series 2007-2 VFN. There is a commitment fee on the unused portion of the Series 2007-2 VFN of 0.15% per annum.

March 2007 Securitization Structure

The IHOP Co-Issuers are indirect wholly-owned subsidiaries of the Company 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

10. Debt (Continued)

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 restaurant 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.

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 restaurant franchising business were transferred to IHOP Franchising, LLC, the intellectual property related to the IHOP restaurant franchising 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 IHOP Co-Issuers have pledged all of their assets to the Indenture Trustee as security for the March 2007 Notes and any additional notes issued by the IHOP Co-Issuers. Although the March 2007 Notes are expected to be repaid solely from these subsidiaries' assets, the March 2007 Notes are solely obligations of the IHOP Co-Issuers and none of the Company, its direct or indirect subsidiaries, including the Real Estate Subsidiaries, guarantee or are in any way liable for the IHOP Co-Issuers' obligations under the Indenture, the March 2007 Notes or any other obligation in connection with the issuance of the March 2007 Notes. The Company has agreed, however, to guarantee the performance of the obligations of International House of Pancakes, Inc., its wholly owned direct subsidiary, as servicer in connection with the servicing of the assets included as collateral under the Indenture and certain indemnity obligations relating to the transfer of the collateral assets to the IHOP Co-Issuers and the Real Estate Subsidiaries.

March 2007 Third Party Credit Enhancement

The March 2007 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 March 2007 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, the Company and various subsidiaries of the Company.

March 2007 Covenants/Restrictions

The March 2007 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 March 2007 Notes, (ii) certain debt service coverage and consolidated leverage ratios to be met, the failure of which may result in early amortization of the outstanding principal amounts due in respect of the March 2007 Notes or removal of International House of Pancakes, Inc., as servicer, among other things, (iii) optional prepayment subject to certain conditions, (iv) the Company's maintenance of more than 50% ownership interest in International House of Pancakes, Inc. and a restriction on the Company's merger with

10. Debt (Continued)

unaffiliated entities, unless the Company is the surviving entity or the surviving entity assumes all of the Company's obligations in connection with the securitization transaction and certain other conditions are satisfied, (v) limitations on indebtedness that may be incurred by the Company on a consolidated basis, and (vi) recordkeeping, access to information and similar matters. The March 2007 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 March 2007 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.

March 2007 Use of Proceeds

The net proceeds from the sale of the March 2007 Fixed Rate Notes on March 16, 2007 were $171.7 million. Of this amount, $114.2 million was used to repay existing indebtedness of the Company; $2,408,000 was deposited into an interest reserve account for the Series 2007-1 FRN; and $3,110,000 was deposited into a lease payment account for payment to third-party property lessors. The Company used the remaining proceeds primarily to pay the costs of the transaction and for share repurchases. As of December 31, 2007, a total of $15.0 million was drawn on the Series 2007-2 VFN which was used as part of the payment for the Applebee's acquisition.

November 2007 Securitization Transactions

As part of the financing for the Applebee's acquisition, certain subsidiaries of the Company completed two separate securitization transactions with total proceeds of $2.039 billion. The securitization transactions consisted of an issuance of debt collateralized by Applebee's restaurant assets and a separate issuance of debt collateralized by IHOP restaurant assets under the IHOP securitization program.

Applebee's Securitization

On November 29, 2007, Applebee's Enterprises LLC, Applebee's IP LLC and other wholly-owned subsidiaries of Applebee's (collectively, the "Applebee's Co-Issuers), completed a $1.794 billion securitization transaction as described below. All of the notes issued in the Applebee's securitization were issued pursuant to an indenture (the "Applebee's Base Indenture"), and entered into by and among the Applebee's Co-Issuers and Wells Fargo Bank, and the related Series 2007-1 Supplement, each dated as of November 29, 2007 (together with the Applebee's Base Indenture, the "Applebee's Indenture").

Fixed Rate Notes

The Applebee's securitization consists of the following four classes of fixed rate notes (the "Applebee's November 2007-1 Notes"):

- $350 million of Series 2007-1 Class A-2-I-X Fixed Rate Term Senior Notes, which do not have the benefit of a financial guaranty insurance policy. These notes have an expected life of approximately six months, with a legal maturity of 30 years.

10. Debt (Continued)

- $675 million of Series 2007-1 Class A-2-II-A Fixed Rate Term Senior Notes that have the benefit of a financial guaranty insurance policy covering payment of interest when due and payment of principal at the applicable legal final maturity date. These notes have an expected life of approximately five years, with a legal maturity of 30 years.

- $650 million of Series 2007-1 Class A-2-II-X Fixed Rate Term Senior Notes, which do not have the benefit of a financial guaranty insurance policy. These notes have an expected life of approximately five years, with a legal maturity of 30 years.

- $119 million of Series 2007-1 Class M-1 Fixed Rate Term Subordinated Notes, which do not have the benefit of a financial guaranty insurance policy. These notes have an expected life of approximately four years, with a legal maturity of 30 years.

The Applebee's Indenture includes provisions which accelerate certain of the payment dates which, if not met, would require the Company to use operating funds to begin to pay down the outstanding debt. The accelerated payment dates for the Applebee's securitization are as follows:

Class A-2-I-X Fixed Rate Term Senior Notes	June 2008
Class A-2-II-A Fixed Rate Term Senior Notes	December 2012
Class A-2-II-X Fixed Rate Term Senior Notes	December 2012
Class M-1 Fixed Rate Term Subordinated Notes	December 2012

As of December 31, 2007, there was no acceleration of payment dates.

In the second quarter of 2008, the Company expects to complete certain sale-leaseback transactions of the real estate property on which approximately 200 company-owned Applebee's restaurants are situated, and use the net proceeds to fund the repayment of the Class A-2-I-X Fixed Rate Term Senior Notes. In addition, the Company expects to refranchise approximately 480 company-operated Applebee's restaurants. The Company anticipates that the proceeds received from its refranchising efforts will be used to repay a portion of the Applebee's November 2007-1 Notes.

Series 2007-1 Class A-1 Variable Funding Senior Notes

The Applebee's securitization also included a $100 million revolving credit facility of Series 2007-1 Class A-1 Variable Funding Senior Notes issued in two classes, with each drawdown allocated between the two classes on a pro rata basis. The 2007-1 Class A-1-AVariable Funding Notes in an amount up to $30 million have the benefit of a financial guaranty insurance policy covering payment of interest when due and payment of principal at the legal final maturity date. The Series 2007-1 Class A-1-X Variable Funding Notes in an amount up to $70 million do not have the benefit of a financial guaranty insurance policy. As of December 31, 2007, there was $75 million outstanding under this facility, consisting of $22.5 million insured and $52.5 million uninsured.

Securitization Structure

All of the Applebee's November 2007-1 Notes were issued by indirect subsidiaries of Applebee's that hold substantially all of the intellectual property, franchising assets and other restaurant assets of the Applebee's system and a certificate representing the right to receive a portion of the weekly residual cash flow remaining in securitization by certain subsidiaries of the Company. The servicing and repayment obligations related to the Applebee's November 2007-1 Notes and certain ongoing fees and expenses, including the premiums payable to the financial guaranty insurance company, are solely the

10. Debt (Continued)

responsibility of these indirect subsidiaries. Neither IHOP Corp., which is the ultimate parent of each of the subsidiaries involved in the securitization, nor Applebee's has guaranteed or is in any way liable for the obligations of the subsidiaries involved in the securitization, including the Applebee's November 2007-1 Notes and any other obligations of such subsidiaries arising in connection with the issuance of the Applebee's November 2007-1 Notes.

Third Party Credit Enhancement

The Series 2007-1 Class A-2-II-A Fixed Rate Term Senior Notes of $675 million were 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 Series 2007-1 Class A-2-II-A Fixed Rate Term Senior Notes are insured under a financial guaranty insurance policy issued by Assured Guaranty Corp. ("Assured"). The insurance policy has been issued under an Insurance and Indemnity Agreement among Assured, the Company and various subsidiaries of the Company.

Covenants/Restrictions

The Applebee's November 2007-1 Notes are subject to a series of covenants and restrictions under the Applebee's Indenture which are 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 Applebee's November 2007-1 Notes, (ii) certain debt service coverage and consolidated leverage ratios to be met, the failure of which may result in early amortization of the outstanding principal amounts due in respect of the Applebee's November 2007-1 Notes or removal of Applebee's Services, Inc., as servicer, among other things, (iii) optional prepayment subject to certain conditions, (iv) a restriction on the Company's merger with unaffiliated entities, unless the Company is the surviving entity or the surviving entity assumes all of the Company's obligations in connection with the securitization transaction and certain other conditions are satisfied, (v) limitations on indebtedness that may be incurred by the Company on a consolidated basis, and (vi) recordkeeping, access to information and similar matters. The Applebee's November 2007-1 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 Applebee's November 2007-1 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.

IHOP Securitization

Series 2007-3 Fixed Rate Notes

On November 29, 2007, the IHOP Co-Issuers issued $245 million of Series 2007-3 Fixed Rate Notes (the "Series 2007-3 FRN") in a securitized financing transaction. The Series 2007-3 FRN have an expected life of five years, with a legal maturity of 30 years. This issuance was the third issuance of debt securities by the IHOP Co-Issuers pursuant to a securitization structure established on March 16, 2007.

The Series 2007-3 FRN were issued by the IHOP Co-Issuers, which hold substantially all of the intellectual property and franchising assets of the IHOP system. The servicing and repayment obligations related to the Series 2007-3 FRN and certain on-going fees and expenses are solely the

responsibility of the IHOP Co-Issuers. IHOP Corp., which is the ultimate parent of each of the IHOP Co-Issuers, has not guaranteed and is not in any way liable for the obligations of the IHOP Co-Issuers, including the Series 2007-3 FRN, the March 2007 Notes or any other obligations of the IHOP Co-Issuers incurred in connection with the issuance of the Series 2007-3 FRN or the March 2007 Notes. The Company does, however, guarantee the performance of International House of Pancakes, Inc., as servicer for the IHOP securitization program.

All of the Series 2007-3 FRN issued in the IHOP securitization were issued under the IHOP Base Indenture, as amended and supplemented from time to time, including by the related supplement to the IHOP Base Indenture dated as of November 29, 2007.

Securitization Structure

The securitization structure for Series 2007-3 FRN is substantially similar to the structure for the Series 2007-1 FRN and Series 2007-2 VFN.

Third Party Credit Enhancement

The Series 2007-3 FRN does not have any third party credit enhancement.

Covenants/Restrictions

The covenants under the Indenture and applicable to all notes were modified with the consent of the holders of the Series 2007-1 FRN.

Weighted Average Effective Interest Rate

The weighted average effective interest rate on all of the notes issued in the November 2007 securitization transactions, exclusive of the amortization of fees and expenses associated with the securitization transactions, is 7.1799%. Taking into account fees and expenses (excluding the interest rate swap transaction discussed below) associated with the securitization transactions that will be amortized as additional non-cash interest expense over a five-year period, which is the expected life of the notes, the weighted average effective interest rate for the notes issued in November 2007 securitization transactions is 8.4571%.

Use of Proceeds

The net proceeds from the sale of the Applebee's notes and the borrowing under the Series 2007-1 Class A-1 Variable Funding Senior Note on November 29, 2007 were $1,847.4 million, net of expenses. The proceeds were used to deposit $66 million in various securitization accounts and to distribute $1,794.4 million to pay the outstanding debt and other third-party obligations of Applebee's and a portion of the purchase price for the Applebee's acquisition.

The IHOP Co-Issuer applied a portion of the net proceeds from the sale of the IHOP notes to deposit $4.3 million into the Series 2007-3 interest reserve account. The remaining 238.2 million was used to pay a portion of the purchase price related to the Applebee's acquisition.

Covenants/Restrictions Compliance

The Company was in compliance with all the covenants/restriction related to the March 2007 and November 2007 securitized notes as of December 31, 2007.

10. Debt (Continued)

Discount on Notes

The discount on notes reflects the difference between the proceeds received from the sale of the notes and the face amount to be repaid over the life of the notes. The discount is being amortized as additional interest expense over the estimated life of the notes under the effective interest method.

The proceeds received from the sale of the Applebee's November 2007-1 Notes and the Series 2007-3 FRN (collectively, the "Notes") are net of amounts paid or to be paid to the purchaser of the Notes who plans to resell these Notes. Pursuant to the Company's agreement with the purchaser, the Company may be refunded an amount equal to 40% of the sum, if positive, of a defined resale differential for the Notes resold within five business days after the later of (i) the completion of the resale of all of the Notes to unaffiliated third party investors and (ii) August 29, 2008.

Deferred Financing Costs

In connection with the March 2007 and November 2007 securitization transactions, the Company has recorded an aggregate of $82.5 million of deferred financing costs in Other Assets on the consolidated balance sheet as of December 31, 2007. These deferred financing costs will be amortized using the effective interest method over the estimated life of the related debt. Total amortization expense associated with the deferred financing costs for the year ended December 31, 2007 was $3.8 million.

Interest Rate Swap

On July 16, 2007, the Company entered into an interest rate swap (the "Swap"), which was intended to hedge the interest payments on the securitized notes that were issued in November 2007 to finance the Applebee's acquisition. The Swap had a notional amount of $2.039 billion and a fixed interest rate of 5.694%.

In connection with the closing of the November 2007 securitized financing transactions, the Company settled the Swap at a cost of $124.0 million. As a result of the Swap settlement, the Company incurred interest expense on the undesignated portion of the Swap in an amount of $62.1 million in 2007, and will amortize the designated portion of the Swap of $61.9 million into interest expense over the expected four-year life of the Applebee's November 2007-1 Notes and five-year life of IHOP Series 2007-3 FRN.

Debt Maturities

The long-term debt maturities begin to occur in 2012.

11. Leases

The Company leases the majority of all restaurants. The restaurants are subleased to our franchisees or in a few instances operated by the Company. These noncancelable leases and subleases consist primarily of land, buildings and improvements.

11. Leases (Continued)

The following is the Company's net investment in direct financing lease receivables:

	2007	2006
	(In thousands)	
Total minimum rents receivable	$ 259,948	$ 279,561
Less unearned income	(141,468)	(158,389)
Net investment in direct financing lease receivables	118,480	121,172
Less current portion	(2,984)	(2,408)
Long-term direct financing lease receivables	$ 115,496	$ 118,764

Contingent rental income, which is the amount above and beyond base rent, for the years ended December 31, 2007, 2006 and 2005 was $17.5 million, $18.0 million and $17.7 million, respectively.

The following is the Company's net investment in equipment leases receivable:

	2007	2006
	(In thousands)	
Total minimum leases receivable	$ 326,641	$ 351,802
Less unearned income	(166,641)	(184,838)
Net investment in equipment leases receivables	160,000	166,964
Less current portion	(6,457)	(6,707)
Long-term equipment leases receivable	$ 153,543	$ 160,257

The following are minimum future lease payments on the Company's noncancelable leases as lessee at December 31, 2007:

	Capital Leases	Operating Leases
	(In thousands)	
2008	$ 24,627	$ 94,122
2009	24,839	93,118
2010	25,116	90,896
2011	25,000	89,027
2012	24,837	88,625
Thereafter	217,291	946,702
Total minimum lease payments	341,710	$ 1,402,490
Less interest	(167,522)	
Capital lease obligations	174,188	
Less current portion(1)	(5,946)	

Long-term capital lease obligations	$	168,242

(1) Included in other accrued expenses on the consolidated balance sheet.

The asset cost and carrying amount on company-owned property leased at December 31, 2007, was $89.5 million and $75.5 million, respectively. The asset cost and carrying amount on company-owned

11. Leases (Continued)

property leased at December 31, 2006, was $89.1 million and $76.7 million, respectively. The asset cost and carrying amounts represent the land and building asset values and net book values on sites leased to franchisees.

The minimum future lease payments shown above have not been reduced by the following future minimum rents to be received on noncancelable subleases and leases of owned property at December 31, 2007:

	Direct Financing Leases	Operating Leases
	(In thousands)	
2008	$ 18,325	$ 93,060
2009	18,392	93,406
2010	18,478	94,587
2011	18,539	95,042
2012	18,656	95,442
Thereafter	167,558	1,258,872
Total minimum rents receivable	$ 259,948	$ 1,730,409

The Company has noncancelable leases, expiring at various dates through 2032, that require payment of contingent rents based upon a percentage of sales of the related restaurant as well as property taxes, insurance and other charges. Subleases to franchisees of properties under such leases are generally for the full term of the lease obligation at rents that include the Company's obligations for property taxes, insurance, contingent rents and other charges. Generally, the noncancelable leases include renewal options. Contingent rent expense for all noncancelable leases for the years ended December 31, 2007, 2006 and 2005 was $3.4 million, $3.3 million and $3.3 million, respectively. Minimum rent expense for all noncancelable operating leases for the years ended December 31, 2007, 2006 and 2005 was $67.6 million, $63.8 million and $62.7 million, respectively.

12. Commitments and Contingencies

Purchase Commitments

In some instances, the Company enters into commitments to purchase food and other items on behalf of the IHOP and Applebee's systems, to achieve volume discounts and to ensure quality throughout the system. Most of these agreements are fixed price purchase commitments. At December 31, 2007, the outstanding purchase commitments were $266.9 million, substantially all of which related to Applebee's. The Company has developed processes to facilitate the liquidation of these commitments to minimize financial exposure.

Lease Guarantees and Contingencies

In connection with the sale of Applebee's restaurants to franchisees and other parties, the Company has, in certain cases, remained contingently liable for the remaining lease payments. As of December 31, 2007, the Company has outstanding lease guarantees of approximately $13.4 million. In addition, the Company or its subsidiaries are contingently liable for various leases that the Company has assigned in connection with the sale of restaurants to franchisees and other parties in the potential amount of $10.7 million. These leases expire at various times with the final lease agreement expiring in

12. Commitments and Contingencies (Continued)

2018. The sale of virtually all of the restaurants involving these lease contingencies occurred prior to the effective date of FASB Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others* ("FIN 45") and, therefore, the Company was not required to record a liability for these guarantees following the prospective application guidance. The fair value of the few remaining lease guarantees entered into after the date of adoption are immaterial to the consolidated financial statements, thus the Company did not record a liability related to these contingent lease liabilities as of December 31, 2007 or 2006.

In 2004, the Company arranged for a third-party financing company to provide up to $250.0 million to qualified franchisees for loans to fund development of new restaurants, subject to its approval. The Company provided a limited guarantee of 10% of certain loans advanced under this program. The Company will be released from its guarantee if certain operating results are met after the restaurant has been open for at least two years. As of December 31, 2007, there were loans outstanding to five franchisees for approximately $43.2 million, net of any guarantees in which we were released, under this program. The fair value of the Company's guarantees under this financing program is approximately $100,000 and is recorded in non-current liabilities in the consolidated balance sheet as of December 31, 2007. This program expired on October 31, 2007 however; the Company's guarantee will remain outstanding until the provisions for release have been satisfied, as defined in the related agreement.

Litigation, Claims and Disputes

The Company is subject to various lawsuits, claims and governmental inspections or audits arising in the ordinary course of business. Some of these lawsuits purport to be class actions and/or seek substantial damages. In the opinion of management, these matters are adequately covered by insurance or, if not so covered, are without merit or are of such a nature or involve amounts that would not have a material adverse impact on the Company's business or consolidated financial statements.

Intellectual Property Rights

In 2006, the Company became aware of certain technical issues relating to nearly all IHOP registrations and applications filed with the United States Patent and Trademark Office prior to July 5, 1999 (the "Pre-1999 Registrations"), which include registrations for various "IHOP" and "International House of Pancakes" marks, which affected their continued validity and rendered inaccurate certain statements in the Uniform Franchise Offering Circular ("UFOC") used by IHOP after July 5, 1999. The Company has filed applications in the Patent and Trademark Office for new registrations of the Pre-1999 Registrations which are still in use (which applications are still pending) and cancelled the Pre-1999 Registrations which the Company believed to be invalid.

The Company believes that any issues regarding the invalidity of the federal registrations for the affected marks, and the related UFOC misstatements, have not had, and will not have, any material affect on the IHOP restaurants, the IHOP franchisees or the IHOP business. The Company owns in the United States all trademarks and service marks that are material to the IHOP business, including common law rights in the trademarks subject to the Pre-1999 Registrations, derived from established usage of the "IHOP" and "International House of Pancakes" marks and IHOP's presence in 49 states. The Company's intellectual property rights include such common law rights, along with the newly filed applications, and registrations for marks applied for after July 5, 1999, among them, logos that include the terms "IHOP," "International House of Pancakes" and "Come Hungry. Leave Happy."

12. Commitments and Contingencies (Continued)

New Jersey Building Laborers Pension and Annuity Funds v. Applebee's

On July 26, 2007, the New Jersey Building Laborers Pension and Annuity Funds filed a putative class action complaint in the Court of Chancery of the State of Delaware for New Castle County against Applebee's International, Inc., its directors, and IHOP Corp. alleging, among other things, that the then proposed transaction with IHOP would be unfair to Applebee's stockholders.

The parties to the litigation agreed in principle to the broad terms of a disclosure-based settlement as described in a Memorandum of Understanding executed on behalf of the parties by their respective attorneys and submitted to the Delaware Court of Chancery on October 12, 2007. As a result, certain disclosures were added to the Applebee's proxy statement in support of the merger. The parties filed a Stipulation of the Settlement with the Court on December 7, 2007. A final order approving the settlement is expected to be issued on February 27, 2008.

Gerald Fast v. Applebee's

The Company is currently defending a collective action filed under the Fair Labor Standards Act styled Gerald Fast v. Applebee's International, Inc., in which named plaintiffs claim that tipped workers in company restaurants perform excessive amounts of non-tipped work for which they should be compensated at the minimum wage. The court has conditionally certified a nationwide class of servers and bartenders who have worked in company-operated Applebee's restaurants since June 19, 2004. Unlike a class action, a collective action requires potential class members to "opt in" rather than "opt out." On February 12, 2008, 5,540 opt-in forms were filed with the court. Conditional certification is granted under a lenient standard and the Company will have an opportunity to have the class de-certified following the close of discovery at the end of 2008. The Company believes it has strong defenses supporting the de-certification of the class, as well as strong defenses to the substantive claims asserted, and intends to vigorously defend this case. An estimate of the possible loss, if any, or the range of the loss cannot be made and therefore, the Company has not accrued a loss contingency related to this matter.

Appraisal Rights

The Delaware General Corporation Law provides appraisal rights to the record holders of shares of any Delaware corporation that is a party to a merger or consolidation, subject to specified exceptions and to compliance with specified procedural requirements. The Company has received notices from stockholders representing 3,197,263 shares of Applebee's stock that they intend to seek an appraisal of those shares instead of accepting the merger consideration of $25.50 per share. No appraisal petition has yet been filed. The Company believes that a strong case can be made that the fair value of Applebee's stock is not higher than the merger consideration, however, at this time, it is not possible to predict what a court might award to appraisal petitioners as the fair value of their stock.

Severance Agreements

Applebee's had severance and employment agreements with certain officers which provided for severance payments to be made in the event of a change in control. In connection with the IHOP's acquisition of Applebee's, the change in control provisions of these agreements were triggered. Certain officers were terminated at the acquisition date. The severance amounts for these individuals have been accrued in the consolidated financial statements. In addition, certain officers will be terminated over the next two years. The Company will accrue these severance costs over the expected service period. As of December 31, 2007, the Company has accrued $10.9 million in its consolidated balance sheet.

13. Preferred Stock and Stockholders' Equity

Preferred Stock

As part of the financing for the Applebee's acquisition, on November 29, 2007, the Company completed two separate private placements of preferred stock.

Series A Perpetual Preferred Stock

On November 29, 2007, the Company issued and sold 190,000 shares of Series A Perpetual Preferred Stock (the "Series A Perpetual Preferred Stock") for an aggregate purchase price of $190.0 million in cash. Total issuance costs were approximately $3.0 million. All of the shares were sold to MSD SBI, L.P., an affiliate of MSD Capital, L.P., pursuant to a purchase agreement dated as of July 15, 2007, as amended as of November 29, 2007. The shares of Series A Perpetual Preferred Stock rank (i) senior to the common stock, and any series of preferred stock specifically designated as junior to the Series A Perpetual Preferred Stock, with respect to the payment of dividends and distributions, in a liquidation, dissolution or winding up, and upon any other distribution of the Company's assets, (ii) on a parity with all other series of preferred stock, including the Series B Convertible Preferred Stock, described below, with respect to the payment of dividends and distributions, in a liquidation, dissolution or winding up, and upon any other distribution of the Company's assets.

The holders of the Series A Perpetual Preferred Stock are entitled to receive dividends, at the rates and on the dates set forth in the Certificate of Designations for the Series A Perpetual Preferred Stock (the "Series A Certificate of Designations"), if, as, and when such dividends are declared by the Company's Board of Directors, but out of funds legally available for the payment of dividends, which dividends are payable in cash, subject to the Company's right to elect to accumulate any dividends payable after the first anniversary of the issue date. If, on any scheduled dividend payment date, the holder of record of a share of Series A Perpetual Preferred Stock does not receive in cash the full amount of any dividend required to be paid on such share on such date pursuant to the Series A Certificate of Designations (such unpaid dividends that have accrued and were required to be paid, but remain unpaid, on a scheduled dividend payment date, together with any accrued and unpaid accumulated dividends, the "Passed Dividends"), then such Passed Dividends accumulate on such outstanding share of Series A Perpetual Preferred Stock, whether or not there are funds legally available for the payment thereof or such Passed Dividends are declared by the Company's Board of Directors, and until such Passed Dividends have been paid, the applicable dividend rate under the Series A Certificate of Designations is computed on the sum of the stated value of the share plus such unpaid Passed Dividend. In the event that Passed Dividends shall have accrued but remain unpaid for two consecutive quarterly dividend periods (each such quarterly dividend period, a "Passed Quarter"), the applicable dividend rate under the Series A Certificate of Designations is, as of the end of such two-Passed Quarters period, prospectively increased by two percent (2.0%) per annum, and the applicable dividend rate under the Series A Certificate of Designations further increases prospectively by two percent (2.0%) per annum as of the end of each subsequent two-Passed Quarters period with respect to which Passed Dividends shall have accrued but remain unpaid. The Series A Certificate of Designations further provides that (i) under no circumstances shall the dividend rate applicable at any time prior to the tenth (10th) anniversary of the issue date of the Series A Perpetual Preferred Stock exceed sixteen percent (16%) per annum, and (ii) upon payment by the Company of all accrued and unpaid Passed Dividends, the dividend rate is thereupon automatically reduced prospectively to the applicable per annum dividend rate under the Series A Certificate of Designations.

13. Preferred Stock and Stockholders' Equity (Continued)

Series B Convertible Preferred Stock

On November 29, 2007, the Company issued and sold 35,000 shares of Series B Convertible Preferred Stock for an aggregate purchase price of $35.0 million in cash. Total issuance costs were approximately $0.8 million. All of the shares were sold to affiliates of Chilton Investment Company, LLC (collectively, "Chilton") pursuant to a purchase agreement dated as of July 15, 2007. The shares of Series B Convertible Preferred Stock rank (i) senior to the common stock, and any series of preferred stock specifically designated as junior to the Series B Convertible Preferred Stock, with respect to the payment of dividends and distributions, in a liquidation, dissolution or winding up, and upon any other distribution of the Company's assets, and (ii) on a parity with all other series of preferred stock, including the Series A Perpetual Preferred Stock, with respect to the payment of dividends and distributions, in a liquidation, dissolution or winding up, and upon any other distribution of the Company's assets.

Each share of Series B Convertible Preferred Stock has an initial stated value of $1,000, that increases at the rate of 6% per annum, compounded quarterly, commencing on the issue date of such share of Series B Convertible Preferred Stock to and including the earlier of (i) the date of liquidation, dissolution or winding up or the redemption of such share, or (ii) the date such share is converted into the Company's common stock. The stated value of a share as so accreted as of any date is referred to as the accreted value of the share as of that date. Shares of Series B Convertible Preferred Stock may be redeemed by the Company, in whole or in part at the Company's option, on or after the fourth anniversary of the issue date, at a redemption price equal to the accreted value as of the applicable redemption date, subject to the terms set forth in the Certificate of Designations for the Series B Convertible Preferred Stock ("the "Series B Certificate of Designations"). The Series B Convertible Preferred Stock entitles the holders thereof to receive certain dividends and distributions to the extent that any dividends or distributions paid on the Company's common stock exceed the annual accretion on the Series B Convertible Preferred Stock. Holders of Series B Convertible Preferred Stock are entitled to vote on all matters (including the election of directors) submitted to the holders of the Company's common stock, as a single class with the holders of the Company's common stock, with each share of Series B Convertible Preferred Stock having one vote per share of the Company's common stock then issuable upon conversion of such share of Series B Convertible Preferred Stock. As of December 31, 2007, the aggregate accretion for the Series B Convertible Preferred Stock was $181,000.

At any time and from time to time, any holder of Series of B Convertible Preferred Stock may convert all or any portion of the Series B Convertible Stock held by such holder into a number of shares of the Company's common stock computed by multiplying (i) each $1,000 of aggregate accreted value of the shares to be converted by (ii) the conversion rate then in effect (which initially is 14.44878 shares of common stock per $1,000 of accreted value, but subject to customary anti-dilution adjustments). All outstanding shares of Series B Convertible Preferred Stock will automatically convert into shares of the Company's common stock on the fifth anniversary of the issue date, at the conversion rate then in effect, without any action on the part of the holder thereof.

The Company also entered into a registration rights agreement, dated as of November 29, 2007, with Chilton pursuant to which the Company granted Chilton certain registration rights with respect to the shares of Series B Convertible Preferred Stock issued to Chilton and the shares of common stock issuable upon conversion of the Series B Convertible Preferred Stock.

13. Preferred Stock and Stockholders' Equity (Continued)

Share Repurchase Program

In January 2003, our Board of Directors authorized a program to repurchase shares of the Company's common stock. As of December 31, 2007, the Board approved the repurchase of up to 7.2 million shares of common stock. During 2007, the Company repurchased approximately 1.3 million shares of its common stock for $77.0 million. The Company has repurchased 6.3 million shares of its common stock since the inception of the program at a total cost of $280.0 million. This includes 5.0 million shares repurchased during the years 2003 through 2006.

Dividends

The Company had accrued $1.7 million as dividends for the Series A Perpetual Preferred Stock as of December 31, 2007. The dividends were paid in January 2008.

The Company has paid regular quarterly dividends of $0.25 per common share since May 2003. Future dividend declarations on the common shares may be made at the discretion of the board of directors after consideration of the Company's earnings, financial condition, cash requirements, future prospects and other factors.

Comprehensive (Loss) Income

The components of comprehensive (loss) income, net of taxes, are as follows:

	Year Ended December 31,		
	2007	2006	2005
	(In thousands)		
Net (loss) income:	$ (480)	$ 44,553	$ 43,937
Other comprehensive (loss) income:			
Interest rate swap	(36,605)	72	196
Total comprehensive (loss) income	$ (37,085)	$ 44,625	$ 44,133

The amount of income tax benefit (expense) allocated to interest rate swap was $24.1 million, ($44,000) and ($115,000) for 2007, 2006 and 2005, respectively.

14. Stock-Based Incentive Plans

The Stock Incentive Plan (the "1991 Plan") was adopted in 1991 and amended and restated in 1998 to authorize the issuance of up to 3,760,000 shares of common stock pursuant to options, restricted stock, and other long-term stock-based incentives to officers and key employees of the Company. The 2001 Stock Incentive Plan (the "2001 Plan") was adopted in 2001 and amended and restated in 2005 to authorize the issuance of up to 2,200,000 shares of common stock. No option can be granted at an option price of less than the fair market value at the date of grants as defined by the Plan. Exercisability of options is determined at, or after, the date of grant by the administrator of both Plans. All options granted under both plans through December 31, 2007, become exercisable one-third after one year, two-thirds after two years and 100% after three years or immediately upon a change in control of the Company, as defined by both plans.

The Stock Option Plan for Non-Employee Directors (the "Directors Plan") was adopted in 1994 and amended and restated in 1999 to authorize the issuance of up to 400,000 shares of common stock

14. Stock-Based Incentive Plans (Continued)

pursuant to options to non-employee members of the Company's Board of Directors. Options are to be granted at an option price equal to 100% of the fair market value of the stock on the date of grant. Options granted pursuant to the Directors Plan vest and become exercisable one-third after one year, two-thirds after two years and 100% after three years or immediately upon a change in control of the Company, as defined by the Directors Plan. Options for the purchase of shares are granted to each non-employee Director under the Directors Plan as follows: (1) an option to purchase 15,000 shares on February 23, 1995, or on the Director's election to the Board of Directors if he or she was not a Director on such date, and (2) an option to purchase 5,000 shares annually in conjunction with the Company's Annual Meeting of Stockholders for that year.

The 2005 Stock Incentive Plan for Non-Employee Directors (the "2005 Plan") was adopted in 2005 to authorize the issuance of up to 200,000 shares of common stock to non-employee members of the Company's Board of Directors. Awards may be made in common stock, in options to purchase common stock, or in shares of common stock subject to certain restrictions ("Restricted Stock"), or any combination thereof. The terms and conditions of awards granted are established by the Compensation Committee of the Company's Board of Directors, but become immediately vested upon a change in control of the Company, as defined by the 2005 Plan. Options are to be granted at an option price not less than 100% of the fair market value of the stock on the date of grant. The 2005 Plan provides for an initial grant of Restricted Stock ("Initial Grant"). At the end of a specified performance period, the number of shares in the Initial Grant will be increased or decreased, based on the percentage increase or decrease in the fair market value of the Company's common stock during the performance period.

Stock Options

Stock option activity for the years ended December 31, 2007, 2006 and 2005 is summarized as follows:

Shares Under Option	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2004	958,643	$ 27.97		
Granted	319,050	47.49		
Exercised	(190,510)	26.70		
Terminated	(8,350)	32.76		
Outstanding at December 31, 2005	1,078,833	33.93		
Granted	10,850	50.96		
Exercised	(204,447)	29.07		
Terminated	(60,547)	42.71		
Outstanding at December 31, 2006	824,689	34.71		
Granted	7,900	57.26		
Exercised	(282,517)	31.69		
Terminated	(8,316)	48.67		
Outstanding at December 31, 2007	541,756	$ 36.41	5.50	$ 2,456,569
Vested and Expected to Vest at December 31, 2007	527,698	$ 36.10	5.46	$ 2,456,569
Exercisable at December 31, 2007	441,581	$ 33.71	5.11	$ 2,456,569

14. Stock-Based Incentive Plans (Continued)

The per share weighted-average grant date fair value of options granted during the years 2007, 2006 and 2005 was $14.21, $13.81 and $11.67, respectively.

The total intrinsic value of options exercised during the years ended December 31, 2007, 2006 and 2005 was $7.8 million, $4.5 million and $3.9 million, respectively.

Cash received from options exercised under all stock-based payment arrangements for the years ended December 31, 2007, 2006 and 2005 was $8.9 million, $5.9 million and $5.1 million, respectively. The actual tax benefit realized for the tax deduction from option exercises under the stock-based payment arrangements totaled $3.0 million, $1.7 million and $1.5 million, respectively, for the years ended December 31, 2007, 2006 and 2005, respectively.

The following table summarizes information regarding outstanding and exercisable options at December 31, 2007:

Range of Exercise Prices	Number of Shares Outstanding as of 12/31/2007	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price Per Share	Number of Shares Exercisable as of 12/31/2007	Weighted Average Exercise Price Per Share
$14.94 - $28.11	165,332	3.18	$ 22.31	165,332	$ 22.31
$28.80 - $36.10	155,498	5.67	$ 35.18	155,498	$ 35.18
$36.85 - $46.70	28,964	7.13	$ 42.93	15,601	$ 42.63
$48.09 - $62.00	191,962	7.13	$ 48.58	105,150	$ 48.17
$14.94 - $62.00	541,756	5.50	$ 36.41	441,581	$ 33.71

The following table summarizes the Company's nonvested options as of December 31, 2007 and changes during the year ended December 31, 2007:

Nonvested Options	Number of Shares	Weighted Average Grant-Date Fair Value Per Share
Nonvested at January 1, 2007	267,195	$ 44.48
Granted	7,800	57.26
Vested	(167,004)	42.68
Forfeited	(7,816)	48.67
Nonvested at December 31, 2007	100,175	$ 48.30

Fair Value Disclosure

The per share fair values of the stock options granted have been estimated as of the date of grant or assumption using the Black-Scholes option pricing model. The Black-Scholes model considers, among other factors, the expected life of the option and the expected volatility of the Company's stock price. The Black-Scholes model meets the requirement of SFAS 123(R) but the fair values generated by

the model may not be indicative of the actual fair values of the Company's stock-based awards. The following table summarizes the assumptions used to value options granted in the respective periods:

	2007	2006	2005
Risk free interest rate	4.39%	4.67%	3.99%
Weighted average volatility	24.9%	28.2%	27.1%
Dividend yield	1.75%	1.96%	2.12%
Expected years until exercise	5 Years	5 Years	5 Years
Forfeitures	6.72%	12.03%	N/A
Weighted average fair value of options granted	$ 14.21	$ 13.81	$ 11.67

Stock-Based Compensation Expense

From time to time, the Company grants stock options and restricted stock to officers, directors and employees of the Company under the 2001 Plan and the 2005 Plan. The stock options generally vest over a three- year period and have a maturity of ten years from the issuance date. Option exercise prices equal the closing price on the New York Stock Exchange of the Company's common stock on the date of grant. Restricted stock provides for the issuance of a share of the Company's common stock at no cost to the holder and generally vests over terms determined by the Compensation Committee of the Company's Board of Directors. The restricted stock generally vests only if the employee is actively employed by the Company on the vesting date, and unvested restricted shares are forfeited upon termination, retirement before age 65, death or disability, unless the Compensation Committee of the Company's Board of Directors determines otherwise. When vested options and restricted stock are issued, the Company generally issues new shares from its authorized but unissued share pool or utilizes treasury stock. Stock-based compensation for the year ended December 31, 2007 and 2006 of $6.0 million and $3.9 million, respectively, has been recognized as a component of general and administrative expenses in the Company's consolidated financial statements.

The following table summarizes the Company's stock-based compensation expense included in the consolidated financial statements:

	Year Ended December 31,		
	2007	2006	2005
	(In thousands)		
Total stock-based compensation:			
Pre-tax compensation expense	6,958	3,911	310
Tax benefit	(2,726)	(1,519)	(118)
Total stock-based compensation expense, net of tax	$ 4,232	$ 2,392	$ 192

As of December 31, 2007, $15.3 million and $0.3 million (including forfeitures) of total unrecognized compensation cost related to restricted stock and stock options, respectively, is expected to be recognized over a weighted average period of approximately 2.05 years for restricted stock and 0.4 years for stock options.

14. Stock-Based Incentive Plans (Continued)

Restricted Stock

Restricted stock activity for the year ended December 31, 2007 is set forth below:

	Number of Shares	Weighted Average Grant-Date Per Share Fair Value
Nonvested at December 31, 2006	168,100	$ 50.31
Granted	271,840	54.72
Released	—	—
Forfeited	(10,000)	52.96
Nonvested at December 31, 2007	429,940	$ 53.04

Pro Forma Information for the Period Prior to the Adoption of SFAS 123(R)

The following table sets forth the pro forma effect on net income and net income per share for the year ended December 31, 2005, computed as if the Company had valued stock-based awards to employees using the Black-Scholes option pricing model instead of applying the guidelines provided by APB 25.

	2005 (In thousands, except per share amounts)
Net income, as reported	$ 43,937
Add stock-based compensation expense included in reported net income, net of tax	14
Less stock-based compensation expense determined under the fair-value accounting method, net of tax	(1,769)
Net income, pro forma	$ 42,182
Net income per share-basic, as reported	$ 2.26
Net income per share-basic, pro forma	$ 2.17
Net income per share-diluted, as reported	$ 2.24
Net income per share-diluted, pro forma	$ 2.15

15. Employee Benefit Plans

401(K) Savings and Investment Plan

In 2001, the Company adopted a defined contribution plan authorized under Section 401(K) of the Internal Revenue Code. The plan covers Company employees who meet the minimum credited service requirements of the 401(K) plan. Employees whose terms of service are covered by a collective bargaining agreement are not eligible. Employees may contribute the maximum allowable for the current year of their pre-tax covered compensation as determined by the limitations of the tax code. IHOP Corp. common stock is not an investment option for employees in the 401(K) plan. Substantially all of the administrative cost of the 401(K) plan is borne by the Company. Beginning in 2004, the Company matches 100% of the employees' contributions up to 3% of eligible compensation. The

15. Employee Benefit Plans (Continued)

Company's contribution was $0.7 million, $0.6 million and $0.6 million in 2007, 2006 and 2005, respectively.

Beginning with the 2005 plan year, the Company has funded, to eligible participants in the 401(K) plan, a profit sharing cash contribution equal to 3% of eligible compensation. For the 2007 plan year, the contribution is estimated to be $1.0 million and will be paid in early 2008. The Company's contribution was $0.9 million and $0.6 million for the plan years 2006 and 2005, respectively.

In connection with the Applebee's acquisition, the Company assumed a defined contribution plan authorized under Section 401(K). The Company will make matching cash contributions of 50% of each eligible employee's contributions not to exceed 4.0% of their annual compensation. Contributions under this plan will vest immediately. The Company made no cash contributions in the period subsequent to the acquisition date.

Nonqualified Deferred Compensation Plan

In 2002, Predecessor Applebee's entered into a rabbi trust agreement to protect the assets of the nonqualified deferred compensation plan for certain employees. Each participant's account was comprised of their contribution, Predecessor Applebee's matching contribution and each participant's share of earnings or losses in the plan. In connection with the Applebee's acquisition, this nonqualified deferred compensation plan was terminated. The balance in the rabbi trust was approximately $21.2 million and was recorded as deferred compensation as of December 31, 2007. This amount was distributed to the participants in January 2008.

16. Income Taxes

The provision for income taxes is as follows:

	Year Ended December 31,		
	2007	2006	2005
	(In thousands)		
Provision for income taxes:			
Current			
Federal	$ 14,987	$ 27,990	$ 28,033
State and foreign	6,738	4,500	2,585
	21,725	32,490	30,618
Deferred			
Federal	(19,240)	(4,005)	(1,249)
State	(4,732)	(188)	(2,440)
	(23,972)	(4,193)	(3,689)
(Benefit) provision for income taxes	$ (2,247)	$ 28,297	$ 26,929

The (benefit) provision for income taxes differs from the expected federal income tax rates as follows:

	2007	2006	2005
Statutory federal income tax rate	(35.0)%	35.0%	35.0%
State and other taxes, net of federal tax benefit	1.5	3.8	3.0
Change in unrecognized tax benefits	(54.5)	—	—
Change in valuation allowance	26.0	—	—
State adjustments including audits and settlements	(27.7)	—	—
Refund claims for research and development credits and compensation deductions	(17.9)	—	—
Write-off state income tax receivables	7.4	—	—
Compensation related tax credits, net of deduction offsets	(27.1)	—	—
Changes in tax rates and state tax laws	47.5	—	—
Other	(1.7)	—	—
Effective tax rate	(81.5)%	38.8%	38.0%

16. Income Taxes (Continued)

Net deferred tax assets (liabilities) consist of the following components:

	2007	2006
	(In thousands)	
Differences in capitalization and depreciation and amortization of reacquired franchises and equipment	$ 5,153	$ 4,273
Differences in acquisition financing costs	36,239	—
Employee compensation	23,683	4,993
Other comprehensive income primarily interest rate swap loss	23,944	83
Differences in capitalization, amortization and depreciation(1)	57,045	—
Other	23,373	8,932
Deferred tax assets	169,437	18,281
Valuation allowance	(2,613)	—
Total deferred tax assets after valuation allowance	166,824	18,281
Differences between financial and tax accounting in the recognition of franchise and equipment sales	(76,994)	(76,603)
Differences in capitalization and depreciation(1)	(546,652)	(4,650)
Differences between book and tax basis of property and equipment	(7,769)	(7,628)
Other	(18,412)	—
Deferred tax liabilities	(649,827)	(88,881)
Net deferred tax (liabilities)	$ (483,003)	$ (70,600)
Net deferred tax asset (liability)—current	22,406	5,417
Valuation allowance—current	(544)	—
Net deferred tax asset (liability)—current	21,862	5,417
Net deferred tax asset (liability)—non current	(502,796)	(76,017)
Valuation allowance—non current	(2,069)	—
Net deferred tax asset (liability)—non current	(504,865)	(76,017)
Net deferred tax (liabilities)	$ (483,003)	$ (70,600)

(1) Primarily related to the Applebee's acquisition.

The net deferred tax liability of $483.0 million excludes the net deferred tax asset of $2.9 million related to discontinued operations. The current and non-current net deferred tax assets related to discontinued operations of $.3 million and $2.6 million are included in current assets related to discontinued operations and non-current assets related to discontinued operations, respectively.

The Company or one of its subsidiaries files U.S. federal income tax returns and income tax returns in various state and foreign 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 2004 for federal returns and 2000 for other jurisdictions. In November 2006, the Company reached a settlement with respect to the Internal Revenue Service 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

16. Income Taxes (Continued)

income related to the reporting of initial franchise fees for 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 FIN 48 on January 1, 2007. As a result of the implementation of FIN 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 of retained earnings at January 1, 2007. At December 31, 2007, the Company had a liability for unrecognized tax benefit including potential interest and penalties, net of related tax benefit, totaling $16.9 million, of which approximately $0.1 million is expected to be paid within one year. For the remaining liability, due to the uncertainties related to these tax matters, the Company is unable to make a reasonably reliable estimate when cash settlement with a taxing authority will occur.

The total unrecognized tax benefit as of December 31, 2006 and December 31, 2007 was $4.4 million and $13.8 million, respectively, excluding interest, penalties and related income tax benefits. The increase of $9.4 million is primarily related to additional reserves of Applebee's partially offset by settlements with tax authorities and the lapse of applicable statute of limitations. Of the $13.8 million, $3.0 million excluding related tax benefits would be included in the effective tax rate if recognized prior to adoption of SFAS 141(R). The Company estimates the unrecognized tax benefits may decrease in 2008 by an amount up to $0.5 million related to the settlement with taxing authorities and the lapse of the statute of limitations. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	(in thousands)
Unrecognized tax benefit as of December 31, 2006	$ 4,408
Applebee's beginning balance	10,823
Change as a result of prior year tax positions	495
Change as a result of current year tax positions	255
Decreases relating to settlements with taxing authorities	(361)
Decreases as a result of a lapse of the statute of limitations	(1,828)
Unrecognized tax benefit as of December 31, 2007	$ 13,792

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 of December 31, 2007, the accrued interest and penalties were $8.0 million and $2.6 million, respectively, excluding any related income tax benefits. The increase of $7.0 million and $2.5 million of accrued interest and penalties, respectfully, is primarily related to additional unrecognized tax benefits of Applebee's. The Company recognizes interest accrued related to unrecognized tax benefits and penalties as a component of income tax expense which is recognized in the statement of operations.

The Company has various state net operating loss carryovers representing $1.5 million of state taxes. The net operating loss carryovers will expire, if unused, during the period from 2008 through 2027.

16. Income Taxes (Continued)

The Company has recorded a deferred tax asset related to a change in the enacted tax law for the state of Michigan. The Company cannot assert on a more than likely basis that the asset will be realized. Therefore, a valuation allowance of $2.6 million has been recorded to offset the entire asset. Of the $2.6 million, $0.7 million was recorded in the current year and $1.9 million was recorded in the opening balance sheet of Applebee's.

17. Net (Loss) Income Per Share

The computation of the Company's basic and diluted net (loss) income per share is as follows:

	Year Ended December 31,		
	2007	2006	2005
	(In thousands, except per share data)		
Numerator for basic and dilutive income (loss) per common share:			
Net (loss) income	$ (480)	$ 44,553	$ 43,937
Less: Preferred stock dividends	(1,742)	—	—
(Loss) income available to common stockholders	$ (2,222)	$ 44,553	$ 43,937
Denominator:			
Weighted average outstanding shares of common stock	17,232	18,085	19,405
Dilutive effect of:			
Common stock equivalents	—	213	198
Common stock and common stock equivalents	17,232	18,298	19,603
Net (loss) income per common share:			
Basic	$ (0.13)	$ 2.46	$ 2.26
Diluted	$ (0.13)	$ 2.43	$ 2.24

Diluted loss per common share is computed using the weighted average number of common shares outstanding during the period, as the 627,000 shares from common stock equivalents would have been antidilutive.

18. Related Party Transactions

In 2001, the Company loaned $1.2 million to its President and Chief Executive Officer. A portion of the loan ($600,000) was a personal loan. Pursuant to the employment agreement signed by the President and Chief Executive Officer in December 2001, this personal loan was interest free and forgiven in annual increments of $100,000. As of December 31, 2007 and 2006, the outstanding balance of this personal loan was zero and $100,000, respectively. The other portion of the loan ($600,000) was an interest free bridge loan used to fund a portion of the down payment on a new home. There was no remaining balance as of December 31, 2007 and 2006.

IHOP Corp. and Subsidiaries

Notes to the Consolidated Financial Statements (Continued)

19. Segment Reporting

Prior period segment information has been restated to conform to the current year presentation. Information on segments and a reconciliation to income before income taxes are as follows:

	2007			2006	2005
	(in thousands)				
	Applebee's(1)	IHOP	Total		
Revenues					
Franchise operations	$ 14,173	$ 191,584	$ 205,757	$ 179,331	$ 167,384
Company restaurants	108,784	17,121	125,905	13,585	13,964
Rental operations	—	132,422	132,422	132,101	131,626
Financing operations	—	20,475	20,475	24,543	35,049
Total	$ 122,957	$ 361,602	$ 484,559	$ 349,560	$ 348,023
Intercompany Real Estate Charges					
Company restaurants	$ —	$ 141	$ 141	$ 388	$ 259
Rental operations	—	3,424	3,424	20,535	20,462
Corporate	—	(3,565)	(3,565)	(20,923)	(20,721)
Total	$ —	$ —	$ —	$ —	$ —
Income (loss) from continuing operations before income taxes					
Franchise operations	$ 14,009	$ 103,694	$ 117,703	$ 96,252	$ 88,616
Company restaurants	10,959	(2,489)	8,470	(2,016)	(1,131)
Rental operations	—	34,020	34,020	34,197	33,235
Financing operations	—	19,260	19,260	20,303	22,750
Corporate	(28,010)	(154,200)	(182,210)	(75,886)	(72,604)
Income (loss) before income taxes	$ (3,042)	$ 285	$ (2,757)	$ 72,850	$ 70,866
Income tax (benefit) expense	$ (1,757)	$ (490)	$ (2,247)	$ 28,297	$ 26,929
Interest Expense					
Company restaurants	$ 51	$ 496	$ 547	$ 514	$ 368
Rental operations	—	20,815	20,815	21,361	21,513
Financing operations	—	—	—	68	224
Corporate	14,635	14,019	28,654	7,902	8,322
Total	$ 14,686	$ 35,330	$ 50,016	$ 29,845	$ 30,427
Depreciation and amortization					
Franchise operations	$ 981	$ —	$ 981	$ —	$ —
Company restaurants	4,856	882	5,738	379	246
Rental operations	—	12,029	12,029	6,268	6,503
Financing operations	2,694	—	2,694	—	—
Corporate	776	6,531	7,307	13,403	13,117
Total	$ 9,307	$ 19,442	$ 28,749	$ 20,050	$ 19,866
Impairment and closure charges	$ 19	$ 4,307	$ 4,326	$ 43	$ 896

Capital Expenditures					
Franchise operations	$ —	$ 430	$ 430	$ 233	$ 738
Company restaurants	5,872	439	6,311	7,076	3,205
Corporate	3,726	1,961	5,687	2,117	3,422
Total	$ 9,598	$ 2,830	$ 12,428	$ 9,426	$ 7,365
Goodwill	$ 719,961	$ 10,767	$ 730,728	$ 10,767	$ 10,767
Total Assets					
Franchise operations	$ 222,118	$ 50,678	$ 272,796	$ 32,988	$ 27,780
Company restaurants	797,479	5,610	803,089	8,701	7,065
Rental operations	—	257,453	257,453	255,545	252,287
Financing operations	—	406,394	406,394	198,651	215,105
Corporate	2,034,300	57,130	2,091,430	270,365	267,966
Total	$ 3,053,897	$ 777,265	$ 3,831,162	$ 766,250	$ 770,203

(1) From acquisition date.

IHOP Corp. and Subsidiaries

Notes to the Consolidated Financial Statements (Continued)

20. Selected Quarterly Financial Data (Unaudited)

	Revenues	Operating Margin	Net Income	Net Income (Loss) Per Share— Basic(a)	Net Income (Loss) Per Share— Diluted(a)
	(In thousands, except per share amounts)				
2007					
1st Quarter	$ 90,124	$ 37,077	$ 11,313	$ 0.63	$ 0.63
2nd Quarter	89,487	34,872	14,130	0.82	0.82
3rd Quarter	91,355	(378)	(11,616)	(0.69)	(0.69)
4th Quarter(b)	213,593	63,380	(14,307)	(0.94)	(0.94)
2006					
1st Quarter	$ 88,517	$ 36,509	$ 12,594	$ 0.68	$ 0.68
2nd Quarter	85,074	33,316	10,306	0.57	0.56
3rd Quarter	88,037	35,935	11,323	0.63	0.62
4th Quarter	87,932	35,074	10,330	0.58	0.57

(a) The quarterly amounts may not add to the full year amount due to rounding.

(b) The 4th quarter net loss and net loss per share was significantly impacted by the acquisition of Applebee's, the loss on derivative financial instruments and increased interest expense resulted from the securitization notes.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of IHOP Corp. and Subsidiaries:

We have audited the accompanying consolidated balance sheets of IHOP Corp. and Subsidiaries (the "Company") as of December 31, 2007 and 2006, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of IHOP Corp. and Subsidiaries at December 31, 2007 and 2006, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 14 to the consolidated financial statements, the Company changed its method of accounting for Share-Based Payments in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004) on January 2, 2006.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for uncertainties in income tax positions in accordance with Statement of Financial Accounting Standards Interpretation 48, on January 1, 2007.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), IHOP Corp.'s internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2008 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Los Angeles, California
February 26, 2008

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such terms are defined in Rule 13a-15(e) and 15d-15(e) promulgated under the Exchange Act, amended, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on their assessment as of the end of the period covered by this Annual Report on Form 10-K, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f). All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2007 based on the framework in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2007.

On November 29, 2007, the Company completed its acquisition of Applebee's International, Inc. ("Applebee's"). Due to the close proximity of the completion of the acquisition to the date of management's evaluation of the effectiveness of our internal control over financial reporting, management did not assess the effectiveness of internal control over financial reporting of the Applebee's business, which is included in the 2007 consolidated financial statements of the Company and constituted $3.1 billion and $1.9 billion of total assets and net assets as of December 31, 2007, respectively, and $123.0 million and $1.3 million of revenues and net loss, respectively, for the period from November 29, 2007 through December 31, 2007.

The effectiveness of our internal control over financial reporting as of December 31, 2007 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report that appears herein.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of IHOP Corp. and Subsidiaries

We have audited IHOP Corp. and Subsidiaries, (the Company) internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). IHOP Corp. and Subsidiaries' management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include an assessment of the internal controls of Applebee's International, Inc., which is included in the 2007 consolidated financial statements of IHOP Corp. and Subsidiaries and constituted $3.1 billion and $1.9 billion of total and net assets, respectively, as of December 31, 2007, and $123.0 million and $1.3 million of revenues and net loss, respectively, for the period from November 29, 2007 to December 31, 2007. Our audit of internal control over financial reporting of IHOP Corp. and Subsidiaries also did not include an evaluation of the internal control over financial reporting of Applebee's International, Inc.

In our opinion, IHOP Corp. and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007 based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of IHOP Corp. and Subsidiaries as of December 31, 2007 and 2006, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2007 and our report dated February 26, 2008 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Los Angeles, California
February 26, 2008

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the fourth quarter of fiscal 2007 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We are continuing to evaluate our internal controls in light of the acquisition of Applebee's and may modify our internal controls after completion of our review.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item regarding our directors and executive officers is incorporated by reference to the following sections to be set forth in our Proxy Statement for the 2008 Annual Meeting of Shareholders ("2008 Proxy Statement") to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2007.

(a) *Identification of Directors.* The information under the section entitled "Information Concerning Nominees and Members of the Board of Directors."

(b) *Identification of Executive Officers and Certain Employees.* The information under the section entitled "Executive Officers of the Company."

(c) *Compliance with Section 16(a) of the Exchange Act.* The information under the section entitled "Compliance with Section 16(a) of the Securities Exchange Act."

(d) *Code of Ethics.* The information under the section entitled "Code of Ethics for Chief Executive and Senior Financial Officers."

(e) *Audit Committee.* The information under the sections entitled "Board Committees and their Functions" and "Report of the Audit Committee."

Item 11. Executive Compensation.

The information required by this Item regarding executive compensation is incorporated by reference to the sections entitled "Executive Compensation—Summary of Compensation," "Executive Compensation—Stock Options and Stock Appreciation Rights," "Executive Officers of the Company—Employment Agreements," "Compensation Committee Interlocks—Insider Participation" and "Compensation Committee Report" to be set forth in our 2008 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item regarding security ownership and management is incorporated by reference to the sections entitled "Security Ownership of Certain Beneficial Owners and Management" and "Securities Authorized for Issuance under Equity Compensation Plans" to be set forth in our 2008 Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item regarding certain relationships and related transactions is incorporated by reference to the sections entitled "Certain Relationships and Related Transactions, and Director Independence" to be set forth in our 2008 Proxy Statement.

Item 14. Principal Accounting Fees and Services.

The information required by this Item regarding principal accountant fees and services is incorporated by reference to the section entitled "Independent Auditor Fees" to be set forth in our 2008 Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a)(1) **Consolidated Financial Statements**

The following documents are contained in Part II, Item 8 of this Annual Report on Form 10-K:

Consolidated Balance Sheets as of December 31, 2007 and 2006.

Consolidated Statements of Operations for each of the three years in the period ended December 31, 2007.

Consolidated Statements of Stockholders' Equity for each of the three years in the period ended December 31, 2007.

Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2007.

Notes to the Consolidated Financial Statements.

Reports of Independent Registered Public Accounting Firm.

(a)(2) **Financial Statement Schedules**

All schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

(a)(3) **Exhibits**

Exhibits that are not filed herewith have been previously filed with the Securities and Exchange Commission and are incorporated herein by reference.

2.1 Agreement and Plan of Merger, dated as of July 15, 2007, by and among IHOP Corp., CHLH Corp. and Applebee's International, Inc. (Exhibit 2.1 to Registrant's Form 8-K filed July 17, 2007 is incorporated by reference herein).

3.1 Restated Certificate of Incorporation of IHOP Corp. (Exhibit 3.1 to Registrant's 2002 Form 10-K is incorporated herein by reference).

3.2 Bylaws of IHOP Corp. (Exhibit 3.2 to Registrant's 2002 Form 10-K is incorporated herein by reference).

3.3 Amendment to the bylaws of IHOP Corp. dated November 14, 2000 (Exhibit 3.3 to Registrant's Form 10-Q for the quarterly period ended March 31, 2001 is incorporated herein by reference).

3.4 Certificate of Designations with respect to the Series A Perpetual Preferred Stock (Exhibit 3.1 to Registrant's Form 8-K filed December 5, 2007 is incorporated by reference herein).

3.5 Certificate of Designations with respect to the Series B Convertible Preferred Stock (Exhibit 3.2 to Registrant's Form 8-K filed December 5, 2007 is incorporated by reference herein).

4.1 Senior Note Purchase Agreement, dated as of November 1, 1996, among IHOP, Inc., IHOP Corp. and Jackson National Life Insurance Company and other purchasers (Exhibit 4.2 to Registrant's 2002 Form 10-K is incorporated herein by reference).

4.2 First Amendment to Senior Note Purchase Agreement, dated as of October 28, 2002, among IHOP Inc., IHOP Corp., and Jackson National Life Insurance Company and other purchasers (Exhibit 4.3 to Registrant's 2002 Form 10-K is incorporated herein by reference).

4.3 Revolving line of credit note among International House of Pancakes, Inc., a Delaware Corporation and Wells Fargo Bank, N.A. dated as of June 28, 2001 (Exhibit 4.4 to Registrant's 2001 Form 10-K is incorporated herein by reference).

4.4 First Amendment to Credit Agreement, dated as of May 31, 2002, among International House of Pancakes, Inc., a Delaware Corporation and Wells Fargo Bank, National Association (Exhibit 4.7 to Registrant's Form 10-Q for the quarterly period ended June 30, 2002 is incorporated herein by reference).

4.5 Loan Agreement dated as of April 27, 2001, among IHOP Properties, Inc., International House of Pancakes, Inc., IHOP Corp., IHOP Realty Corp., and Bank of America, N.A. (Exhibit 4.5 to Registrant's 2001 Form 10-K is incorporated herein by reference).

4.6 First Addendum to loan agreement, dated as of March 13, 2002, among IHOP Properties, Inc., International House of Pancakes, Inc., IHOP Corp., IHOP Realty Corp., and Bank of America, N.A. (Exhibit 4.6 to Registrant's Form 10-Q for the quarterly period ended March 31, 2003 is incorporated herein by reference).

4.7 Second Addendum to loan agreement, dated as of October 28, 2002, among IHOP Properties, Inc., International House of Pancakes, Inc., IHOP Corp., IHOP Realty Corp., and Bank of America, N.A. (Exhibit 4.8 to Registrant's 2002 Form 10-K is incorporated herein by reference).

4.8 Note Purchase Agreement, dated as of October 28, 2002, among IHOP Corp., International House of Pancakes, Inc. and AIG Annuity Insurance Company and other purchasers (Exhibit 4.1 to Registrant's Form 10-Q for the quarterly period ended September 30, 2002 is incorporated herein by reference).

4.9 Amended and restated Intercreditor Agreement, dated as of October 28, 2002, among Wells Fargo Bank, N.A., MONY Life Insurance Company and other noteholders (Exhibit 4.10 to Registrant's 2002 Form 10-K is incorporated herein by reference).

4.10 Third Addendum to loan agreement, dated as of March 8, 2004, among IHOP Properties, Inc., International House of Pancakes, Inc., IHOP Corp., IHOP Realty Corp., and Bank of America, N.A. (Exhibit 4.11 to Registrant's 2003 Form 10-K is incorporated herein by reference).

4.11 Second Amendment to Senior Note Purchase Agreement, dated as of February 24, 2005, among IHOP Corp., and Jackson National Life Insurance Company and other purchasers (Exhibit 4.1 to Registrant's Form 10-Q for the quarterly period ended March 31, 2005 is incorporated herein by reference).

4.12 First Amendment and Waiver to Note Purchase Agreement, dated as of February 24, 2005, among IHOP Corp., International House of Pancakes, Inc. and AIG Annuity Insurance Company and other purchasers (Exhibit 4.2 to Registrant's Form 10-Q for the quarterly period ended March 31, 2005 is incorporated herein by reference).

4.13 Second Amendment to Credit Agreement, dated as of May 31, 2005, by and between International House of Pancakes, Inc. and Wells Fargo Bank, National Association (Exhibit 10.2 to Registrant's Form 8-K for May 31, 2005, is incorporated herein by reference).

4.14 Form of revolving line of credit note, dated as of May 31, 2005, by and between International House of Pancakes, Inc. in favor of Wells Fargo Bank, National Association (Exhibit 10.3 to Registrant's Form 8-K for May 31, 2005, is incorporated herein by reference).

4.15 Fourth Addendum to loan agreement, dated as of February 10, 2006, among IHOP Properties, Inc., International House of Pancakes, Inc., IHOP Corp., IHOP Realty Corp., and Bank of America, N.A. (Exhibit 4.16 to Registrant's 2005 Form 10-K is incorporated herein by reference).

4.16 Third Amendment to Credit Agreement, dated as of September 29, 2006, by and between International House of Pancakes, Inc. and Wells Fargo Bank, National Association (Exhibit 10.1 to Registrant's Form 8-K for September 29, 2006, is incorporated herein by reference).

4.17 Base Indenture, dated as of March 16, 2007, by and among IHOP Franchising, LLC, IHOP IP, LLC and Wells Fargo Bank, National Association (Exhibit 4.1 to Registrant's Form 10-Q for the quarterly period ended March 31, 2007 is incorporated by reference herein).

4.18 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 (Exhibit 4.6 to Registrant's Form 10-Q for the quarterly period ended March 31, 2007 is incorporated by reference herein).

4.19 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 (Exhibit 4.7 to Registrant's Form 10-Q for the quarterly period ended March 31, 2007 is incorporated by reference herein).

*4.20 Series Supplement for the Series 2007-3 Fixed Rate Term Notes, dated as of November 29, 2007, by and among IHOP Franchising, LLC, IHOP IP, LLC and Wells Fargo Bank, National Association.

*4.21 Base Indenture, dated as of November 29, 2007, by and among Applebee's Enterprises LLC, Applebee's IP LLC, certain other entities listed therein, and Wells Fargo Bank, National Association, as Indenture Trustee.

*4.22 Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007, by and among Applebee's Enterprises LLC, Applebee's IP LLC, certain other entities listed therein, and Wells Fargo Bank, National Association.

†10.1 Employment Agreement between IHOP Corp. and Mark D. Weisberger (Exhibit 10.3 to Registrant's 2002 Form 10-K is incorporated herein by reference).

†10.2 Employment Agreement between IHOP Corp. and Richard C. Celio (Exhibit 10.4 to Registrant's 2002 Form 10-K is incorporated herein by reference).

†10.3 Employment Agreement between IHOP Corp. and Tom Conforti dated March 25, 2003 (Exhibit 10.5 to Registrant's 2002 Form 10-K is incorporated herein by reference).

†10.4 Employment Agreement between IHOP Corp. and Julia A. Stewart (Exhibit 10.10 to Registrant's 2001 Form 10-K is incorporated herein by reference).

†10.5 Employment Agreement between IHOP Corp. and Dennis R. Farrow (Registrant's Form 8-K dated July 10, 2006 is incorporated herein by reference).

†10.6	Area Franchise Agreement, effective as of May 5, 1988, by and between IHOP, Inc. and FMS Management Systems, Inc. (Exhibit 10.8 to Registrant's 2002 Form 10-K is incorporated herein by reference).
†10.7	International House of Pancakes Employee Stock Ownership Plan as Amended and Restated as of January 1, 2001 (Exhibit 10.12 to Registrant's 2001 Form 10- K is incorporated herein by reference).
†10.8	Third Amendment to the International House of Pancakes Employee Stock Ownership Plan, dated as of December 30, 2002 (Exhibit 10.10 to Registrant's 2002 Form 10-K is incorporated herein by reference).
†10.9	IHOP Corp. 1994 Stock Option Plan for Non-Employee Directors as Amended and Restated February 23, 1999 (Annex "A" to Registrant's Proxy Statement for the Annual Meeting of Stockholders held on Tuesday, May 11, 1999 is incorporatedherein by reference).
†10.10	IHOP Corp. 2001 Stock Incentive Plan (the "2001 Plan") (Appendix "B" to Registrant's Proxy Statement for the Annual Meeting of Stockholders held on May 15, 2001 is incorporated herein by reference).
†10.11	International House of Pancakes 401(k) Plan (Exhibit 10.15 to Registrant's 2001 Form 10-K is incorporated herein by reference).
†10.12	IHOP Corp. Executive Incentive Plan effective January 1, 2005 (Exhibit 10.12 to Registrant's 2004 Form 10-K in incorporated herein by reference).
†10.13	IHOP Corp. 2001 Stock Incentive Plan Non-qualified Stock Option Agreement (Exhibit 10.15 to Registrant's 2003 Form 10-K is incorporated herein by reference).
†10.14	IHOP Corp. 2005 Stock Incentive Plan for Non-Employee Directors (the "2005 Plan") (Appendix "A" to Registrant's Proxy Statement for the Annual Meeting of Stockholders held on May 24, 2005 is incorporated herein by reference).
†10.15	IHOP Corp. 2001 Stock Incentive Plan as Amended and Restated March 1, 2004 (Appendix "B" to Registrant's Proxy Statement for the Annual Meeting of Stockholders held on Tuesday, May 24, 2005 is incorporated herein by reference).
10.16	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., IHOP Corp. and Wells Fargo Bank, National Association, as Indenture Trustee (Exhibit 4.2 to Registrant's Form 10-Q for the quarterly period ended March 31, 2007 is incorporated by reference herein).
*10.17	Amendment No. 1 to Servicing Agreement, dated as of November 28, 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., IHOP Corp. and Wells Fargo Bank, National Association, as Indenture Trustee.
10.18	Parent Asset Sale Agreement, dated as of March 16, 2007, by IHOP Holdings, LLC, as Purchaser, and International House of Pancakes, Inc. as Seller (Exhibit 4.3 to Registrant's Form 10-Q for the quarterly period ended March 31, 2007 is incorporated by reference herein).
10.19	Guaranty, dated as of March 16, 2007, by IHOP Corp., in favor of IHOP Holdings, LLC (Exhibit 4.4 to Registrant's Form 10-Q for the quarterly period ended March 31, 2007 is incorporated by reference herein).

*10.20	Amendment No. 1 to Guaranty, dated as of November 28, 2007, by IHOP Corp., in favor of IHOP Holdings, LLC.
10.21	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 (Exhibit 4.5 to Registrant's Form 10-Q for the quarterly period ended March 31, 2007 is incorporated by reference herein).
10.22	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 (Exhibit 4.8 to Registrant's Form 10-Q for the quarterly period ended March 31, 2007 is incorporated by reference herein).
10.23	Series A Perpetual Preferred Stock Purchase Agreement, dated as of July 15, 2007, by and between IHOP Corp. and MSD SBI, L.P. (Exhibit 10.1 to Registrant's Form 8-K filed on July 17, 2007 is incorporated by reference herein).
10.24	First Amendment to Series A Perpetual Preferred Stock Purchase Agreement, dated as of November 29, 2007, by and between IHOP Corp. and MSD SBI, L.P. (Exhibit 10.1 to Registrant's Form 8-K filed December 5, 2007 is incorporated by reference herein).
10.25	Series B Convertible Preferred Stock Purchase Agreement, dated as of July 15, 2007, by and among IHOP Corp. and the purchasers identified on Schedule A thereto (Exhibit 10.2 to Registrant's Form 8-K filed July 17, 2007 is incorporated by reference herein).
10.26	Commitment Letter, dated July 15, 2007, by and among IHOP Corp., CHLH Corp., Lehman Brothers Commercial Bank, Lehman Brothers Inc. and Lehman Commercial Paper Inc. (Exhibit 10.1 to Registrant's Form 10-Q for the quarterly period ended September 30, 2007 is incorporated by reference herein).
10.27	Registration Rights Agreement, dated as of November 29, 2007, by and among IHOP Corp. and the persons identified on Schedule A thereto (Exhibit 10.2 to Registrant's Form 8-K filed December 5, 2007 is incorporated by reference herein).
*10.28	Series 2007-3 Fixed Rate Term Notes Purchase Agreement, dated as of November 29, 2007, by and among IHOP Franchising, LLC, IHOP IP, LLC, International House of Pancakes, Inc., IHOP Corp. and Lehman Brothers Inc., as Initial Purchaser.
*10.29	Servicing Agreement, dated as of November 29, 2007, by and among Applebee's Enterprises LLC, Applebee's IP LLC, certain other entities listed therein, Applebee's Franchising LLC, Applebee's Services, Inc., Applebee's International, Inc., Assured Guaranty Corp., and Wells Fargo Bank, National Association, as Indenture Trustee.
*10.30	IHOP Corp. Servicing Guaranty, dated as of November 29, 2007, by IHOP Corp., in favor of Applebee's Enterprises LLC, Applebee's IP LLC, and certain other entities listed therein.
*10.31	Guaranty and Collateral Agreement (Applebee's Franchising LLC), dated as of November 29, 2007, by and among Applebee's Franchising LLC, Applebee's Enterprises LLC, and Wells Fargo Bank, National Association.
*10.32	Guaranty and Collateral Agreement (Applebee's Holdings LLC), dated as of November 29, 2007, by and among Applebee's Holdings LLC, Applebee's Enterprises LLC, and Wells Fargo Bank, National Association.

*10.33	Class A-1 Note Purchase Agreement, dated as of November 29, 2007, by and among Applebee's Enterprises LLC, Applebee's IP LLC, certain other entities listed therein, Applebee's Services, Inc., as Servicer, certain financial institutions, as Committed Note Purchasers, certain funding agents, Lehman Commercial Paper Inc., as Swingline Lender, and Lehman Commercial Paper Inc., as Class A-1 Administrative Agent.
*10.34	Purchase Agreement, dated as of November 29, 2007, by and among Applebee's Enterprises LLC, Applebee's IP LLC, certain other entities listed therein, Applebee's Holdings LLC, Applebee's Franchising LLC, IHOP Corp., Applebee's International, Inc., Applebee's Services, Inc., Applebee's Holdings II Corp., and Lehman Brothers Inc., as Initial Purchaser.
14.0	IHOP Corp. Code of Ethics for Chief Executive and Senior Financial Officers (Exhibit 14.0 to Registrant's 2004 Form 10-K is incorporated herein by reference).
*21	Subsidiaries of IHOP Corp.
*23.1	Consent of Ernst & Young LLP.
*31.1	Certification of CEO pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
*31.2	Certification of CFO pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
*32.1	Certification of CEO 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 CFO pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.

† A contract, compensatory plan or arrangement in which directors or executive officers are eligible to participate.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 27th day of February, 2008.

IHOP CORP.

By: /s/ JULIA A. STEWART

Julia A. Stewart
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant, and in the capacities indicated, on this 27th day of February 2008.

Name	Title
/s/ JULIA A. STEWART	Chairman and Chief Executive Officer (Principal Executive Officer)
Julia A. Stewart	
/s/ THOMAS CONFORTI	Chief Financial Officer (Principal Financial Officer)
Thomas Conforti	
/s/ GREGGORY KALVIN	Vice President, Corporate Controller (Principal Accounting Officer)
Greggory Kalvin	
/s/ LARRY ALAN KAY	
Larry Alan Kay	Director
/s/ H. FREDERICK CHRISTIE	
H. Frederick Christie	Director
/s/ RICHARD J. DAHL	
Richard J. Dahl	Director
/s/ FRANK EDELSTEIN	
Frank Edelstein	Director
/s/ MICHAEL S. GORDON	
Michael S. Gordon	Director
/s/ CAROLINE W. NAHAS	
Caroline W. Nahas	Director
/s/ GILBERT T. RAY	

Gilbert T. Ray	Director
/s/ PATRICK W. ROSE	
Patrick W. Rose	Director

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SIGNATURES

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EXECUTION VERSION

IHOP FRANCHISING, LLC,
as Issuer

and

IHOP IP, LLC,
as Co-Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION
Indenture Trustee

SERIES SUPPLEMENT

for the Series 2007-3 Fixed Rate Term Notes

November 29, 2007

This Series Supplement (the "Series Supplement") is dated November 29, 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") and Wells Fargo Bank, National Association, as indenture trustee (herein, together with its permitted successors in the trusts under the Indenture, called the "Indenture Trustee").

WITNESSETH:

WHEREAS, the Co-Issuers 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, the Indenture Trustee and Financial Guaranty Insurance Company have entered into the Series Supplements, each dated as of March 16, 2007, providing for the creation and the issuance of the Series 2007-1 Notes and the Series 2007-2 Notes, respectively;

WHEREAS, the Co-Issuers have determined to issue a Series of Notes consisting of $245,000,000 Fixed Rate Term Notes (the "Series 2007-3 Notes"); and

WHEREAS, the Co-Issuers and the Indenture Trustee are executing and delivering this Series Supplement in order to create and provide for the Series 2007-3 Notes (the "Series Supplement" and, together with the Base Indenture and such other Series Supplements and Supplemental Indentures as may be executed from time to time, the "Indenture").

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

CREATION OF SERIES 2007-3 NOTES; DESIGNATION

There is hereby created for issuance under this Series Supplement, upon and subject to the conditions set forth in Article III below, a Series of Notes designated the Series 2007-3 Fixed Rate Term Notes (the "Series 2007-3 Notes"). The Series 2007-3 Notes shall be a Senior Series of Notes for purposes of the Indenture. The Series 2007-3 Notes shall be governed by the terms set forth in the Base Indenture and this Series Supplement.

ARTICLE III

CONDITIONS TO ISSUANCE

The Series 2007-3 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 and the Indenture Trustee;

(ii) a Company Order authorizing and directing the authentication and delivery of the Series 2007-3 Notes by the Indenture Trustee on the terms contained in this Series Supplement on the date specified in such Company Order; and

(iii) written confirmation that the Series 2007-3 Notes will be rated "Baa2" by Moody's and "BBB-" by S&P upon issuance.

ARTICLE IV

PRINCIPAL TERMS

Section 4.1 Series 2007-3 Note Interest Amount, Fees and Closing Date.

(a) Series 2007-3 Note Interest Amount. The Series 2007-3 Note Interest Amount shall be payable in arrears on each Payment Date commencing on January 22, 2008 as the Series Interest Payment Amount relating to the Series 2007-3 Notes. The "Series 2007-3 Note Interest Amount" shall be an amount equal to the accrued interest over the immediately preceding Interest Accrual Period at the Series 2007-3 Note Interest Rate on the Series 2007-3 Outstanding Principal Amount together with all accrued but unpaid Series 2007-3 Monthly Extension Period Contingent Additional Interest and Series 2007-3 Monthly Post-ARD Contingent Additional Interest (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 2007-3 Note Interest Rate" shall be equal to a fixed rate of 7.0588% per annum.

(b) Series 2007-3 Contingent Additional Interest Amounts. The "Series 2007-3 Monthly Extension Period Contingent Additional Interest Amount" shall be, with respect to any Interest Accrual Period that occurs during the Series 2007-3 Extension Period, an amount of additional interest on the Series 2007-3 Aggregate Outstanding Principal Amount together with all accrued but unpaid Series 2007-3 Monthly Extension Period Contingent Additional Interest (as of the first day of such 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 the excess, if any, of: (a) the sum of one-month LIBOR plus 2.855% (the "Series 2007-3 Original Spread") plus 0.50% per annum (the "Series 2007-3 Extension Spread") (such aggregate amount in this clause (a), the "Series 2007-3

Monthly Extension Period Stepped-Up Interest Rate"), over (b) the Series 2007-3 Note Interest Rate, calculated on the basis of a 360-day year and the actual number of days elapsed during such period. Any unpaid Series 2007-3 Monthly Extension Period Contingent Additional Interest Amount shall accrue interest to the extent legally permissible at the Series 2007-3 Monthly Extension Period Stepped-Up Interest Rate prior to the Adjusted Repayment Date and at the 2007-3 Monthly Post-ARD Stepped-Up Interest Rate thereafter. The "Series 2007-3 Monthly Post-ARD Contingent Additional Interest Amount" shall be, with respect to any Interest Accrual Period following the later of (i) the Series 2007-3 Anticipated Repayment Date and (ii) the Adjusted Repayment Date, if the Series 2007-3 Final Payment has not been made, an amount of additional interest on the Series 2007-3 Aggregate Outstanding Principal Amount (as of the first day of such 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 the excess, if any, of: (a) the sum of one-month LIBOR plus the Series 2007-3 Original Spread plus 1.0% per annum (the "Series 2007-3 Monthly Post-ARD Spread") (such aggregate amount in this clause (a), the "Series 2007-3 Monthly Post-ARD Stepped-Up Interest Rate"), over (b) the Series 2007-3 Note Interest Rate, calculated on the basis of a 360- day year and the actual number of days elapsed during such period. Any unpaid Series 2007-3 Monthly Post-ARD Contingent Additional Interest Amount shall accrue interest to the extent legally permissible at the Series 2007-3 Monthly Post-ARD Stepped-Up Interest Rate.

Any Series 2007-3 Monthly Extension Period Contingent Additional Interest Amount or Series 2007-3 Monthly Post-ARD Contingent Additional Interest Amount (as applicable), and any interest accrued thereon at the Series 2007-3 Monthly Extension Period Stepped-Up Interest Rate or Series 2007-3 Monthly Post-ARD Stepped-Up Interest Rate, as applicable, shall accrue from the relevant Payment Date but shall only be payable after (i) all accrued and unpaid interest on the outstanding principal balance of the Series 2007-3 Notes at the Series 2007-3 Note Interest Rate and on the outstanding principal amount of the other Series of Notes at their respective applicable interest rates, (ii) all outstanding principal amounts on all Series of Notes that are due and payable on such Payment Date (in connection with a Mandatory Redemption Period or the Series Anticipated Repayment Date or otherwise) and (iii) all other amounts senior in priority to the Series 2007-3 Monthly Extension Period Contingent Additional Interest Amount and Series 2007-3 Monthly Post-ARD Contingent Additional Interest Amount have been paid in full in accordance with the priority of payments set forth in Articles X and XI of the Base Indenture. Failure to pay any Series 2007-3 Monthly Extension Period Contingent Additional Interest Amount or Series 2007-3 Monthly Post-ARD Contingent Additional Interest Amount (as applicable) shall not be an Event of Default; provided, that all accrued but unpaid Series 2007-3 Monthly Extension Period Contingent Additional Interest Amount or Series 2007-3 Monthly Post-ARD Contingent Additional Interest Amount (as applicable) shall (i) accrue interest to the extent legally permissible at the Series 2007-3 Monthly Extension Period Stepped-Up Interest Rate or Series 2007-3 Monthly Post-ARD Stepped-Up Interest Rate, as applicable, and (ii) be paid in full on the Series 2007-3 Legal Final Maturity Date, on any Payment Date with respect to which a prepayment in full of the Series 2007-3 Notes is made or on any other day on which all of the Series 2007-3 Notes are required to be paid in full. For purposes of Article X and Article XI of the Base Indenture, any Series 2007-3 Monthly Extension Period Contingent Additional Interest Amount or Series 2007-3 Monthly Post-ARD Contingent Additional Interest Amount, as applicable, and any interest accrued thereon at the Series 2007-3 Monthly Extension Period Stepped-Up Interest Rate or Series 2007-3 Monthly Post-ARD

Stepped-Up Interest Rate, as applicable, shall be deemed a Series Additional Interest Payment Amount and shall not be rated.

During a Series 2007-3 Extension Period and any other applicable Series Extension Period, to the extent specified in the applicable Series Supplement, 37.5% of amounts remaining in the Collections Account after giving effect to Section 10.9(a) through Section 10.9(u) of the Base Indenture for such purpose on each Weekly Allocation Date will be deposited to the Principal Payment Accounts for the Series 2007-3 Notes and any other applicable Senior Series of Notes, allocated, ratably, on the basis of the Aggregate Outstanding Principal Amount for the Senior Series of Notes for which such deposit shall be made, for payment of principal of such Senior Series of Notes until paid in full, if any, for the applicable Payment Date.

"Series 2007-3 Final Payment" means the payment of all accrued and unpaid interest on, principal of, all Outstanding Series 2007-3 Notes.

(c) Series 2007-3 Closing Date. The Closing Date shall be November 29, 2007.

(d) Series 2007-3 Initial Interest Accrual Period. The Initial Interest Accrual Period for the Series 2007-3 Notes shall commence on the Closing Date and end on January 19, 2008.

Section 4.2 Payment of 2007-3 Note Principal.

(a) Series 2007-3 Notes Principal Payment at Legal Maturity. The Series 2007-3 Outstanding Principal Amount shall be due and payable on the Series 2007-3 Legal Final Maturity Date. The Series 2007-3 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 2007-3 Anticipated Repayment Date. The Series Anticipated Repayment Date for the Series 2007-3 Notes shall be the Payment Date occurring in December 2012, unless extended as provided below in this Section 4.2 (such date, the "Series 2007-3 Anticipated Repayment Date").

(i) Extension Election. Subject to the conditions set forth in Section 4.2(b)(ii) of this Series Supplement, the Co-Issuers shall have the option on or before the Payment Date occurring in June 2012 to elect (the "Series 2007-3 Extension Election") to extend the Series 2007-3 Anticipated Repayment Date to the Payment Date occurring in June 2013 (the "Adjusted Repayment Date") by delivering written notice to the Indenture Trustee and the Noteholders; and

(ii) Conditions Precedent to Extension Election. It shall be a condition to the effectiveness of the Series 2007-3 Extension Election that, on the Accounting Date occurring in December 2012 (the "Extension Determination Date"), (a) the Series Debt Service Coverage Ratio relating to the Series 2007-3 Notes is greater than or equal to

2.80x, (b) no Mandatory Redemption Event (or an event which with the lapse of time or giving of notice would be such a Mandatory Redemption Event) relating to the Series 2007-3 Notes, 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 2007-3 Extension Period" means, as applicable, the period from and including the Payment Date occurring in December 2012 to and excluding the Payment Date occurring in June 2013 following the Series 2007-3 Extension Election and subject to the satisfaction of all the conditions required for such extension as of the Extension Determination Date.

For purposes of this Series Supplement, "IHOP System-wide Sales" means retail sales during the fiscal year preceding the Extension Determination Date of IHOP Restaurants operated by Franchisees, Area Licensees, and IHOP Corp. or any Affiliate thereof.

(iii) Any notice given pursuant to Section 4.2(b)(i) of this Series Supplement shall be irrevocable; provided that if the conditions set forth in Section 4.2(b)(ii) are not met by the applicable date, the election set forth in such notice shall automatically be deemed ineffective.

(c) Series 2007-3 Notices of Final Payment. The Co-Issuers shall notify the Indenture Trustee and the Rating Agencies on or before the Record Date preceding the Payment Date which will be the Series 2007-3 Anticipated Repayment Date; provided, however, that with respect to any final payment that is made in connection with any Mandatory Redemption or Optional Redemption in full, the Co-Issuers shall not be obligated to provide any additional notice to the Indenture Trustee or the Rating Agencies of such final payment beyond the notice required to be given in connection with such Mandatory Redemption or Optional Redemption, as the case may be, under Article IX of the Base Indenture. The Indenture Trustee shall provide written notice to each person in whose name a Series 2007-3 Note is registered at the close of business on such Record Date that the immediately succeeding Payment Date will be the Series 2007-3 Anticipated Repayment Date. Such written notice to be sent to the Series 2007-3 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 2007-3 Notes and shall specify the place where the Series 2007-3 Notes may be presented and surrendered for such final payment.

(d) Notices to Irish Stock Exchange.

(i) Solely for purposes of this Series Supplement, if and for so long as the Series 2007-3 Notes are listed on the Irish Stock Exchange and any action is required of the Irish Paying Agent, then, for purposes of determining when such Irish Paying Agent action is required, "Business Day" shall also be required to be a day on which banking institutions are open for business in Dublin, Ireland. "Irish Paying Agent" shall mean Custom House Administration and Corporate Services in its capacity as such, and its permitted successors and assigns in such capacity.

(ii) For so long as any Class of Series 2007-3 Notes is listed on the Irish Stock Exchange and the rules of such exchange so require, the Indenture Trustee shall deliver written notice to the Irish Paying Agent (for notification to the Irish Stock Exchange) of any supplemental indenture made pursuant to Section 8.1 or 8.2 of the Base Indenture within ten (10) days following the date of such supplemental indenture.

(iii) For so long as any Class of Series 2007-3 Notes is listed on the Irish Stock Exchange and the rules of such exchange so require, the Co-Issuers shall notify the Irish Paying Agent (for notification to the Irish Stock Exchange) if the rating assigned by any Rating Agency to such Class of Series 2007-3 Notes is reduced or withdrawn.

(iv) For so long as the Series 2007-3 Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Indenture Trustee shall deliver written notice of an Optional Redemption of the Series 2007-3 Notes pursuant to Section 9.2 of the Base Indenture to the Irish Paying Agent (for notification to the Irish Stock Exchange) at least ten (10) days prior to the Optional Redemption Date.

Section 4.3 Principal Terms of the Series 2007-3 Notes. The Series 2007-3 Notes shall have the following Principal Terms:

(a) Initial Series Aggregate Principal Amount. The Initial Series Aggregate Outstanding Principal Amount for the Series 2007-3 Notes shall be $245,000,000.

(b) Maximum Series Aggregate Principal Amount. The maximum Aggregate Outstanding Principal Amount for the Series 2007-3 Notes shall be $245,000,000.

(c) Series Specific Accounts Established Pursuant to Article X of the Base Indenture.

(i) Series 2007-3 Interest Payment Account;

(ii) Series 2007-3 Principal Payment Account;

(iii) Series 2007-3 Interest Reserve Account; and

(iv) Series 2007-3 Trigger Reserve Account.

(d) Series Initial Interest Reserve Deposit Amount. $4,323,515 shall be deposited into the Series 2007-3 Note Interest Reserve Account on the Closing Date.

(e) Series Interest Reserve Account Required Amount.

(i) The Series Interest Reserve Account Required Amount with respect to the Series 2007-3 Notes (the "Series 2007-3 Interest Reserve Account Required Amount") on each Payment Date and each subsequent Weekly Allocation Date up to the next Payment Date shall be, (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

aggregate amount, without duplication, of the Estimated Daily Reserve Interest Amount for each day of the next Interest Accrual Period or (B) if the Series Debt Service Coverage Ratio determined as of each of the three preceding Accounting Dates is less than 2.25x, the product of (i) three (3) and (ii) the amount determined in accordance with (A); provided that with respect to the first three Payment Dates after the Closing Date, the Series 2007-3 Interest Reserve Account Required Amount shall be the amount determined in accordance with (B) above.

(ii) Notwithstanding the foregoing, to the extent any portion of the Aggregate Outstanding Principal Amount of Series 2007-3 Notes are not subject to a financial guaranty policy substantially similar to the Series 2007-1 Insurance Policy, such portion of the Series 2007-3 Interest Reserve Account Required Amount attributable to such uninsured portion of the Aggregate Outstanding Principal Amount of Series 2007-3 Notes (the "Series 2007-3 Interest Reserve Account Required Amount Uninsured Portion") shall remain to be calculated in the manner set forth in Section 4.3(e)(i)(B) above regardless of the level of the Series Debt Service Coverage Ratio; provided that to the extent any such uninsured portion of the Aggregate Outstanding Principal Amount of the Series 2007-3 Notes subsequently becomes subject to any financial guaranty policy substantially similar to the Series 2007-1 Insurance Policy, the Series 2007-3 Interest Reserve Account Required Amount Uninsured Portion shall be adjusted accordingly; provided, further, that while a Mandatory Redemption Event is continuing, the Series 2007-3 Interest Reserve Account Required Amount shall be equal to the greater of (A) the lesser of (x) the Series 2007-3 Interest Reserve Account Required Amount Uninsured Portion then on deposit in the Series 2007-3 Note Interest Reserve Account and (y) the product of (aa) six (6) and (bb) the amount determined in accordance with Section 4.3(e)(i)(A) above with respect to the uninsured portion of the Aggregate Outstanding Principal Amount of the Series 2007-3 Notes and (B) $2,500,000.

For purposes of this Series Supplement, "Estimated Daily Reserve Interest Amount" means (a) for any day during the first Interest Accrual Period, $48,039, (b) for any day during the second Interest Accrual Period, $48,039, 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 (2) consecutive Interest Accrual Periods.

For purposes of this Series Supplement, the "Daily Reserve Interest Amount" means the (a) product of (i) the Series 2007-3 Note Rate in effect for such Interest Accrual Period and (ii) the aggregate principal amount of Series 2007-3 Notes Outstanding as of the close of business on such day; divided by (b) 360.

(f) Series Additional Interest Payment Amount. Any Series 2007-3 Monthly Extension Period Contingent Additional Interest Amount and any Series 2007-3 Post-ARD Contingent Additional Interest Amount, as applicable, and any interest accrued thereon at the Series 2007-3 Monthly Extension Period Stepped-Up Interest Rate or the Series 2007-3 Monthly Post-ARD Stepped-Up Interest Rate, as applicable, shall be deemed a Series Additional Interest Payment Amount as specified in Section 4.1(b).

(g) Series Legal Final Maturity Date. The Payment Date occurring in December 2037.

(h) Ranking of Series 2007-3 Notes. Series 2007-3 Notes rank *pari passu* as to principal and interest with the Series 2007-1 Notes and the 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.

(i) Series Optional Redemption Premium. The Series Optional Redemption Premium payable to Holders of the Series 2007-3 Notes upon Optional Redemption of any Series 2007-3 Notes will be an amount equal to the excess, if any, of (a) the discounted present value as of the related Series 2007-3 Optional Redemption Premium Calculation Date of such Series 2007-3 Optional Principal Redemption Amount as if paid on the Series 2007-3 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 Series 2007-3 Anticipated Repayment Date, utilizing a discount rate equal to the Swap Rate (or EDSF Rate if the Anticipated Remaining Life on such date is less than 2 years), over (b) such Series 2007-3 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.

"Swap Rate" means, when used with respect to any Business Day for any tenor, the mid-market swap rate for such tenor appearing on page 19901 of the Telerate Service (or any successor service or, if such service or successor service is not available, a substitute rate, which will be the median of three quoted rates determined by the Trustee requesting substitute rate quotes from three broker dealers of nationally recognized standing) on such Business Day.

"Series 2007-3 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 2007-3 Optional Principal Redemption Amount" means, with respect to any Optional Redemption Date, the Aggregate Outstanding Principal Amount of Series 2007-3 Notes to be redeemed.

"Series 2007-3 Anticipated Life" means, with respect to any date, the period of time between such date and the Series 2007-3 Anticipated Repayment Date.

(j) Series Minimum Debt Service Coverage Ratio. The Series Minimum Debt Service Coverage Ratio applicable to the Series 2007-3 Notes shall be 1.50x; provided that so long as any Series 2007-3 Notes are Outstanding, the Series Minimum Debt Service Coverage Ratio applicable to any Series of Notes to be issued after the Closing Date shall not be greater than 1.50x.

(k) Series IHOP Corp. Consolidated Leverage Ratio Threshold. The Series IHOP Corp. Consolidated Leverage Ratio Threshold applicable to the Series 2007-3 Notes shall be 7.75x for the first twelve-month period following the Waiver Date, 7.50x for the second twelve-month period following the Waiver Date, and 7.00x anytime thereafter. "Waiver Date" means November 28, 2007.

(l) 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 and greater than or equal to 1.50x.

(m) 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 2007-3 Notes shall occur if (A) (i) the least of the Series Debt Service Coverage Ratios relating to the Series 2007-3 Notes as was determined as of each of the preceding three (3) Accounting Dates is greater than or equal to 1.65x and (ii) the Series Debt Service Coverage Ratio relating to the Series 2007-3 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 2007-3 Notes as was determined each of the preceding three (3) Accounting Dates is greater than or equal to 1.85x and (ii) the Series Debt Service Coverage relating to the Series 2007-3 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 2007-3 Notes shall occur prior to the Payment Date occurring in May 2008, or if a Default, Event of Default, Servicer Termination Event or a Mandatory Redemption Event relating to the Series 2007-3 Notes is continuing.

(n) Series Trigger Reserve Release Amount. The Series Trigger Reserve Release Amount with respect the Series 2007-3 Notes shall be equal to the amount, if any, by which (a) the amount then on deposit in the Series 2007-3 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 2007-3 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 2007-3 Notes as was determined as of any of the immediately preceding three (3) 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 2007-3 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 (2) Accounting Dates is equal to or greater than 1.85x.

(o) Series Interest Reserve Release Event. On any Payment Date, a Series Interest Reserve Release Event relating to the Series 2007-3 Notes occurs when the amount on deposit in the Series 2007-3 Interest Reserve Account is greater than the Series 2007-3 Interest Reserve Account Required Amount; provided, that no Series Interest Reserve Release Event relating to the Series 2007-3 Notes shall occur prior to Payment Date occurring in May 2008, or

if a Servicer Termination Event, Default, Event of Default or a Mandatory Redemption Event relating to the Series 2007-3 Notes is continuing; provided, further, that a Series Interest Release Event with respect to the Series 2007-3 Notes shall only occur in connection with a reduction in the Aggregate Outstanding Principal Amount of such Notes.

(p) Series Interest Reserve Release Amount. On any Payment Date with respect to which a Series Interest Reserve Release Event occurs, the Series Interest Reserve Release Amount shall be the excess of the amount on deposit in the Series 2007-3 Interest Reserve Account over the Series 2007-3 Interest Reserve Account Required Amount.

(q) Additional Issuance Series DSCR Threshold. The Additional Issuance Series DSCR Threshold applicable to the Series 2007-3 Notes shall be 2.50x.

(r) Defective Asset Payment Series DSCR Threshold. The Defective Asset Payment Series DSCR Threshold applicable to the Series 2007-3 Notes shall be 3.50x.

(s) STE Series DSCR Threshold. The STE Series DSCR Threshold applicable to the Series 2007-3 Notes shall be 1.25x

(t) EOD Series DSCR Threshold. The EOD Series DSCR Threshold applicable to the Series 2007-3 Notes shall be 1.25x.

(u) Unhedged Floating Rate Principal Limit. The Unhedged Floating Rate Principal Limit applicable with respect to the Series 2007-3 Notes shall be $50,000,000.

Section 4.4 Restrictions on Issuance of Additional Notes. For so long as the Series 2007-1 Class M-1 Fixed Rate Term Subordinated Notes co-issued by Applebee's Enterprises LLC, Applebee's IP LLC and certain "Restaurant Holders" remain outstanding, the Co-Issuers may not issue any Notes subsequent to the issuance of the Series 2007-3 Notes under the Indenture, except for the purpose of refinancing any existing Series of Notes.

Section 4.5 Mandatory Liquidation of Collateral.

Pursuant to Supplement No. 1 to the Base Indenture ("Supplement No.1 to the Indenture"), dated as of November 28, 2007 by and among the Co-Issuers and the Indenture Trustee, the Base Indenture has been amended to provide, among other things, that if any 2007-3 Notes are Outstanding on the date fifteen (15) Business Days prior to the Payment Date occurring in December 2022 or the date fifteen (15) Business Days prior to the two year anniversary of each prior Auction Date thereafter until no Notes are Outstanding (each such date, an "Auction Date"), an auction of the Collateral shall be conducted on such Auction Date by the Indenture Trustee at the expense of the Co-Issuers (which expenses will be paid by the Co-Issuers in accordance with the Weekly Collections Account Allocation Priority and shall be required to be reasonable and customary in all respects) and with the assistance of (i) an Auction Agent (an "Auction Agent") selected by the Series Controlling Party on behalf of the Secured Parties and (ii) the Servicer (the "Mandatory Liquidation"). On the Payment Date immediately following the Auction Date, unless the Auction Agent determines that bids received for the purchase of the Collateral together with all other funds available to the Co-Issuers will not be at least equal to the Aggregate Outstanding Principal Amount of all Series of Notes plus related

expenses, fees, additional interest and reimbursements the Notes shall be redeemed in whole but not in part. If such conditions are not satisfied and the auction is not conducted successfully on an Auction Date, the Indenture Trustee, together with the Auction Agent, shall attempt to conduct an auction on each Auction Date thereafter until the Notes are redeemed in full.

Section 4.6 Additional Provisions Relating to Mandatory Redemptions .

(a) The Series 2007-3 Notes will be subject to mandatory redemption on any Payment Date pursuant to Section 9.1 of the Base Indenture, if any Series DSCR Mandatory Redemption Event or other Mandatory Redemption Event relating to any other Series of Notes issued pursuant to the Indenture has occurred and is continuing.

(b) For so long as any Series 2007-3 Notes remain outstanding, the Co-Issuers shall not issue any additional Series of Notes with a Series Minimum Debt Service Coverage Ratio greater than 1.50x.

(c) Pursuant to Supplement No. 1 to the Indenture, the Base Indenture has been amended to provide, among other things, that any deposit of funds to the Principal Payment Account of any Senior Series of Notes pursuant to Section 10.9(m) of the Base Indenture shall automatically be deemed to constitute a Mandatory Redemption Event under the Base Indenture, except as otherwise provided in the applicable Series Supplement for any Series of Notes. Accordingly, such deposit shall only be made if all remaining funds in the Collection Account available for such purpose in accordance with Section 10.9 of the Base Indenture shall be allocated ratably to all of the Senior Series of Notes on the basis of the Aggregate Outstanding Principal Amount for each Senior Series of Notes (and then, after giving effect to certain other allocations and payments pursuant to the Weekly Collections Account Allocation Priority, ratably, to each of the Senior Subordinated Series of Notes or Subordinated Series of Notes, as applicable).

ARTICLE V

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 VI

FORM OF NOTES

The form of the Series 2007-3 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 2007-3 Notes will bear legends substantially to the following effect unless the Co-Issuers determine otherwise in compliance with applicable law.

THIS SERIES 2007-3 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") HAS 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 (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 IS (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR

INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE ISSUER (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A AND (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 IS A U.S. PERSON NOR 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. THE 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. THE 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 ANY 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 2007-3 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 2007-3 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 VII

GOVERNING LAW

THIS SERIES SUPPLEMENT AND EACH OF THE SERIES 2007-3 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 VIII

EXECUTION IN COUNTERPARTS; EFFECTIVE TIME

This Series Supplement may be executed in any number of counterparts, including by facsimile or other electronic means of communication, 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 and the Indenture Trustee.

ARTICLE IX

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 Weisberger
Name: Mark D. Weisberger
Title: Vice President

IHOP IP, LLC, as Co-Issuer

By: /s/ Thomas 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/ Melissa Philibert
Name: Melissa Philibert
Title: Vice President

<u>Exhibit A-1</u>
Form of Series 2007-3
Rule 144A Global Note

RULE 144A GLOBAL NOTE
IHOP FRANCHISING, LLC
IHOP IP, LLC
SERIES 2007-3 FIXED RATE TERM NOTE DUE 2037

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.

THIS SERIES 2007-3 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”) HAS 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 (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 IS (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF “INVESTMENT COMPANY” PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE ISSUER (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY’S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A AND (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 IS A U.S. PERSON NOR 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. THE 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. THE 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 ANY 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.

RULE 144A GLOBAL NOTE
SERIES 2007-3 FIXED RATE TERM NOTE DUE 2037

No. R-1 up to $245,000,000

SEE REVERSE FOR CERTAIN CONDITIONS

CUSIP Number: [•]
ISIN Number: [•]

IHOP FRANCHISING, LLC,
IHOP IP, LLC

SERIES 2007-3 FIXED RATE TERM NOTES

IHOP FRANCHISING, LLC, a limited liability company formed under the laws of the State of Delaware, and IHOP IP, LLC, a limited liability company formed under the laws of the State of Delaware (herein referred to, collectively, as the " Co-Issuers"), for value received, hereby jointly and severally promise to pay to CEDE & CO. or registered assigns, up to the principal sum of TWO HUNDRED FORTY FIVE MILLION DOLLARS ($245,000,000) as provided below and in the Indenture referred to herein. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on the Payment Date occurring in December 2037 (the "Series 2007-3 Legal Final Maturity Date"). The Co-Issuers will pay interest on this Series 2007-3 Fixed Rate Term Rule 144A Global Note (this "Note") at the Series 2007-3 Note Rate for each Interest Accrual Period in accordance with the terms of the Indenture. Such interest will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each calendar month, commencing January 22, 2007 (each, a "Payment Date"). Such amounts due on this Note will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each calendar month, commencing January 22, 2008 (each, a "Payment Date"). Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding January 22, 2008 and (ii) thereafter, commencing on and including the 20th day of each month and ending on but excluding the 20th day of the next succeeding month (each, an "Interest Accrual Period"). Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note in amounts equal to Series 2007-3 Monthly Extension Period Contingent Additional Interest Amount or the Series 2007-3 Monthly Post-ARD Contingent Additional Interest Amount, as applicable, which shall be computed and shall be payable in the amounts and at the times set forth in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional redemption as set forth in the Indenture.

Interests in this Note are exchangeable or transferable in whole or in part for interests in a Regulation S Global Note; provided that such transfer or exchange complies with the applicable provisions of the Indenture relating to the transfer of the Notes. Interests in this Note in certain circumstances may also be exchangeable or transferable in whole but not in part for duly executed and issued registered Definitive Notes; provided that such transfer or exchange complies with Article II of the Base Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Corporate Trust Services/Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture.

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Co-Issuers has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer.

Date: ______________________

IHOP FRANCHISING, LLC, as Issuer

By: ____
Name:
Title:

IHOP IP, LLC, as Co-Issuer

By: ____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-3 Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-3 Fixed Rate Term Notes of the Co-Issuers designated as their Series 2007-3 Fixed Rate Term Notes (herein called the "Series 2007-3 Notes"), all issued under (i) a Base Indenture, dated as of March 16, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association, as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) a Series 2007-3 Fixed Rate Term Note Series Supplement to the Base Indenture, dated as of November 29, 2007 (such series 2007-3 Fixed Rate Term Note Series Supplement, as amended, supplemented or modified from time to time, is herein called the " Series 2007-3 Series Supplement"), among the Co-Issuers and Indenture Trustee. The Base Indenture, Series 2007-3 Series Supplement and such other Series Supplement or Supplemental Indenture as may be executed from time to time are referred to herein as the "Indenture". The Series 2007-3 Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-3 Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture.

The Notes will be issued in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof.

As provided for in the Indenture, the Series 2007-3 Notes may be redeemed, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-3 Notes are subject to mandatory redemption as provided for in the Indenture. The Co-Issuers will be obligated to pay the Optional Redemption Amount relating to the Series 2007-3 Notes in connection with an Optional Redemption of any Series 2007-3 Notes as described in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-3 Legal Final Maturity Date. All payments of principal of the Series 2007-3 Notes will be made pro rata to the Holders of Series 2007-3 Notes entitled thereto.

Principal of and interest on this Note which is payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date.

Interest and contingent additional interest, if any, will each accrue on the Series 2007-3 Notes at the rates set forth in the Indenture. The interest and contingent additional interest, if any, will be computed on the basis set forth in the Indenture. The amount of interest payable on the Series 2007-3 Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of principal of and interest on this Note are subordinated to the payment of certain other amounts in accordance with the Indenture.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to the account designated by DTC or its nominee.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-3 Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-3 Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Holder of Series 2007-3 Notes, by acceptance of a Series 2007-3 Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-3 Noteholder 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 federal or state bankruptcy or similar law; provided, however, that nothing herein 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.

It is the intent of the Co-Issuers and each Holder of Series 2007-3 Notes that, for federal, state and local income and franchise tax purposes only, the Series 2007-3 Notes will evidence indebtedness of the Co-Issuers secured by the Collateral. Each Holder of Series 2007-3 Notes, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Holders of Series 2007-3 Notes under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Holders of Series 2007-3 Notes. The Indenture also

contains provisions permitting the Aggregate Controlling Party or each Series Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture without the consent of any Holders of Series 2007-3 Notes. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon the Holder of this Note and all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Co-Issuer" as used in this Note includes any successor to the Co-Issuers under the Indenture.

The Series 2007-3 Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

This Note and the 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).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints ______________________, attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ______________________ By: ______________________________________(1)

Signature Guaranteed:

____

____

(1) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

SCHEDULE OF EXCHANGES IN RULE 144A GLOBAL NOTE

The initial principal balance of this Rule 144A Global Note is $[•]. The following exchanges of an interest in this Rule 144A Global Note for an interest in a corresponding Temporary Regulation S Global Note have been made:

Date	**Amount of Increase (or Decrease) in the Principal Amount of this Rule 144A Global Note**	**Remaining Principal Amount of this Rule 144A Global Note following the Increase or Decrease**	**Signature of Authorized Officer of Indenture Trustee or Note Registrar**

Exhibit A-2
Form of Series 2007-3
Temporary Regulation S Global Note

TEMPORARY REGULATION S GLOBAL NOTE
IHOP FRANCHISING, LLC
IHOP IP, LLC
SERIES 2007-3 FIXED RATE TERM NOTE DUE 2037

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.

THIS SERIES 2007-3 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”) HAS 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 (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 IS (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE ISSUER (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A AND (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 IS A U.S. PERSON NOR 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. THE 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. THE 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 ANY 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.

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.

TEMPORARY REGULATION S GLOBAL NOTE
SERIES 2007-3 FIXED RATE TERM NOTE DUE 2037

No. TR-1 up to $245,000,000

SEE REVERSE FOR CERTAIN CONDITIONS

CUSIP Number: [•]
ISIN Number: [•]

IHOP FRANCHISING, LLC,
IHOP IP, LLC

SERIES 2007-3 FIXED RATE TERM NOTES

IHOP FRANCHISING, LLC, a limited liability company formed under the laws of the State of Delaware, and IHOP IP, LLC, a limited liability company formed under the laws of the State of Delaware (herein referred to, collectively, as the " Co-Issuers"), for value received, hereby jointly and severally promise to pay to CEDE & CO. or registered assigns, up to the principal sum of TWO HUNDRED TWENTY FIVE MILLION DOLLARS ($245,000,000) as provided below and in the Indenture referred to herein. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on the Payment Date occurring in December 2037 (the "Series 2007-3 Legal Final Maturity Date"). The Co-Issuers will pay interest on this Series 2007-3 Temporary Regulation S Global Note (this "Note") at the Series 2007-3 Note Rate for each Interest Accrual Period in accordance with the terms of the Indenture. Such interest will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each calendar month, commencing January 22, 2008 (each, a " Payment Date"). Such amounts due on this Note will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each calendar month, commencing January 22, 2007 (each, a "Payment Date"). Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding January 22, 2008 and (ii) thereafter, commencing on and including the 20 th day of each month and ending on but excluding the 20th day of the next succeeding month (each, an " Interest Accrual Period"). Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note in amounts equal to Series 2007-3 Monthly Extension Period Contingent Additional Interest Amount or the Series 2007-3 Monthly Post-ARD Contingent Additional Interest Amount, as applicable, which shall be computed and shall be payable in the amounts and at the times set forth in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and

private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional redemption as set forth in the Indenture.

Interests in this Note are exchangeable or transferable in whole or in part for interests in a Regulation S Global Note; provided that such transfer or exchange complies with the applicable provisions of the Indenture relating to the transfer of the Notes. Interests in this Note in certain circumstances may also be exchangeable or transferable in whole but not in part for duly executed and issued registered Definitive Notes; provided that such transfer or exchange complies with Article II of the Base Indenture.

This Temporary Regulation S Global Note may be surrendered by the Note Registrar, as custodian for DTC, to the Trustee to be exchanged, in whole or from time to time in part, for a Regulation S Global Note of the same Class 90 days after the later of the completion of the Offering and the Closing Date, subject to the terms and conditions set forth in the Indenture. Upon any such exchange of a beneficial interest in this Temporary Regulation S Global Note for an interest in a Regulation S Global Note in accordance with the Indenture, this Temporary Regulation S Global Note shall be endorsed to reflect the change of the principal amount evidenced hereby.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Corporate Trust Services/Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture.

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Co-Issuers has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer.

Date: ________________________

IHOP FRANCHISING, LLC, as Co-Issuer

By: ________________________
Name:
Title:

IHOP IP, LLC, as Co-Issuer

By: ________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-3 Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-3 Fixed Rate Term Notes of the Co-Issuers designated as their Series 2007-3 Fixed Rate Term Notes (herein called the "Series 2007-3 Notes"), all issued under (i) a Base Indenture, dated as of March 16, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association, as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) a Series 2007-3 Fixed Rate Term Note Series Supplement to the Base Indenture, dated as of November 29, 2007 (such series 2007-3 Fixed Rate Term Note Series Supplement, as amended, supplemented or modified from time to time, is herein called the " Series 2007-3 Series Supplement"), among the Co-Issuers and Indenture Trustee. The Base Indenture, Series 2007-3 Series Supplement and such other Series Supplement or Supplemental Indenture as may be executed from time to time are referred to herein as the "Indenture". The Series 2007-3 Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-3 Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture.

The Notes will be issued in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof.

As provided for in the Indenture, the Series 2007-3 Notes may be redeemed, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-3 Notes are subject to mandatory redemption as provided for in the Indenture. The Co-Issuers will be obligated to pay the Optional Redemption Amount relating to the Series 2007-3 Notes in connection with an Optional Redemption of any Series 2007-3 Notes as described in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-3 Legal Final Maturity Date. All payments of principal of the Series 2007-3 Notes will be made pro rata to the Holders of Series 2007-3 Notes entitled thereto.

Principal of and interest on this Note which is payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date.

Interest and contingent additional interest, if any, will each accrue on the Series 2007-3 Notes at the rates set forth in the Indenture. The interest and contingent additional interest, if any, will be computed on the basis set forth in the Indenture. The amount of interest payable on the Series 2007-3 Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of principal of and interest on this Note are subordinated to the payment of certain other amounts in accordance with the Indenture.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to the account designated by DTC or its nominee.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-3 Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-3 Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Holder of Series 2007-3 Notes, by acceptance of a Series 2007-3 Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-3 Noteholder 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 federal or state bankruptcy or similar law; provided, however, that nothing herein 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.

It is the intent of the Co-Issuers and each Holder of Series 2007-3 Notes that, for federal, state and local income and franchise tax purposes only, the Series 2007-3 Notes will evidence indebtedness of the Co-Issuers secured by the Collateral. Each Holder of Series 2007-3 Notes, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Holders of Series 2007-3 Notes under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Holders of Series 2007-3 Notes. The Indenture also

contains provisions permitting the Aggregate Controlling Party or each Series Controlling Party (as applicable), to waive compliance by the Co-Issuers with certain provisions of the Indenture without the consent of any Holders of Series 2007-3 Notes. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon the Holder of this Note and all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Co-Issuer" as used in this Note includes any successor to the Co-Issuers under the Indenture.

The Series 2007-3 Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

This Note and the 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).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints , attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________ By: ____(1)

Signature Guaranteed:

____

(1) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

SCHEDULE OF EXCHANGES IN TEMPORARY REGULATION S GLOBAL NOTE

The initial principal balance of this Series 2007-3 Temporary Global Note is $[•]. The following exchanges of an interest in this Series 2007-3 Temporary Global Note for an interest in a corresponding Series 2007-3 Regulation S Global Note have been made:

Date	Amount of Increase (or Decrease) in the Principal Amount of Temporary Regulation S Global Note	Remaining Principal Amount of this Temporary Regulation S Global Note following the Increase or Decrease	Signature of Authorized Officer of Indenture Trustee or Note Registrar

<u>Exhibit A-3</u>
Form of Series 2007-3
Regulation S Global Note

REGULATION S GLOBAL NOTE
IHOP FRANCHISING, LLC
IHOP IP, LLC
SERIES 2007-3 FIXED RATE TERM NOTE DUE 2037

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.

THIS SERIES 2007-3 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”) HAS 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 (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 IS (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED BY SECTION 3(c)(1) OR SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(1) OR SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE ISSUER (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A AND (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 IS A U.S. PERSON NOR 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. THE 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. THE 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 ANY 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.

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.

REGULATION S GLOBAL NOTE
SERIES 2007-3 FIXED RATE TERM NOTE DUE 2037

No. S-1 up to $245,000,000

SEE REVERSE FOR CERTAIN CONDITIONS

CUSIP Number: [•]
ISIN Number: [•]

IHOP FRANCHISING, LLC,
IHOP IP, LLC

SERIES 2007-3 FIXED RATE TERM NOTES

IHOP FRANCHISING, LLC, a limited liability company formed under the laws of the State of Delaware, and IHOP IP, LLC, a limited liability company formed under the laws of the State of Delaware (herein referred to, collectively, as the " Co-Issuers"), for value received, hereby jointly and severally promise to pay to CEDE & CO. or registered assigns, up to the principal sum of TWO HUNDRED TWENTY FIVE MILLION DOLLARS ($245,000,000) as provided below and in the Indenture referred to herein. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on the Payment Date occurring in December 2037 (the "Series 2007-3 Legal Final Maturity Date"). The Co-Issuers will pay interest on this Global Series 2007-3 Fixed Rate Term Regulation S Global Note (this "Note") at the Series 2007-3 Note Rate for each Interest Accrual Period in accordance with the terms of the Indenture. Such interest will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each calendar month, commencing January 22, 2007 (each, a " Payment Date"). Such amounts due on this Note will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each calendar month, commencing January 22, 2008 (each, a "Payment Date"). Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding January 22, 2008 and (ii) thereafter, commencing on and including the 20 th day of each month and ending on but excluding the 20th day of the next succeeding month (each, an "Interest Accrual Period"). Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note in amounts equal to Series 2007-3 Monthly Extension Period Contingent Additional Interest Amount or the Series 2007-3 Monthly Post-ARD Contingent Additional Interest Amount, as applicable, which shall be computed and shall be payable in the amounts and at the times set forth in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and

private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional redemption as set forth in the Indenture.

Interests in this Note are exchangeable or transferable in whole or in part for interests in a Rule 144A Global Note; provided that such transfer or exchange complies with the applicable provisions of the Indenture relating to the transfer of the Notes. Interests in this Note in certain circumstances may also be exchangeable or transferable in whole but not in part for duly executed and issued registered Definitive Notes; provided that such transfer or exchange complies with Article II of the Base Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Corporate Trust Services/Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture.

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Co-Issuers has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer.

Date: ____________________

IHOP FRANCHISING, LLC as Co-Issuer

By: ______________________________
Name:
Title:

IHOP IP, LLC, as Co-Issuer

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-3 Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-3 Fixed Rate Term Notes of the Co-Issuers designated as their Series 2007-3 Fixed Rate Term Notes (herein called the "Series 2007-3 Notes"), all issued under (i) a Base Indenture, dated as of March 16, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association, as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) a Series 2007-3 Fixed Rate Term Note Series Supplement to the Base Indenture, dated as of November 29, 2007 (such series 2007-3 Fixed Rate Term Note Series Supplement, as amended, supplemented or modified from time to time, is herein called the " Series 2007-3 Series Supplement"), among the Co-Issuers and Indenture Trustee. The Base Indenture, Series 2007-3 Series Supplement and such other Series Supplement or Supplemental Indenture as may be executed from time to time are referred to herein as the "Indenture". The Series 2007-3 Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-3 Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture.

The Notes will be issued in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof.

As provided for in the Indenture, the Series 2007-3 Notes may be redeemed, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-3 Notes are subject to mandatory redemption as provided for in the Indenture. The Co-Issuers will be obligated to pay the Optional Redemption Amount relating to the Series 2007-3 Notes in connection with an Optional Redemption of any Series 2007-3 Notes as described in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-3 Legal Final Maturity Date. All payments of principal of the Series 2007-3 Notes will be made pro rata to the Holders of Series 2007-3 Notes entitled thereto.

Principal of and interest on this Note which is payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date.

Interest and contingent additional interest, if any, will each accrue on the Series 2007-3 Notes at the rates set forth in the Indenture. The interest and contingent additional interest, if any, will be computed on the basis set forth in the Indenture. The amount of interest payable on the Series 2007-3 Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of principal of and interest on this Note are subordinated to the payment of certain other amounts in accordance with the Indenture.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to the account designated by DTC or its nominee.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-3 Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-3 Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Holder of Series 2007-3 Notes, by acceptance of a Series 2007-3 Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-3 Noteholder 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 federal or state bankruptcy or similar law; provided, however, that nothing herein 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.

It is the intent of the Co-Issuers and each Holder of Series 2007-3 Notes that, for federal, state and local income and franchise tax purposes only, the Series 2007-3 Notes will evidence indebtedness of the Co-Issuers secured by the Collateral. Each Holder of Series 2007-3 Notes, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Holders of Series 2007-3 Notes under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Holders of Series 2007-3 Notes. The Indenture also

contains provisions permitting the Aggregate Controlling Party or each Series Controlling Party (as applicable), to waive compliance by the Co-Issuers with certain provisions of the Indenture without the consent of any Holders of Series 2007-3 Notes. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon the Holder of this Note and all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Co-Issuer" as used in this Note includes any successor to the Co-Issuers under the Indenture.

The Series 2007-3 Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

This Note and the 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).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints ____________, attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________ By: ________________________(1)

Signature Guaranteed:

____

---

(1) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

SCHEDULE OF EXCHANGES IN SERIES 2007-3 REGULATION S GLOBAL NOTE

The initial principal balance of this Series 2007-3 Regulation S Global Note is $[•]. The following exchanges of an interest in this Series 2007-3 Global Note for an interest in a corresponding Series 2007-3 Rule 144A Global Note have been made:

Date	Amount of Increase (or Decrease) in the Principal Amount of this Regulation S Global Note	Remaining Principal Amount of this Regulation S Global Note following the Increase or Decrease	Signature of Authorized Officer of Indenture Trustee or Note Registrar

Exhibit 4.21

EXECUTION COPY

Applebee's Enterprises LLC,
Applebee's IP LLC, and
the entities referred to herein as the "Restaurant Holders"
each as Co-Issuers

and

Wells Fargo Bank, National Association,
as Indenture Trustee

BASE INDENTURE

Dated as of November 29, 2007

Asset Backed Notes
(Issuable in Series)

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BASE INDENTURE, dated as of November 29, 2007 (as amended or supplemented from time to time, the " Base Indenture"), among Applebee's Enterprises LLC, a Delaware limited liability company (the " Master Issuer"), Applebee's IP LLC, a Delaware limited liability company (the " IP Holder"), and each of the entities appearing in the definition of " Restaurant Holders" in Appendix A hereto (together with any additional Restaurant Holders that become a party to this Base Indenture after the date hereof pursuant to Section 7.14(a), the " Restaurant Holders") (each of the Master Issuer, IP Holder and Restaurant Holders, a "Co-Issuer" and collectively, the "Co-Issuers"), and Wells Fargo Bank, National Association, as trustee (herein, together with its permitted successors in the trusts hereunder, the " Trustee" or "Indenture Trustee").

PRELIMINARY STATEMENT

Each of the Co-Issuers is duly authorized to execute and deliver this Base Indenture to provide for the Notes issuable as provided in this Base Indenture. All covenants and agreements made by the Co-Issuers herein are for the benefit of the Indenture Trustee, each Note Owner, each Noteholder, each Hedge Counterparty, if any, and each Insurer, if any, as applicable. The Indenture Trustee (for its own benefit and for the benefit of each Note Owner and each Noteholder), each Hedge Counterparty, if any, and each Insurer, if any, 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 Base Indenture, and the Indenture Trustee is accepting the trusts created hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

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

GRANTING CLAUSES

Subject to the priorities and the exclusions, if any, specified below in these 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 Co-Issuers' assets, respectively, including all 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, all securities, loans, investments, accounts, inventory, equipment, chattel paper, money, deposit accounts, instruments, financial assets, documents, investment property, general intangibles, letter of credit rights, and other supporting obligations (in each case, as defined in the UCC), and other property (other than the Excepted Property) of any type or nature in which the Co-Issuer has an interest, relating thereto and all proceeds with respect to the foregoing (subject to the exclusions noted below, the "Indenture Collateral"). Such Grants include, but are not limited to:

(a) with respect to the Master Issuer, (i) the Existing U.S. Franchise Agreements and all Franchise Payments thereon, (ii) its rights but none of its obligations under the Post-Closing U.S. Restaurant Purchase Agreement, including the revenues generated by the Post-Closing U.S. Restaurants (pending the transfer of the assets relating to such Post-Closing U.S. Restaurants to the applicable Restaurant Holders following the Closing Date), (iii) the IHOP

Residual Certificate and any Replacement Residual Certificate, and (iv) the limited liability company membership interests (and, with respect to each Restaurant Holder that is a corporation, the capital stock) owned by the Master Issuer that represents the 100% ownership interest in each of the Franchise Holder, the IP Holder and the Restaurant Holders and its ownership interest in each Liquor License Holder;

(b) with respect to the Restaurant Holders, (i) the Company-Owned U.S. Restaurant Assets; (ii) the Company-Owned Real Property; and (iii) the payments received by the Restaurant Holders on the Refranchised Restaurant Leases, if any, Franchisee Sub-Leases, if any, and any other leases entered into by the Restaurant Holders as the lessor or the sub-lessor, as applicable; provided, that the Company-Owned U.S. Restaurant Assets and Company-Owned Real Property relating to the Post-Closing U.S. Restaurants will not be property of the Restaurant Holders included in the Indenture Collateral until such assets are transferred to the applicable Restaurant Holder in the manner provided in the Post-Closing U.S. Restaurant Purchase Agreement (although the right to the proceeds of such assets will be included in the Indenture Collateral from the Closing Date forward as described above);

(c) with respect to the IP Holder, the IP Assets and the right to bring an action at law or in equity for any infringement, misappropriation, dilution or violation thereof occurring prior to, on or after the Closing Date, and to collect all damages, settlements and proceeds relating thereto;

(d) 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 or other Persons, as applicable, to the Master Issuer under the Existing U.S. Franchise Agreements and the rights evidenced thereby or reflected therein (the assets, rights and interests described in this clause (d), together with all payments, proceeds and accrued and future rights to payment relating thereto, being referred to herein as the " Existing Franchise Assets");

(e) the Accounts (other than the Advertising Fees Account) and all amounts on deposit in or otherwise credited to the Accounts; provided, that the security interest of the Indenture Trustee to (i) the Lease Payment Account will be subject to the rights of third party lessors to receive the amount on deposit in such Account, (ii) the Gift Card Reserve Account will be subject to the rights of ACMC, Inc. to receive the amount on deposit in such Account, (iii) the Third Party Licensing Fee Account will be subject to the rights of Weight Watcher's International, Inc. and any other third party to receive the amount on deposit in such Account, (iv) the Insurance Proceeds Account will be subject to the prior rights of the Franchisees to receive the amount on deposit in such Account pursuant to the related Franchise Agreement and (v) certain Accounts maintained with local depositary institutions for the deposit of cash revenues generated by Company-Owned U.S. Restaurants pending transfer to the Concentration Account may not be subject to Account Control Agreements to the extent permitted in the Servicing Agreement;

(f) 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 Master Issuer relating to the Existing Franchise Assets and on behalf of the IP Holder relating to the IP Assets;

(g) the rights, powers, remedies and authorities of the Co-Issuers under any agreements relating to the IP Assets including any IP License Agreement entered into by the Co-Issuers in connection therewith;

(h) the rights, powers, remedies and authorities of the Co-Issuers under (i) each of the Transaction Documents (other than the Indenture) to which they are a party and (ii) with respect to the Master Issuer, each of the documents relating to the Existing Franchise Assets to which it is a party;

(i) any and all other property of the Co-Issuers now or hereafter acquired other than the Excepted Property; and

(j) all payments, proceeds and accrued and future rights to payment with respect to the foregoing;

provided, that the Indenture Collateral will exclude the following property of the Co-Issuers (the " Excepted Property"): (i) the liquor licenses owned by the Restaurant Holders, (ii) the Company Leases, the Sale/Leaseback Leases, if any, the Franchisee Sub-Leases, if any, and the Refranchised Restaurant Leases, if any (all of which leases are referred to herein collectively as the " Leases"), (iii) the Excepted IP Assets and (iv) the Advertising Fees Account and all amounts on deposit in the Advertising Fees Account from time to time, which will be held by the Servicer for the benefit of the Master Issuer; provided, however, that all rights to payment and all payments received by the Restaurant Holders on any Franchisee Sub-Leases, Refranchised Restaurant Leases and any other leases that the Restaurant Holders are party to as lessor or sublessor will be included in the Indenture Collateral as described above; provided, further, that the Excluded Property will not be part of the Indenture Collateral.

Such Grants are made 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 Base Indenture, and to secure the prompt and complete payment and observance and performance of the Secured Obligations in accordance and subject to the allocation priorities and the priorities of payment set forth in Article X and Article XI including, without limitation, (i) the payment of all amounts due on the Notes in accordance with their terms, (ii) the payment of all other sums payable under this Base Indenture and the other Transaction Documents (other than the Leases), respectively, and (iii) compliance with the provisions of this Base Indenture, all as provided in this Base Indenture and the other Transaction Documents, respectively.

The Co-Issuers' obligations to pay the Accrued Insurer Premium Amount, the Insurer Expense Amount, the Insurer Reimbursement Amount, if any, and any and all other amounts, including but not limited to, reimbursements, indemnities and other costs or liabilities incurred by each Insurer, if any, 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.

The foregoing Grants shall, for the purpose of determining the property subject to the Lien of this Base Indenture, be deemed to include any securities and any investments granted by or on behalf of the Co-Issuers to the Indenture Trustee for the benefit of the Secured Parties, whether or not such securities or such investments satisfy the criteria set forth in this Base Indenture. The Co-Issuers hereby authorize the filing of one or more financing statements naming the Co-Issuers as debtor and describing the Indenture Collateral covered thereby as "all assets and property in which the debtor has an interest whether now owned or existing or hereafter acquired or arising."

Except to the extent otherwise provided in this Base Indenture, each of the Co-Issuers does hereby constitute and irrevocably appoint (until this Base 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 Indenture 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 Indenture 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 Base Indenture and all authority hereby conferred are granted and conferred solely to protect the Indenture Trustee's interest in the Indenture 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.

This Base 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 Base Indenture or any other instruments included in the Indenture 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 Transaction Documents and other agreements to which such Co-Issuer is a party 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 Base Indenture, nor shall the Indenture Trustee be required or obligated in any manner to perform or fulfill any obligations of any 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 Base 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 Base 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 Base Indenture as a whole and not to any particular Article, Section, subsection, clause or other subdivision; and

(viii) 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 Base 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 to the applicable Series Supplement are part of the terms of this Base Indenture.

Section 2.2 Forms and Issuance 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 Base 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) Unless otherwise provided in the applicable Series Supplement, Notes offered and sold in reliance on Rule 144A to Persons that are both QIBs and QPs shall be issued initially in the form of one or more Rule 144A Global Notes, 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 (a) neither U.S. Persons nor U.S. Residents and (b) QPs shall be issued in the form of one or more 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.

(iii) All Notes of any Series shall, except as specified in the applicable Series Supplement, be equally and ratably entitled as provided herein to the benefits hereof without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Base Indenture and any applicable Series Supplement. The aggregate principal amount of Notes which may be authenticated and delivered under this Base Indenture is unlimited. The Notes of each Series shall be issued in the Authorized Minimum Denominations and, with respect to the Class A-1 Notes only, as set forth in the applicable provisions of the applicable Series Supplement or Class A-1 Note Purchase Agreement.

(c) Definitive Notes.

(i) 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 as set forth in exhibits to the applicable Series Supplement, respectively added to the form of such securities (each, a " Definitive Note").

(ii) All Class A-1 Notes of any Series shall be issued only in the form of Definitive Notes. The initial sale of the Class A 1 Notes of any Series is limited to Persons who have executed the related Class A 1 Note Purchase Agreement. The Class A 1 Notes of any Series may be resold only as set forth in the related Series Supplement or Class A 1 Note Purchase Agreement, as applicable. Class A 1 Notes shall bear such face amounts and be issued in such aggregate Outstanding principal amounts as are set forth in the related Series Supplement. The Indenture Trustee shall record any increases or decreases with respect to the Outstanding principal amount of the Class A-1 Notes as set forth in the related Series Supplement.

(d) Book-Entry Provisions. This clause (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 Base 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 clause (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. Holders of Class A-1 Notes of any Series shall be entitled to receive physical delivery of certificated Notes representing such Class A-1 Notes.

(f) The following shall be true with respect to any Series of Class A-1 Notes, except to the extent that the Series Supplement or Class A 1 Note Purchase Agreement with respect to such Class of Notes shall provide otherwise:

(i) for purposes of any provision of any Transaction Document relating to any vote, consent, direction or the like to be given by such Class A-1 Notes on any date, any commitments to extend credit under such Class A 1 Note Purchase Agreement shall be treated as if they were fully drawn and outstanding as Outstanding principal amount, without duplication as among different sub-classes so as to ensure that for such purpose the Outstanding principal amount does not exceed the maximum aggregate amount of such commitments; and

(ii) for purposes of any provisions of any Transaction Document relating to termination, discharge or the like, such Class A-1 Notes shall continue to be deemed Outstanding unless and until all commitments to extend credit under such Class A 1 Note Purchase Agreement have been terminated thereunder.

Section 2.3 Authorized Amount; Issuable in Series.

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

(b) The Notes (other than the Class A-1 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. The Class A-1 Notes of any Series shall be offered and sold by the Co-Issuers without registration under the Securities Act in a transaction not involving any public offering within the meaning of the Securities Act in reliance upon an exemption therefrom as contemplated by the applicable Class A-1 Note Purchase Agreement.

(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 A

hereto. Notes of any Series of Notes not issued on the Closing Date may not be issued prior to the third Accounting Date following the Closing Date. Notes of a new or existing 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 (except in the case of the issuance of the Initial Series of Notes) 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, if any, 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 executed by the Co-Issuers and the Indenture Trustee and in form and substance consented to by each 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 Policy and the Insurance Agreement (or other credit enhancement agreement), if any, executed by each of the parties thereto;

(v) if any Series of Notes will remain Outstanding at the proposed Issuance Date of such Notes, written confirmation that the Rating Agency Condition shall have been satisfied with respect to such other Series of Notes that is rated after giving effect to such issuance;

(vi) an Officer's Certificate of each of the Co-Issuers dated as of the Issuance Date to the effect that (A) no Default or Event of Default, Potential Rapid Amortization Event or Rapid Amortization Event under this Base Indenture has occurred and is continuing, or is likely to occur as a result of such proposed issuance, and all representations and warranties of the Co-Issuers in this Base Indenture and the other Transaction Documents are true and correct and will continue to be true and correct after giving effect to such issuance in all material respects (other than any such representation and warranty that, by its terms, speaks only as of the Closing Date); (B) if any Series 2007-1 Senior Notes are Outstanding, the *pro forma* Three-Month DSCR for the Payment Date preceding such Issuance Date and the two immediately preceding Payment Dates, assuming the issuance of Additional Notes, together with all other Series of Notes Outstanding, on the first day of the sixth full month preceding the Payment Date immediately preceding the date of the proposed issuance thereof, is at least 0.1

higher than the Three-Month DSCR as of the Closing Date unless otherwise agreed by the Series 2007-1 Class A Insurer for such Series 2007-1 Senior Notes; (C) 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; (D) no Cash Trap Reserve Event has occurred and is continuing, or is likely to occur as a result of such proposed issuance; (E) the proposed issuance does not alter or change the terms of any Series of Notes Outstanding or the Series Supplement relating thereto without such consents as are required under Article VIII or the applicable Series Supplement; (F) no Change of Control without the prior written consent of each of the Insurers, if any, has occurred and is continuing, or will occur as a result of such proposed issuance; (G) unless otherwise agreed by the Lead Insurer with respect to the Series 2007-1 Senior Notes, the Senior ABS Leverage Ratio is at least 0.25 lower than the Senior ABS Leverage Ratio as of the Closing Date prior to and after giving effect to the proposed issuance; provided that the Lead Insurer with respect to the Series 2007-1 Senior Notes may elect to waive the condition set forth in this clause (G); (H) in the case of Additional Notes of any existing Series to be issued, either (1) each Insurer, if any, insuring such Series has consented thereto in writing or (2) without the consent of each Insurer, if any, 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); (I) all expenses with respect to the offering of such Notes or relating to actions taken in connection therewith which are required to be paid on such Issuance Date have been paid or will be paid from the proceeds thereof; (J) such other applicable conditions set forth in the Series Supplement and, if applicable, the related Class A-1 Note Purchase Agreement for any Series of Notes (for so long as such Series of Notes is Outstanding) have been satisfied; and (K) any and all other applicable conditions under this Base Indenture and the other Transaction Documents have been satisfied;

(vii) an Opinion of Counsel, subject to the assumptions and qualifications stated therein, in form and substance reasonably acceptable to the Series Controlling Parties, dated the date of issuance of the new Series of Notes or additional Notes of any existing Series, 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 (1) 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, (2) does not result in a violation of any provision of any of the Co-Issuers' certificates of formation and limited liability company agreements or certificates of incorporation and by-laws, as applicable, or any laws, rules and regulations applicable to any of the Co-Issuers, and (3) does not breach or result in a violation of, or default under, (x) any indenture, mortgage, deed of trust, loan agreement, lease or other agreement to which any of the Co-Issuers is a party or by which any of the Co-Issuers or any of their respective properties may be bound or (y) any judgment, decree or order that is applicable to any of the Co-Issuers issued by any executive, legislative, judicial, administrative or regulatory bodies having jurisdiction over any of the Co-Issuers or any of their respective properties;

(E) (1) any additional Senior Notes will be treated as debt for tax purposes (and any additional Subordinated Series of Notes will be treated for tax purposes in the manner described in the related Offering Memorandum) and (2) the Additional Notes will not cause any Senior Notes Outstanding to be treated as other than debt (and will not cause any Subordinated Notes Outstanding to be treated other than in the manner described in the related Offering Memorandum), and will not cause any Co-Issuer that is not a corporation to be treated as a corporation, for U.S. federal income tax purposes;

(F) there is no legal or governmental action, investigation or proceeding pending or threatened against any of the Co-Issuers (1) asserting the invalidity of the Indenture or any Notes, (2) seeking to prevent the issuance of such Notes or the consummation of any of the transactions provided for in the Indenture, (3) that would materially and adversely affect the ability of any 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 (4) 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 Memorandum 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 Memorandum to be inaccurate or incorrect to any material extent; and

(G) 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;

(viii) if the Lead Insurer with respect to the Series 2007-1 Notes is the Aggregate Controlling Party, the prior written consent of the Lead Insurer with respect to the Series 2007-1 Notes; provided that such consent will not be required if the issuance of such Additional Notes will not cause the Lead Insurer with respect to the Series 2007-1 Notes to cease to be the Aggregate Controlling Party;

(ix) evidence of the Aggregate Controlling Party's approval of any scheduled amortization of any Additional Notes if such amortization is scheduled to occur on or before the Anticipated Repayment Date for any Series of Notes Outstanding;

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

(xi) 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 the Co-Issuers. The Co-Issuers shall deliver a summary of the Principal Terms of any new Series of Notes issued pursuant to this Section 2.3(c) to the Holders of all previously issued Series of Notes Outstanding within ten (10) Business Days following the date of issuance of such new Series of Notes.

(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, each Class of Notes and whether such Series or Class of Notes consists of Senior Notes or Subordinated Notes, or both, as applicable;

(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 relating to such Series of Notes (and the method for calculating such Series Interest Payment Amount, including the Note Interest Rate, Interest Accrual Period, Senior Notes Monthly Interest Amount, Series Contingent Additional Interest Amount, Series Make-Whole Amount, if any, and the Rate Determination Date, if applicable) with respect to such Series of Notes;

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

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

(vi) the Series Insurer Premiums, if any;

(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 Co-Issuers are required to maintain in place a Series Hedge Agreement to hedge interest rate or any other risk in respect of such 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 Senior 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 Senior 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 Agreement and Series Hedge Counterparty, if any;

(x) the Series Anticipated Repayment Date and the permitted Series Adjusted Repayment Dates, if any, 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) in the case of Subordinated Notes, whether payment or prepayment of such Notes is restricted for so long as any Senior Notes remains Outstanding;

(xiii) the Series Legal Final Maturity Date;

(xiv) the identity of each Insurer, if any, relating to such Series of Notes;

(xv) if applicable, the Series Make-Whole Amount for such Series of Notes;

(xvi) the Series Senior Interest Reserve Account Required Amount, if any;

(xvii) each Series Event of Default, if any; provided that the inclusion of any Series Event of Default shall be subject to the consent of each Insurer, if any, of any Senior Notes that remain Outstanding at the time of such issuance;

(xviii) any Monthly Subordinated Notes Amortization Amount, Partial Amortization Amount, Partial Amortization Event, Partial Amortization Trigger, Residual Threshold Amount or other relevant terms, triggers or thresholds that will apply specifically to 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 (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 applicable Co-Issuer shall bind such 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 Base 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 Base 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 Base 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 Base 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 and exchanges of Notes with respect to each Series. The Indenture Trustee is hereby appointed the initial Paying Agent and "Note Registrar" for the purpose of registering Notes and transfers and exchanges of such Notes. The Note Registrar shall keep the Note Register (including the name and address of each such Noteholder) and of their transfer and exchange. The Indenture Trustee shall indicate in its books and records the commitment of each Noteholder and the principal amount owing to each Noteholder from time to time. The Indenture Trustee shall send copies of all notices and demands received by the Indenture Trustee (other than those sent by the Co-Issuers to the Indenture Trustee and those addressed to the Co Issuers) in connection with the Notes to the Co-Issuers. Upon any resignation or removal of the Note Registrar, the Co-Issuers shall promptly appoint a successor Note Registrar which satisfies the conditions set forth in Section 6.7.

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 "cancelled," 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 Base 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, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by this Base Indenture, and thereupon one or more new Notes of authorized denominations in the same aggregate principal amount will be issued to such Holder (or his attorney) or designated transferee or transferees, as applicable.

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 any of the Co-Issuers or the pool of Indenture Collateral to become subject to the requirement that it register as an investment company under the Investment Company Act.

The following sentences of this paragraph shall not apply to any Class A-1 Notes of any Series, the transfer of which shall be governed by Section 2.5(e)(ii)(b) unless otherwise provided in the applicable Series Supplement. No Note may be offered, sold or delivered within the United States or to, or for the benefit of, U.S. Persons except to Persons that are both QIBs and QPs purchasing for their own account or for the accounts of one or more Persons that are

both QIBs and QPs, for which the purchaser is acting as fiduciary or agent in accordance with Rule 144A; provided that Persons purchasing the Subordinated Notes must purchase the Subordinated Notes for their own account and may not be Flow-Through Investment Vehicles. The Senior Notes may be sold or resold, as the case may be, in offshore transactions to purchasers each of whom is both a QP and a Non-U.S. Person and Non-U.S. Resident 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 clause (d).

(i) Subject to clauses (ii), (iii) and (iv) of this clause (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 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 B attached hereto stating that the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Global Notes, including that the Holder is both a QIB and a QP (in the case of an exchange) or that is a QP that the Holder reasonably believes that the transferee is a QIB (in the case of a transfer) and that the beneficial interest is being exchanged or transferred 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, 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 wishes at any time to exchange its interest in such Rule 144A Global Note for an interest in the corresponding Regulation S Global Note, 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 that is both a Non-U.S. Person and Non-U.S. Resident, 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 C attached hereto, given by the Holder 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 Global Notes, including in accordance with Rule 903 or 904 of Regulation S, and that the Holder or the

transferee (as applicable) is a QP that is both a Non-U.S. Person and a Non-U.S. Resident, 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 Physical Notes pursuant to Section 2.10, such Physical 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 and QPs, or (ii) comply with Regulation S and are made only to transferees that are QPs that are both Non-U.S. Persons and Non-U.S. Residents 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) 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); 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 or a U.S. Resident 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, a U.S. Resident or to a Person that is not a QP that takes delivery in the form of an interest in a Regulation S Global Note 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 16.4.

(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 16.4.

(3) Any transfer or exchange of any interest in a sub-class of the Series 2007-1 Class A-2-II Notes will be required to be for an interest in the same sub-class of the Series 2007-1 Class A-2-II Notes. The Holder of an interest in a sub-class of Series 2007-1 Class A-2-II Notes will not be permitted to transfer or exchange such interest for a different sub-class of the Series 2007-1 Class A-2-II Notes.

(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 D 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, 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. Notwithstanding anything to the contrary herein, Class A-1 Notes may not be exchanged for Global Notes.

(ii) Transfer of Definitive Notes.

(1) Transfer of Definitive Notes Other than Class A-1 Definitive Notes. If a holder of a beneficial interest in a Definitive Note, other than a Class A-1 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 or accompanied by the written instrument of transfer referred to in Section 2.5(a) and (B) a certificate in the form of Exhibit E 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 Base 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 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;

(2) Transfer of Class A-1 Notes. If a holder of an interest in a Class A-1 Note wishes at any time to transfer its interest in such Class A-1 Note, such holder may transfer or cause the transfer of such interest for an equivalent interest in one or more Class A-1 Notes of the same Series of Notes as provided below. Upon receipt by the Indenture Trustee, as Note Registrar, of (A) such holder's Class A-1 Note properly endorsed for assignment to the transferee or accompanied by the written instrument of transfer referred to in Section 2.5(a), and (B) a certificate in the form of Exhibit F hereto given by the prospective transferee of such interest, then the Indenture Trustee, as Note Registrar, shall cancel such Class A-1 Note in accordance with Section 2.9, record the transfer in the Note Register in accordance with Section 2.5 and authenticate and deliver one or more Class A-1 Notes of the same Series of Notes, registered in the names specified in the assignment described in subclause (A) above, in principal amounts designated by the transferee (the aggregate of such amounts being equal

to the interest in the Class A-1 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 or the written instrument of transfer referred to in Section 2.5(a) 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 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).

(iv) Any transfer or exchange of any interest in a sub-class of the Class A-1 Notes will be required to be for an interest in the same sub-class of the Class A-1 Notes. The Holder of an interest in a sub-class of Class A-1 Notes will not be permitted to transfer or exchange such interest for a different sub-class of the Class A-1 Notes.

(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, Applebee's International 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 Memorandum. 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 of the type described in paragraph (a)(1)(ii) of Rule 144A unless it owns and invests on a discretionary basis not less than U.S. $25,000,000 in securities of issuers that are not affiliated to it, (b) 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, unless investment decisions with respect to the plan are made solely by the fiduciary, trustee or sponsor of such plan, (F) was not formed or capitalized for the specific purpose of investing in the Co- Issuers (except where each beneficial owner is both a QIB and a QP), (G) is not a (w) corporation, (x) partnership, (y) common trust fund or (z) special trust, pension fund or retirement plan in which the shareholders, equity owners, partners, beneficiaries, beneficial owners or participants, as applicable, may designate the particular investments to be made, (H) if formed on or before April 30, 1996, is not an investment company that relies on the exclusion from the definition of "investment company" provided by Section 3(c)(7) of the Investment Company Act (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(7) with respect to those of its holders that are U.S. Persons), unless, with respect to its treatment as a QP, it has, in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules and regulations thereunder, received the consent of its beneficial owners that acquired their interests on or before April 30, 1996, and (I) is not an entity that, immediately subsequent to its purchase or other acquisition of a beneficial interest in the Notes, will have invested more than 40% of its assets in beneficial interests in the Notes and/or in other securities of the Co-Issuers (unless all of the beneficial owners of such entity's securities are QPs).

(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) to a QP in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, and in accordance with the applicable legends.

(iv) The purchaser acknowledges that none 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 Insurers, if any, the Indenture Trustee, the Servicer, Applebee's International, IHOP Corp., their respective Affiliates or any Person representing the Co-Issuers, the Initial Purchaser, the Insurers, if any, the Indenture Trustee, the Servicer, Applebee's International, IHOP Corp. or their respective Affiliates has made any representation to it with respect to the Co-Issuers, the Servicer, Applebee's International, IHOP Corp. or their respective Affiliates or the offering or sale of the Notes, other than the information contained in the Offering Memorandum and any representations expressly set forth in a written agreement with such parties. None of the Co-Issuers, the Initial Purchaser, the Insurers, if any, the Indenture Trustee, the Servicer, Applebee's International, IHOP Corp. or 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 Insurers, if any, the Indenture Trustee, the Servicer, Applebee's International, IHOP Corp. or their respective Affiliates, other than the information contained in the Offering Memorandum 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 the 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 Insurers, if any, the Indenture Trustee, the Servicer, Applebee's International, IHOP Corp. or 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 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 Notes, the Co-Issuers and the

other Securitization Entities 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 Insurers, if any, the Indenture Trustee, the Servicer, Applebee's International, IHOP Corp. or their respective Affiliates 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 the 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 other Securitization Entities, Applebee's International, IHOP Corp., the Initial Purchaser, the Series 2007-1 Class A Insurer (and any other Insurer identified in the related Series Supplement, if applicable), the Indenture Trustee, the Servicer, their respective Affiliates 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 reasonably 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 them to determine their duties and liabilities with respect to any taxes or other charges that they, 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 or payments under certain express guarantees made by certain of their Affiliates, payments on the Notes are not the obligations of any of their Affiliates.

(xii) The purchaser understands that the Co-Issuers have the right under this Base Indenture to compel any nonpermitted holder of an interest in the Notes to sell its interest in the Notes or may sell such interest in the Notes on behalf of such owner. In connection therewith, (a) if the purchaser is acquiring its interest in the Notes in the form of an interest in a Global Note, the purchaser understands that the Indenture permits the Co-Issuers to require that the Holder of (i) any interest in a Rule 144A Global Note held by a Holder that is a U.S. Person, U.S. Resident or a Holder who was sold such interest in the United States who is determined not to have been both a QIB and a QP at the time of acquisition of such interest in a Rule 144A Global Note or (ii) any interest in a Regulation S Global Note held by a Holder that is a U.S. Person, U.S. Resident or a person who was sold such interest in the United States, in each case at the time of the acquisition of such interest, sell such interest to a transferee that is permitted under this Base Indenture and, if the Holder does not comply with such demand within 30 days thereof, the Co-Issuers, acting at the direction of the Servicer, may sell such Holder's interest in the applicable Global Note on such terms as the Co-Issuers may choose.

(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 (i), (iii), (iv), (v), (vi) and (viii) through (xiii) above 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 or U.S. Resident 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 Offered 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 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, 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 Base 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 Base 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 Initial Purchaser notifies the Co-Issuers that the resale of the Offered Notes has been completed, (the " Distribution Compliance Period") by one or more Regulation S Global Notes, and that during the Distribution Compliance Period, beneficial interests therein may be held only through Euroclear or Clearstream and after the last day of the Distribution Compliance Period, beneficial interests therein may be held only through Euroclear, Clearstream or DTC.

(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.

(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 Base 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), 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) The Co Issuers shall, upon two (2) Business Days' prior written notice, cause the Note Registrar to send, and the Note Registrar hereby agrees to send on at least an annual basis a notice from the Co Issuers to DTC in substantially the form of Exhibit G hereto (the "Important Section 3(c)(7) Notice"), with a request that DTC forward each such notice to the relevant DTC participants for further delivery to the Note Owners. If DTC notifies the Co Issuers or the Note Registrar that it will not forward such notices, the Co Issuers will request DTC to deliver to the Co Issuers a list of all DTC participants holding an interest in the Notes and the Note Registrar and Paying Agent will send the Important Section 3(c)(7) Notice directly to such participants.

(m) 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 which will contain a description of the relevant restrictions;

(iii) request DTC, on the Closing Date or any Issuance Date (as applicable), to send an Important 3(c)(7) Notice to all DTC participants in connection with the offering of the Notes. The Important 3(c)(7) 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 which provide information on the Notes (including Bloomberg and Reuters Group plc) to include on each screen containing information about the Notes maintained by such vendors appropriate legends regarding the Rule 144A and Section 3(c)(7) restrictions on the Notes;

(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;

(viii) request Euroclear to include the "144A/3(c)(7)" marker in the name for the Note included in the Euroclear securities database in order to indicate that sales are limited to QIB/QPs;

(ix) request Euroclear to cause each daily securities balance report and each daily securities transaction report delivered to Euroclear participants to contain the indicator "144A/3(c)(7)" in the name for the Note;

(x) request Euroclear to include a description of the Section 3(c)(7) restrictions for the Note in its New Issues Acceptance Guide;

(xi) instruct Euroclear to send an Important Section 3(c)(7) Notice to all Euroclear participants holding positions in the 144A Global Note at least once every calendar year, substantially in the form of Exhibit G hereto;

(xii) request Euroclear to deliver to the Co Issuers a list of all Euroclear participants holding an interest in the Note and provide such participants with notification substantially in the form of Exhibit G hereto;

(xiii) request Clearstream to include the "144A/3(c)(7)" marker in the name for the Note included in the Clearstream securities database in order to indicate that sales are limited to QPs;

(xiv) request Clearstream to cause each daily portfolio report and each daily settlement report delivered to Clearstream participants to contain the indicator "144A/3(c)(7)" in the name for the 144A Global Note;

(xv) request Clearstream to include a description of the Section 3(c)(7) restrictions in its Customer Handbook;

(xvi) instruct Clearstream to send an Important Section 3(c)(7) Notice to all Clearstream participants holding positions in the Note at least once every calendar year, substantially in the form of Exhibit G hereto;

(xvii) from time to time request Clearstream to deliver to the Co Issuers a list of all Clearstream participants holding an interest in any series of Note and provide such participants with notification substantially in the form of Exhibit G hereto; and

(xviii) request Clearstream to include a "3(c)(7)" marker in the name for the Note included in the list of securities accepted in the Clearstream securities' database made available to Clearstream participants.

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 therefrom, 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 Base 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) Except as otherwise provided pursuant to a Class A-1 Note Purchase Agreement to the extent that the Paying Agent has been notified in writing of such exception by the Co-Issuers or the applicable Class A-1 Administrative Agent, as a condition to the payment of principal of and interest on and other amounts 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, except as otherwise provided pursuant to a Class A-1 Note Purchase Agreement to the extent that the Paying Agent has been notified in writing of such exception by the Co-Issuers or the applicable Class A-1 Administrative Agent, 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. The 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). 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) Except to the extent otherwise provided in the applicable Series Supplement, 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 Base 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 5.4.

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 Base 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 (1) (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 depositary 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 or (2) an Event of Default has occurred and is continuing and Note Owners holding greater than 50% of the Aggregate Outstanding Principal Amount of such Series have notified the Trustee and the applicable Clearing Agency in writing that continuation of a book-entry system through the Clearing Agency is no longer in the best interests of such Noteholders.

(b) Any Global Note that is transferable to the beneficial owners thereof pursuant to paragraph (a) above 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 any such owner's nominee) holding the ownership interests in such Global Note, and (ii) a transfer certificate substantially in the form of Exhibit H 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 Definitive 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 Base 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.

(e) 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.

(f) 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 Base Indenture as Definitive Notes.

Section 2.11 No Gross Up. If any 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 Master 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 any Co-Issuer nor any Insurer 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 Base 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 Memorandum, this Base 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 Memorandum, this Base 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 Class of 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 Senior 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 Holders of such Senior Notes the right to receive such interest on such Senior 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 Senior 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 Notes of such Senior Notes in an Aggregate Outstanding Principal Amount equal to the amount so paid by such Insurer and to be the sole owner of such Notes so deemed to have been purchased. Such Insurer shall be deemed to be a Holder of such Senior Notes during any period in which such Insurer may exercise subrogation rights pursuant to Section 2.14.

(c) With respect to any Senior Notes covered by an Insurance Policy, if, by 3:00 p.m. in the city in which the Corporate Trust Office is located on the Accounting Date in respect of any Payment Date, the amount then on deposit in the Collection Account, the Senior Notes Interest Reserve Account, and the Cash Trap 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 Senior Notes due on such Payment Date, then, on or before 10:00 a.m. (New York time) on the Business Day following such Accounting Date, the Indenture Trustee shall give written notice to the Insurers, if any, relating to such Senior 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 Base 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 Senior Notes has been avoided in whole or in part as a preference payment under applicable bankruptcy law, the Indenture Trustee shall so notify the Insurers, if any, relating to such Senior Notes, shall comply with the provisions of the applicable Insurance Policy to obtain payment by the Insurers, if any, relating to such Senior Notes of such avoided payment, and shall, at the time it provides notice to the Insurers, if any, relating to such Senior Notes, notify Holders of such Senior 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 Insurers, if any, relating to such Senior Notes the Indenture Trustee's records evidencing the payments of principal of and interest on such Senior 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 Senior 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 Insurers, if any, relating to such Senior Notes will make such payment to the Indenture Trustee for distribution to such Noteholder upon proof of such payment reasonably satisfactory to such Insurers).

(e) The Indenture Trustee shall promptly notify the Insurers, if any, relating to any Senior 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 Senior Notes. With respect to any Senior Notes covered by an Insurance Policy, each Noteholder, by its purchase of such Senior Notes, and the Indenture Trustee hereby agree to the provisions of the related Insurance Agreement and Insurance Policy and agree that the Insurers, if any, relating to such Senior 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 Insurers, if any, relating to such Senior Notes, but subject to reimbursement as provided in the Insurance Agreement applicable to such Senior 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 Senior 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 relating to such Senior Notes to the Insurers, if any, of such Senior 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 Note of a Senior Notes with respect to which an Insurance Policy has been issued, each Noteholder agrees to be bound by the terms of such Insurance Policy. Nothing in this Base 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 2.14 Subrogation Rights of Insurers; Payment of Reimbursements.

(a) Upon the payment by any Insurer relating to a Senior Notes to the Indenture Trustee (or otherwise in accordance with the applicable Insurance Policy) for the benefit of the Holders of such Senior 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 such Senior 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 Base 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 Senior Notes to the extent that it has made payment of principal or interest for the benefit of Holders of such Senior 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 Holders of such Senior Notes) the amounts that otherwise would have been distributed by the Indenture Trustee to such Holders in respect of principal and interest on such Senior Notes to the extent (i) of any payments by the Insurers, if any, relating to such Senior 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 Senior Notes. In addition, and without limiting the foregoing, (a) if an Insurer relating to any Senior Notes makes any payment under the applicable Insurance Policy in respect of interest on such Senior Notes, such Insurer shall be fully subrogated to the rights of Holders of such Senior 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 Senior Notes, 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 and to be deemed the owner of the Senior Notes to the extent of such payment of principal.

(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, if any, shall be entitled to payment of Reimbursement only at the times and as provided in this Base 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, if any, by its execution of the applicable Insurance Agreement acknowledges and agrees that, notwithstanding any of the provisions of this Base Indenture, the applicable Insurance Agreement, the applicable Series Supplement or otherwise, it shall have recourse only to the Indenture Collateral. The Indenture Collateral having been fully applied in accordance with the terms hereof, each such Insurer, if any, shall not be entitled to take any further actions against any 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, if any, by its execution of the applicable Insurance Agreement agrees not to take any action or institute or join in instituting any proceeding arising under any Insolvency Law against any 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); provided, that each Insurer, if any, may become a party to and participate in any Proceeding or action under any

Insolvency Law applicable to any 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, if any, by its execution of the applicable Insurance Agreement 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 Senior Notes only if and for so long as such Senior Notes are insured pursuant to an Insurance Policy or any amount is owing to any Insurer relating to such Senior 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 Insurers, if any) 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. 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.

Section 2.18 Tax Treatment. The Co-Issuers have structured the Base Indenture and the Notes have been (or will be) issued with the intention that the Notes will qualify under applicable tax law as indebtedness of the Co-Issuers or, if any of the Co-Issuers is treated as a division of another entity, such other entity and any entity acquiring any direct or indirect interest in any Note by acceptance of its Notes (or, in the case of a Note Owner, by virtue of such Note Owner's acquisition of a beneficial interest therein) agrees to treat the Notes (or beneficial interests therein) for all purposes of Federal, state, local and foreign income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

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 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 receipt of a Company Order and upon receipt by the Indenture Trustee and each Insurer, if any, relating to the Series of 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), (f) and (g), 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 or Board of Directors, as applicable, 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 or certificate of incorporation and by-laws, as applicable, is a true and complete copy thereof, (4) such limited liability company agreement or certificate of incorporation and by-laws, as applicable, 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 to each Insurer, if any, relating to the Series of 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 Insurers, if any, 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 Indenture Collateral shall be a perfected security interest with respect to Indenture 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 substantially in the form of Exhibit I have been executed by each Co-Issuer (as appropriate) and delivered for filing to the Servicer with the appropriate Intellectual Property registry office with copies to the Indenture Trustee; 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 to each Insurer, if any, relating to the Series of 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 to each Insurer, if any, relating to the Series of Notes to be issued, if any;

(e) an Opinion of Counsel to each Initial Purchaser or Placement Agent, as applicable, or their representative, in form and substance satisfactory to each Initial Purchaser or Placement Agent, as applicable, or their representative, as applicable, to the effect that (1) any additional Senior Notes will be treated as debt for tax purposes (and any additional Subordinated Notes will be treated for tax purposes in the manner described in the related Offering Memorandum) and (2) the Additional Notes will not cause any Series of Senior Notes Outstanding to be treated as other than debt (and will not cause any Subordinated Notes Outstanding to be treated other than in the manner described in the related Offering Memorandum), and will not cause any Co-Issuer that is not a corporation to be treated as a corporation, for U.S. federal income tax purposes;

(f) an Officer's Certificate of each of the Co-Issuers to the effect that (i) no Default or Event of Default, Potential Rapid Amortization Event or Rapid Amortization Event under this Base Indenture has occurred and is continuing, or is likely to occur as a result of such proposed issuance, and all representations and warranties of the Co-Issuers in this Base Indenture and the other Transaction Documents are true and correct and will continue to be true and correct after giving effect to such issuance in all material respects (other than any such representation and warranty that, by its terms, speaks only as of the Closing Date); (ii) if any Series 2007-1 Senior Notes are Outstanding, a *pro forma* Three-Month DSCR for the Payment Date preceding such Issuance Date and the two immediately preceding Payment Dates, assuming the issuance of Additional Notes, together with all other Series of Notes Outstanding, on the first day of the sixth full month preceding the Payment Date immediately preceding the date of the issuance thereof, is at least 0.1 higher than the Three-Month DSCR as of the Closing Date unless otherwise agreed by the Series 2007-1 Class A Insurer; (iii) no Servicer Termination Event has occurred and is continuing, or will occur with notice or the lapse of time or both, or shall occur as a result of such proposed issuance; (iv) no Cash Trap Reserve Event has occurred and is continuing, or shall occur as a result of such proposed issuance; (v) the proposed issuance does not alter or change the terms of any Series of Notes Outstanding or the Series Supplement relating thereto without such consents as are required under Article VIII; (vi) no Change of Control without the prior written consent of each of the Insurers, if any, has occurred and is continuing, or shall occur as a result of such proposed issuance; (vii) unless otherwise agreed by the Lead Insurer with respect to each Series 2007-1 Senior Notes, the Senior ABS Leverage Ratio is at least 0.25 lower than the Senior ABS Leverage Ratio as of the Closing Date prior to and after giving effect to the proposed issuance; provided, that the Lead Insurer with respect to the Series 2007-1 Notes may elect to waive such condition; (viii) in the case of Additional Notes of any existing Series to be issued, either (1) each Insurer, if any, insuring such Series has consented thereto in writing or (2) without the consent of each Insurer, if any, 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); (ix) all expenses with respect to the offering of such Notes or relating to actions taken in connection therewith which are required to be paid on the Closing Date or Issuance Date (as applicable) have been paid or will be paid in full from the proceeds thereof; (x) such other applicable conditions set forth in the Series Supplement for any Series of Notes (for so long as such Series of Notes is Outstanding) have been satisfied; and (xi) all applicable conditions under this Base Indenture and any Series Supplement have been satisfied;

(g) on any issuance date other than the Initial Issuance Date, an Accountant's Certificate (i) confirming the calculation of the Three-Month DSCR or Three-Month Adjusted DSCR for each Outstanding Series of Notes (as specified in this Base Indenture or the related Series Supplement), the *Pro forma* Three-Month DSCR, and the Senior ABS Leverage Ratio for the most recent Accounting Date, (ii) after giving effect to such proposed issuance, confirming compliance with all Senior ABS Leverage Ratio conditions, as applicable and (iii) specifying the procedures undertaken by them in connection with the data and computations in clauses (i) and (ii); and

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

(b) Certificate of the Master Issuer. A certificate of an Authorized Officer of the Master 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 Existing Franchise Assets on the Closing Date, and immediately prior to the delivery on the Issuance Date of any Notes:

(i) the Master Issuer is the owner of the Master Issuer Assets in existence as of such date free and clear of any Liens except for (A) those which are being released on the Closing Date, (B) those Granted pursuant to this Base Indenture or (C) Permitted Liens;

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

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

(iv) except for the Permitted Liens, the Grant pursuant to the Granting Clauses of this Base Indenture, upon filing of the Financing Statement and the execution and delivery of all necessary Account Control Agreements, 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 Master Issuer's right, title and interest in and to the Master Issuer Assets included in the Indenture Collateral;

The Master 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 IP Holder. A certificate of an Authorized Officer of the IP Holder, 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 IP Assets owned by the IP Holder on the Closing Date, and immediately prior to the delivery on the Issuance Date of any Notes:

(i) the IP Holder is the owner of, or is licensed to use, 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 Base Indenture or the other Transaction Documents or (C) Permitted Liens;

(ii) the IP Holder has acquired its ownership in the IP Assets in existence as of such date in good faith without notice of any adverse claim, except as described in clause (i) above; and

(iii) except for the Permitted Liens, the Grant pursuant to the Granting Clauses of this Base Indenture, upon filing of the Financing Statement and timely filing of IP Lien Filings in the appropriate Intellectual Property registry office, 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 IP Assets included in the Indenture Collateral;

The IP Holder, 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) Certificate of the Restaurant Holders. A certificate of an Authorized Officer of each of the Restaurant Holders, 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 Company-Owned U.S. Restaurant Assets and the Real Estate Assets (the "Restaurant Holder Assets") owned by such Restaurant Holder on the Closing Date, and immediately prior to the delivery on the Issuance Date of any Notes:

(i) the Restaurant Holder is the owner of Restaurant Holder 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 Base Indenture or (C) Permitted Liens;

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

(iii) the Restaurant Holder Asset documents with respect to each Restaurant Holder Asset do not prohibit the Restaurant Holder from Granting a security interest in and pledging such Restaurant Holder Assets to the Indenture Trustee; and

(iv) except for the Permitted Liens, the Grant pursuant to the Granting Clauses of this Base Indenture, upon filing of the Financing Statement 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 Restaurant Holder's right, title and interest in the Restaurant Holder Assets (other than Real Estate Assets) included in the Indenture Collateral;

Each Restaurant Holder, 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);

(e) 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 (if Moody's will rate such Notes) 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, in the case of any Insured Obligations of such Series, 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 (if S&P will rate such Notes) 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, in the case of any Insured Obligations of such Series, 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), (iii) a true and correct copy of a letter signed by Fitch (if Fitch will rate such Notes) 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, in the case of any Insured Obligations of such Series, have received a shadow rating (exclusive of the effect of any Insurance Policy) specified in the applicable Series Supplement by Fitch, and that such ratings are in full force and effect on the Closing Date or Issuance Date (as applicable), (iv) 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, in the case of any Insured Obligations of such Series, 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(e), 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 Insurers, if any, to the Indenture Trustee that such Insurers, if any, have received such a letter conforming to the requirements of this Section 3.2(e) (or that such Insurers, if any, have waived receipt thereof by the Insurers) shall satisfy such condition in respect of the Indenture Trustee with respect to such shadow rating;

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

(g) 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 Collection Account, the Collection Account Administrative Accounts, the Senior Notes Interest Reserve Account, the Cash Trap Reserve Account, the Hedge Payment Account and the Series Distribution Account. JPMorgan Chase Bank, N.A., as financial institution, 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 Concentration Account and the Servicing Accounts; and

(h) Financing Statement. The delivery by each of the Co-Issuers of an unfiled copy of the Financing Statement describing the Indenture 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) which has been sent to a nationally recognized filing service for filing by or on behalf of each of the Co-Issuers with the Secretary of State of Delaware, the Secretary of State of Vermont, the Secretary of State of Kansas, the Secretary of the Commonwealth of Texas or the Secretary of State of any other relevant States not later than the fifth (5th) Business Day following the Closing Date or the third (3rd) Business Day following 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, Potential Rapid Amortization Event or Rapid Amortization Event under this Base Indenture has occurred and is continuing, or is likely to occur as a result of such proposed issuance, and all representations and warranties of the

Co-Issuers herein and in the other Transaction Documents are true and correct and will continue to be true and correct after giving effect to such issuance in all material respects;

(b) if any Series 2007-1 Senior Notes are Outstanding, a *pro forma* Three-Month DSCR for the Payment Date preceding such Issuance Date and the two immediately preceding Payment Dates, assuming the issuance of Additional Notes, together with all other Series of Notes Outstanding, on the first day of the sixth full month preceding the Payment Date immediately preceding the date of the proposed issuance thereof, that is at least 0.1 higher than the Three-Month DSCR as of the Closing Date unless otherwise agreed by the Series 2007-1 Class A Insurer;

(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 Cash Trap 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 of Notes Outstanding or the Series Supplement relating thereto without such consents as are required under Article VIII;

(f) no Change of Control without the prior written consent of each of the Insurers, if any, has occurred and is continuing, or will occur as a result of such proposed issuance;

(g) unless otherwise agreed by the Lead Insurer with respect to the Series 2007-1 Senior Notes, the Senior ABS Leverage Ratio is at least 0.25 lower than the Senior ABS Leverage Ratio as of the Closing Date prior to and after giving effect to the proposed issuance; provided, that the Lead Insurer with respect to the Series 2007-1 Notes may elect to waive such condition;

(h) 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, if any, 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);

(i) all expenses with respect to the offering of such Notes or Series of Notes or relating to actions taken in connection therewith which are required to be paid on such Issuance Date have been paid or will be paid from the proceeds thereof;

(j) such other applicable conditions set forth in the Series Supplement for any Series of Notes (for so long as such Series of Notes is Outstanding) have been satisfied; and

(k) all applicable conditions under this Base Indenture and the other Transaction Documents have been satisfied.

Section 3.4 Use of Proceeds from the Issuance of Notes. Notwithstanding anything to the contrary herein, on the Closing Date or any subsequent Issuance Date relating to the issuance of any Series of Notes, the net proceeds from the offering and sale of such Series of Notes will be applied in the manner specified in the applicable Series Supplement relating to such newly issued Series of Notes, or, in the event that the Series Supplement does not specify how such net proceeds are to be applied, to or at the direction of the Master Issuer.

ARTICLE IV

SATISFACTION AND DISCHARGE

Section 4.1 Satisfaction and Discharge of Indenture.

(a) This Base 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, if any, 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) 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 the applicable Series Supplement and (6) 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 Indenture Collateral, rights and interest hereby conveyed or assigned or pledged and not disposed of previously pursuant to the applicable Series Supplement 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 Base Indenture and releasing the Indenture Collateral from the Lien of this Base 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 Indenture 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 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) have been delivered to the Indenture Trustee for cancellation; or

(B) the Co-Issuers have irrevocably deposited 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 an irrevocable trust agreement in form and substance satisfactory to the Indenture Trustee and the Aggregate Controlling Party, 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 (1) 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 (2) 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;

(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 any 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 Base Indenture with respect to the Notes have been complied with;

(iv) the Insurance Policies relating to each Series of Notes, if any, have expired or been terminated or canceled by the Indenture Trustee in accordance with their terms and the Indenture Trustee has returned each such Insurance Policy to the applicable Insurers, if any, and all amounts payable to such Insurers, if any, have been paid; provided, however, the Indenture Trustee shall be required to cancel such Insurance Policies and return them to the Insurers, if any, 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,

if any, an Opinion of Counsel, or such other adequate assurances as may be required by such Insurers, if any, in their sole judgment, that the discharge of the Indenture will not subject such Insurers, if any, to a risk of preference or recapture on amounts previously paid by the Co-Issuers to discharge the Notes, and such Insurers, if any, shall have confirmed in writing that such condition has been satisfied; and

(v) all commitments under all Class A-1 Note Purchase Agreements have been terminated.

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 Insurers, if any, pursuant to the applicable Insurance Policy, if any, shall continue to be Outstanding under this Base Indenture, and the conditions set forth in this Section 4.1 shall not be satisfied, and such Insurers, if any, shall become the Holder of such Notes for all purposes of this Base Indenture; provided, that if the Co-Issuers shall make payment to such Insurers, if any, of all Reimbursements and all Insurer Expenses due hereunder and under the applicable Insurance Agreement in respect of any payments by such Insurers, if any, 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 Base Indenture.

(b) Notwithstanding the satisfaction and discharge of this Base 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.

(c) With respect to any Series, Class or Sub-class of Notes, after (i) the Indenture Collateral and any other Collateral allocable to, and available to be realized upon and applied to the payment of, such Notes has been sold and all proceeds have been applied in accordance with the terms hereof and of each Guaranty and Collateral Agreement, (ii) if such Notes are insured pursuant to an Insurance Policy (x) the related Insurer has made all requisite payments in respect of such Notes in accordance with the terms of such Insurance Policy or (y) the related Insurer has become the subject of a receivership or other insolvency-related proceeding and (iii) a final distribution has been made in respect of the claim arising under such Insurance Policy in respect of such Notes, none of the Indenture Trustee, the Noteholders, any Insurer, the Initial Purchasers, the Servicer or any Hedge Counterparty shall be entitled to take any further steps against any of the Co-Issuers or guarantor under any such Guaranty and Collateral Agreement to recover any sums due but still unpaid hereunder under the Notes, any Insurance Agreement or any other Transaction Document, and all claims against the Co-Issuers, each guarantor under any such Guaranty and Collateral Agreement and the related Insurer, if any, in respect of which shall be extinguished and such Notes shall be discharged.

Section 4.2 Application of Trust Money. All monies, Cash or Eligible Investments deposited with the Indenture Trustee pursuant to Section 4.1 shall be irrevocably held in trust by the Indenture Trustee and applied by it, in accordance with the provisions of the Notes and this Base 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 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 Base Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 4.1 until such time as the Indenture Trustee is permitted to apply all such cash or Eligible Investments in accordance with Section 4.1; 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 Rapid Amortization Event.

(a) Upon the occurrence of any of the following events:

(i) the failure to pay in full the accrued and unpaid interest on and all principal of any Series of Notes by the applicable Adjusted Repayment Date;

(ii) the occurrence of a Series Rapid Amortization Event specified in the Series Supplement relating to any Series of Notes;

(iii) the occurrence of a Servicer Termination Event; or

(iv) the occurrence of an Event of Default,

a "Rapid Amortization Event" shall be deemed to have occurred, without the giving of further notice or any other action on the part of the Indenture Trustee or any Holder of Notes.

(b) Subject to the waiver of any Rapid Amortization Event described in Section 5.1(c) below and the Series 2007-1 Rapid Amortization Cure Right, as applicable, upon the occurrence of a Rapid Amortization Event (which, for avoidance of doubt, in each and every case shall become applicable to all Series of Notes then Outstanding irrespective of whether such

Rapid Amortization Event initially relates to a particular Series or Class of Notes), the Indenture Trustee shall apply all amounts available in accordance with the provisions of Articles X and XI below, on each Payment Date thereafter (subject to Sections 11.1(e) and 11.1(g)) first, to the payment in full of the Aggregate Outstanding Principal Amount of all Senior Notes then Outstanding and second, to the Aggregate Outstanding Principal Amount of all Subordinated Notes then Outstanding (in accordance with the provisions of Articles X and XI below).

(c) In connection with the occurrence of a Rapid Amortization Event:

(i) the Series Controlling Party of the Series of Notes with respect to which a Rapid Amortization Event described in Sections 5.1(a)(i) and 5.1(a)(ii) occurs will be entitled to waive such Rapid Amortization Event (in which case the Series Rapid Amortization Event relating to a particular Series will be waived in respect of all other Series of Notes Outstanding for purposes of Section 5.1(a)(ii) above other than any Series of Notes with respect to which the same Series Rapid Amortization Event has occurred pursuant to the related Series Supplement); provided that a waiver of any Rapid Amortization Event set forth in Section 5.1(a)(i) above will also require the written consent of the Holders of 100% of the Aggregate Outstanding Principal Amount of the applicable Series of Notes; and

(ii) the Aggregate Controlling Party will be entitled to waive any Rapid Amortization Event described in Sections 5.1(a)(ii), 5.1(a)(iii) and 5.1(a)(iv) above for purposes of all Series of Notes Outstanding, other than, with respect to Section 5.1(a)(ii), any Series Rapid Amortization Event that the related Series Supplement specifies cannot be waived by the Aggregate Controlling Party.

Section 5.2 Partial Amortization. On any Payment Date following the occurrence and continuance of a Partial Amortization Event, the Indenture Trustee (in accordance with the provisions of Articles X and XI) shall apply all amounts on deposit in the applicable Principal Payment Accounts and the Cash Trap Reserve Account that are allocable to the relevant Series of Notes to the extent necessary toward the payment of principal on such Series of Notes; provided that on such Payment Date the aggregate amount of principal prepaid shall not exceed an amount equal to the applicable Partial Amortization Amount.

Section 5.3 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) the Co-Issuers fail to pay any Senior Notes Monthly Interest Amount (without giving effect to payments made on the Senior Notes with the proceeds from the draw on an Insurance Policy, if any) or, following the

payment in full of all Senior Notes Outstanding, any Subordinated Notes Monthly Interest Amount, and such failure continues for two (2) Business Days after such payment is due (or, in the case of a failure to pay such interest when due resulting solely from an administrative error or omission by the Indenture Trustee, such default continues for a period of two (2) Business Days after the Indenture Trustee receives written notice or has Actual Knowledge of such administrative error or omission);

(ii) the Co-Issuers fail to pay the principal of (x) any Senior Notes in full on or prior to the Payment Date that occurs five years prior to the Series Legal Final Maturity Date for such Senior Notes (without giving effect to payments made on the Notes with the proceeds from the draw on an Insurance Policy, if any) or (y) any Subordinated Notes in full on or prior to the Series Legal Final Maturity Date for such Subordinated Notes;

(iii) any Securitization Entity fails to perform or comply with any of the covenants (other than those covered by clauses (i) and (ii) above or clause (xx) below) or representations or warranties contained in any Transaction Document to which it is a party (including any covenant to pay any amount other than interest on or principal of the Notes when due in accordance with the Priority of Payments), or any of its representations or warranties contained in any Transaction Document to which it is a party proves to be incorrect in any material respect as of the date made or deemed to be made, and such default, failure or breach continues for a period of thirty (30) consecutive days (or, solely with respect to (x) a failure to comply with any obligation to deliver a notice, report or other communication within the specified time frame set forth in the applicable Transaction Document, such failure continues for a period of five (5) consecutive Business Days after the specified time frame for delivery has elapsed or (y) Sections 7.8, 7.9, 7.11 and Section 7.13(p), such failure continues for a period of ten (10) consecutive Business Days) following the earlier to occur of the knowledge of an Authorized Officer of such Securitization Entity of such breach or failure and the default caused thereby or written notice to such Securitization Entity by the Indenture Trustee, any Series Controlling Party or any Insurer of such default, breach or failure;

(iv) an effective resolution is passed by any Securitization Entity for the winding up or liquidation of such Securitization Entity, except a winding up for the purpose of a merger, reconstruction or amalgamation, in accordance with the terms of this Base Indenture, the terms of which have previously been approved in writing by the Series Controlling Party of each Series of Notes;

(v) any petition is filed, or any case or proceeding is commenced, against any Securitization Entity 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 sixty (60) days after such filing or commencement;

(vi) the institution by any 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 any 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;

(vii) any 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 any 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;

(viii) the failure to satisfy the minimum required Three-Month Adjusted DSCR with respect to any Series of Notes Outstanding as specified in the applicable Series Supplement;

(ix) any Transaction Document or a material portion thereof ceases 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 Applebee's International or any Securitization Entity asserts as such in writing;

(x) a draw is made under any Insurance Policy;

(xi) the Indenture Trustee ceases to have a valid and perfected security interest in or Lien on the Indenture Collateral in which perfection can be achieved under the UCC or other applicable law in the United States free and clear of any Lien except Permitted Liens other than (i) any immaterial Indenture Collateral, (ii) any Indenture Collateral which has been disposed of, solely to the extent permitted under the Indenture and (iii) unless a Trigger Event has occurred and has not been waived within ninety (90) days thereafter, the Company-Owned Real Property or (iv) except as otherwise required under the Servicing Agreement, the accounts maintained with depository institutions for the deposit of cash revenues generated by Company-Owned U.S. Restaurants pending transfer to the Concentration Account;

(xii) a final non-appealable ruling has been made by a court of competent jurisdiction that the contribution of the Indenture Collateral (other than any immaterial Indenture Collateral and any Indenture Collateral which has been disposed of, to the extent permitted hereunder) pursuant to any

Asset Contribution Agreement does not constitute a "true contribution" or other absolute transfer of such Indenture Collateral pursuant to such Asset Contribution Agreement;

(xiii) an outstanding final non-appealable judgment exceeding $10,000,000 (when aggregated with the amount of all other outstanding final non-appealable judgments) is rendered against any Securitization Entity, and either (x) enforcement proceedings are commenced by any creditor upon such judgment or order or (y) there will be any period of thirty (30) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, will not be in effect;

(xiv) any Securitization Entity fails to perform or comply with any material provision of its organizational documents, which failure is reasonably likely to cause the contribution of the Indenture Collateral to or from such Securitization Entity pursuant to the related Asset Contribution Agreement to fail to constitute a "true contribution" or other absolute transfer of such Indenture Collateral pursuant to such Asset Contribution Agreement or is reasonably likely to cause a court of competent jurisdiction to disregard the separate existence of such Securitization Entity and such failure continues for more than thirty (30) consecutive days following the earlier to occur of the Actual Knowledge of an Authorized Officer of such Securitization Entity or written notice to such Securitization Entity from the Indenture Trustee, any Series Controlling Party or any Insurer of such failure;

(xv) the IP Holder fails to have good title to any IP Assets (other than any IP Assets that have been disposed of, solely to the extent permitted hereunder) or any other Securitization Entity fails to have good title to any of the Indenture Collateral owned by such Securitization Entity (other than any Indenture Collateral that has been disposed of, solely to the extent permitted under the Indenture) except in each case where such failure individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect on the Indenture Collateral, or the ability of the IP Holder or such other Securitization Entity to satisfy its obligations under the Indenture or such other Transaction Documents to which it is a party;

(xvi) (x) a Securitization Entity, other than Applebee's Holdings and the Restaurant Holders that are corporations, ceases to be a disregarded entity for the purposes of the Code or (y) Applebee's Holdings ceases to be a partnership for purposes of the Code;

(xvii) (t) any Securitization Entity engages in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (u) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, exists with respect to any Plan and is not discharged within thirty (30) days thereafter, (v) any Lien in an amount equal to at least $1,000,000 in favor of the PBGC or a Plan arises on

the assets of any Securitization Entity and is not discharged within thirty (30) days thereafter, (w) a Reportable Event shall occur with respect to, or proceedings commence to have a trustee appointed, or a trustee is 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, (x) any Single Employer Plan terminates for purposes of Title IV of ERISA, (y) any Securitization Entity incurs, 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 (z) any other event or condition occurs or exists with respect to a Plan; and in each case in clauses (t) through (z) 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 on any Securitization Entity;

(xviii) any Lien in an amount equal to at least $1,000,000 in favor of the IRS arises on the assets of any Securitization Entity and is not discharged within thirty (30) days thereafter;

(xix) IHOP Franchising, LLC and IHOP IP, LLC transfer all or substantially all of their respective assets subject to the Lien of the IHOP Indenture to one or more Affiliates in order to effect a refinancing by such Affiliates of indebtedness issued by IHOP Franchising, LLC and IHOP IP, LLC pursuant to the IHOP Indenture, and simultaneously therewith IHOP Corp. does not cause a Replacement Residual Certificate (or Replacement Residual Certificates, as may be applicable if the assets of IHOP Financing, LLC and IHOP IP, LLC have been transferred to more than one Affiliate in connection with such a refinancing) to be contributed to the capital of the Master Issuer, which Replacement Residual Certificate(s) shall become subject to the Lien hereunder;

(xx) Applebee's International or the Servicer, as applicable, fails to comply after the applicable notice and cure period with its obligations to pay the Indemnification Amount in respect of the assets relating to an Applebee's Restaurant pursuant to the related First-Tier Asset Contribution Agreement or the Servicing Agreement, as applicable, in the manner described therein; or

(xxi) the Co-Issuers fail to prepay all of the Series 2007-1 Notes Outstanding in full upon the occurrence of a Change of Control to which the Series 2007-1 Class A Insurer has not provided its prior written consent.

Section 5.4 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 5.3(a)(iv), (v), or (vi), 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. If an Event of Default specified in Section 5.3(a)(iv), (v), or (vi) has occurred and is 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) If any Co-Issuer obtains knowledge that an event that might reasonably be expected to constitute a Default or Event of Default has occurred and is continuing, the Co-Issuers shall promptly notify the Indenture Trustee, each Insurer, if applicable, and the Noteholders; provided, that such notice, except as otherwise stated therein, shall not constitute an admission that such event constitutes a Default or Event of Default.

(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 5.3(a)(iv), (v), or (vi), 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 Weekly Servicing Fees, and

(C) all outstanding Reimbursements, Insurer Expenses and Accrued Insurer Premium Amounts owed to each Insurer, if any; 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 5.5 Enforcement.

(a) At any time after an Event of Default has occurred and is continuing and the Notes have been accelerated, the Indenture Trustee, upon receipt of an Aggregate Controlling Party Order, shall exercise in respect of the Indenture 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 Indenture 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 Indenture 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 Indenture 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, in accordance with, and subject to the proviso set forth in, the following sentence; (iii) occupy any premises owned or leased by any Co-Issuer where the Indenture 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 any Co-Issuer in respect of such occupation; and (iv) exercise any and all rights and remedies of any Co-Issuer under or in connection with the Indenture Collateral. 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, pursuant to an Aggregate Controlling Party Order, sell or dispose of any or all of the Indenture Collateral; provided, however, that the Indenture Trustee may not sell or otherwise liquidate all or substantially all of the Indenture Collateral following such an Event of Default unless (i) each Insurer (other than an Insurer as to which an Insurer Event of Default has occurred and is continuing), if any, consents thereto, (ii) the proceeds of such sale or liquidation distributable to the Holders of all Senior Notes are sufficient to discharge in full all amounts then due and unpaid upon such Senior Notes for principal, premium, if any, and interest and all amounts owing to the Insurers after taking into account payment of all amounts due prior thereto pursuant to the Priority of Payments, (iii) the Aggregate Controlling Party determines that the Indenture Collateral will not continue to provide sufficient funds for all payments on the Senior Notes of all Series as they would have become due if the Notes had not been declared due and payable, and the Indenture Trustee obtains the written consent of each Series Controlling Party to such sale or (iv) the sale involves a sale of the equity interests in the Master Issuer and the Co-Issuers continue to be liable for payment and performance of the obligations under the Indenture. In determining such sufficiency or insufficiency with respect to clauses (ii) and (iii) in the previous sentence, the Aggregate

Controlling Party may, but need not, obtain and conclusively rely upon an opinion of an Independent investment banking or accounting firm of national reputations as to the feasibility of such proposed action and as to the sufficiency of the Indenture Collateral for such purpose. The Co-Issuers agree that, to the extent notice of sale shall be required by law, ten (10) 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 Indenture 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. The Indenture Trustee shall not have any recourse to the IHOP Securitization Entities or the assets of the IHOP Securitization Entities for the obligations of the Co-Issuers under the Indenture and the other Transaction Documents; provided, that the foregoing shall not limit (i) any rights the Indenture Trustee may have with respect to distributions that are paid or payable in respect of the IHOP Residual Certificate or the right to exercise remedies under the Indenture against the IHOP Residual Certificate, or (ii) any rights of the Indenture Trustee to file any claim in or otherwise take any action permitted or required by applicable laws with respect to any insolvency proceeding instituted by or against Applebee's International, IHOP Corp., any Co-Issuer, any other Securitization Entity, any IHOP Securitization Entity, or any Affiliate thereof if the Indenture Trustee (at the direction of the Aggregate Controlling Party) determines that the failure to assert such claims or take such action would prejudice the Indenture Trustee vis-à-vis any other third-party creditor of the Co-Issuers who is asserting that the IHOP Securitization Entities should be liable for the obligations of any Securitization Entity to such third-party creditor or that the IHOP Securitization Entities should be substantively consolidated with the Securitization Entities or any of their non-securitization Affiliates. Any monies collected by the Indenture Trustee under this subsection (a) shall be applied as provided in Section 5.6.

(b) Upon the acceleration of the Notes under Section 5.4, the Indenture Trustee, subject to the terms set forth in Section 5.5(a) above, (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 Indenture Collateral, including, without limitation, to foreclose upon the Indenture Collateral or sell the Indenture 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.

If, at any time when the Indenture Trustee shall determine to exercise its right to sell the whole or any part of the pledged Equity Interests hereunder (subject to Section 5.5(a) above) and such pledged Equity Interests or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act, the Indenture Trustee (x) may, in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such pledged Equity Interests or part thereof could be or shall have been filed under the Securities Act (or similar statute), (y) may approach and negotiate with a single possible purchaser to effect such sale, and (z) may restrict such sale to purchasers each of whom is an accredited investor under the Securities Act and who will represent and agree that such purchaser is purchasing for its own account, for investment and not with a view to the distribution or sale of such pledged Equity Interests or any part thereof.

Each Co-Issuer acknowledges that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Indenture Trustee shall be under no obligation to delay a sale of any of the pledged Equity Interests for the period of time necessary to permit any Pledged Entity to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if the Co-Issuers and such Pledged Entity would agree to do so.

Each Co-Issuer which is a pledgor of any pledged Equity Interests hereby irrevocably constitutes and appoints the Indenture Trustee as the proxy and attorney-in-fact of such Co-Issuer with respect to such pledged Equity Interests, including the right, from and after an Event of Default, to vote the same, with full power of substitution to do so. The appointment of the Indenture Trustee as proxy and attorney-in-fact is coupled with an interest and shall be irrevocable until all Notes under the Indenture and all other Secured Obligations have been indefeasibly paid in full. In addition to the right to vote the pledged Equity Interests, the appointment of the Indenture Trustee as proxy and attorney-in-fact shall include the right to exercise all other rights, powers, privileges and remedies to which a holder of the pledged Equity Interests would be entitled (including giving or withholding written consents of members, calling special meetings of members and voting at such meetings). Such proxy shall be effective, automatically and without the necessity of any action (including any transfer of any pledged Equity Interests on the record books of the issuer thereof) by any person (including the issuer of the pledged Equity Interests), upon the occurrence of an Event of Default. Notwithstanding the foregoing, the Indenture Trustee shall not have any duty to exercise any such right or to preserve the same and shall not be liable for any failure to do so or for any delay in doing so.

(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 defaulting 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 Co-Issuers, any other Securitization Entity, the Servicer, the Insurers, if any, relating to such Series of Notes or the Indenture Collateral with respect to any Notes, whether to enforce the Co-Issuers' obligations hereunder or under such Notes, or against any Indenture 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 Indenture 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) holders of at least 25% of the Aggregate Outstanding Principal Amount for such Series of Notes agree in writing.

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

(i) the Indenture Trustee is appointed as the true and lawful attorney of the Co-Issuers 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 Co-Issuers ratify and confirm all that its said attorney, or such substitute or substitutes, shall lawfully do;

(ii) if so requested by the Indenture Trustee or by any purchaser, the Co-Issuers 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, if applicable, relating to the Notes may bid for and purchase any of the Indenture 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 Co-Issuers of all right, title, interest, claim and demand whatsoever, either at law or in equity or otherwise, in and to the Indenture Collateral so sold and shall be a perpetual bar both at law and at equity or otherwise against the Co-Issuers and their successors and assigns, and any and all Persons claiming or who may claim the Indenture Collateral sold or any part thereof from, through or under the Co-Issuers or their successors and assigns; and

(vi) any monies collected by the Indenture Trustee upon any sale of, collection from, or other realization upon all or any of the Indenture Collateral or otherwise upon the enforcement of this Base Indenture, shall be applied as provided in Section 5.6.

(f) In accordance with the terms of this Base Indenture, at any time when the Indenture Trustee institutes with the consent of the Aggregate Controlling Party (or is directed to institute by the Aggregate Controlling Party) Proceedings to enforce the Notes or this Base Indenture or any Indenture 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 or any of them 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 of them 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 Base Indenture, or of any of the Indenture Trustee's rights or the rights of any Secured Party under this Base 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 Base 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 Indenture 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 5.5(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 Indenture Collateral, amounts on deposit in the applicable Principal Payment Account may, at the direction of the Aggregate Controlling Party, 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 Indenture Collateral shall in any manner or to any extent affect the Lien of this Base Indenture upon any of such Indenture 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 any of 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 Base 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 any of the Co-Issuers, any Insurer or the Indenture 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 Indenture Collateral reorganized and enforced, and (z) receive payment of or on account of such claims and debt; provided that nothing contained in this Base 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 (f) shall be applied as provided in Section 5.6.

(v) All rights of action and of asserting claims under this Base 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 Base 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 Base 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 5.5(a), 5.5(b), 5.5(c), 5.5(d), 5.5(e), 5.8 and 5.9 hereof), the liability of the Co-Issuers to the Noteholders, any Insurer, the Servicer, the Initial Purchaser, each Series Hedge Counterparty, if any, and the Indenture Trustee under or in relation to the Notes, this Base Indenture, any Insurance Agreement or any other Transaction Document to which such Co-Issuer is a party, or otherwise, is limited in recourse to the Indenture Collateral. After the Indenture Collateral has been sold and all proceeds have 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 any 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 against the Co-Issuers 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 Base Indenture and each Insurer, if any, by its execution of a Series Supplement will be deemed to have agreed, not to take any action or institute any proceeding against any of the Co-Issuers under any Insolvency Law applicable to any of the Co-Issuers; provided that each of the Indenture Trustee and the Noteholders, each Insurer, if any, any other Secured Party and the Servicer may become parties to and participate in any Proceeding or action under any Insolvency Law applicable to any of the Co-Issuers that is initiated by any other Person that is not an Affiliate of it.

Section 5.6 Application of Monies Collected by Indenture Trustee. Any amounts obtained by the Indenture Trustee on account of or as a result of the exercise by the Indenture Trustee of any of its rights under the Indenture, including without limitation, under this Article V, shall be deposited in the Collection Account and applied in accordance with Articles X and XI.

Section 5.7 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 Base Indenture, (ii) the sale of, collection from, or other realization upon any of the Indenture 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 Indenture Collateral marshaled upon any foreclosure, sale or other enforcement of this Base Indenture or of any of the Indenture Collateral; and

(d) consents and agrees that, subject to the terms of this Base Indenture, all the Indenture Collateral may at any such sale be sold by the Indenture Trustee in part or as an entirety.

Section 5.8 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 Base 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 any 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 Base 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 among 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 5.9 Control of Notes. Notwithstanding any other provision of this Base Indenture (but subject, for the avoidance of any doubt, to the provisions of Section 5.5(f)), 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 Indenture Collateral or conducting any Proceeding for any remedy available to the Indenture Trustee under this Base Indenture or any other Transaction Document 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 Base 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 Base 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 an Insurer, if any (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 Base Indenture, and no implied covenants or obligations shall be read into this Base 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 Base 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 Base 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 Base Indenture, exercise such of the rights and powers vested in it by this Base 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 Base 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 Base 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 Base Indenture;

(iv) no provision of this Base 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 10.2(e) 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 Base Indenture.

(d) For all purposes under this Base Indenture, the Indenture Trustee shall not be deemed to have notice or knowledge of any Default (other than any event described in Section 5.3(a)(i) or 5.3(a)(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 Indenture Collateral or this Base Indenture.

(e) Whether or not therein expressly so provided, every provision of this Base 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) In connection with any Account Control Agreement, the Indenture Trustee hereby agrees to give orders to various entities on behalf of the Back-Up Manager as necessary after the occurrence of a Servicer Termination Event.

(h) The Indenture Trustee may request written direction any time the Indenture provides that the Indenture Trustee may be directed to act.

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 5.4, the Indenture Trustee shall transmit notice of such Default by mail or facsimile to the Servicer, each Insurer, if any, 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.

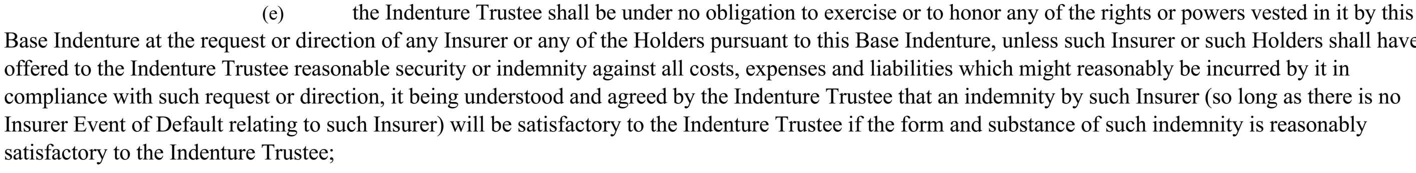
Section 6.3 Certain Rights of Indenture Trustee. Except as otherwise provided in Section 6.1:

(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 Base 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 Indenture 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 Base Indenture at the request or direction of any Insurer or any of the Holders pursuant to this Base 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 Indenture Collateral, as applicable, and the premises of any 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 Base 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 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 Base 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 5.5.

(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 request that the Servicer from time to time deduct payment of the Indenture Trustee's fees and expenses hereunder from Monies on deposit in the SPE Operating Expense Account in accordance with Articles X and 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 one (1) day after the payment in full of all Notes issued under this Base 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 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 Base 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 Base Indenture.

If on any Payment Date when any amount shall be payable to the Indenture Trustee pursuant to this Base Indenture is not paid because there are insufficient funds available for the payment thereof in accordance with Articles X and 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 Articles X and 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, if any, each Class A-1 Administrative Agent, 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, if any, each Class A-1 Administrative Agent, 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)), 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) (A) 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 Series Controlling Party 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 Base 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, if any, each Class A-1 Administrative Agent 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, if any, and the retiring Indenture Trustee an instrument (in form and substance reasonably satisfactory to each Insurer, if any) 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, if any) 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, if any, or any such successor Indenture Trustee, the Co-Issuers shall execute any and all instruments (in form and substance satisfactory to such Insurers, if any, 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, if any, relating to a Series of Notes, each Class A-1 Administrative Agent 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 Indenture Collateral may at the time be located, the Co-Issuers and the Indenture Trustee upon notice to each Class A-1 Administrative Agent and with the consent of each Insurer, if any, 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 Indenture Collateral, with the power to file such proofs of claim and take such other actions pursuant to Section 5.8 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(r), 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 Indenture 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 Indenture 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 Base 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. Each Co-Issuer shall pay or cause to be paid the principal of, and premium, if any, and interest on the Notes when due pursuant to the provisions of this Base Indenture and any applicable Series Supplement. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent holds on that date money designated for and sufficient to pay all principal, premium, if any, and interest then due. Except as otherwise provided pursuant to a Class A-1 Note Purchase Agreement or any other Transaction Document, amounts properly withheld under the Code or any applicable state, local or foreign law by any Person from a payment to any Noteholder of interest or principal or premium, if any, shall be considered as having been paid by the Co-Issuers (or by any Insurer, as applicable) to such Noteholder for all purposes of the Indenture and the Notes.

By acceptance of its Notes, each Noteholder agrees that the failure to provide the Paying Agent with appropriate tax certifications (which includes (i) an Internal Revenue Service Form W-9 for United States persons (as defined under Section 7701(a)(30) of the Code) or any applicable successor form or (ii) an applicable Internal Revenue Service Form W-8, for Persons other than United States persons, or applicable successor form) may result in amounts being withheld from payments to such Noteholder under this Base Indenture and any Series Supplement and that amounts withheld pursuant to applicable laws shall be considered as having been paid by the Co-Issuers as provided in clause (a) 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 Base 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 Base 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, if any, 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, if any, 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 Base 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 Base Indenture and subject to Article XI).

Section 7.4 Existence of the Co-Issuers; Independent Managers; Existence of Master Issuer. Each of the Co-Issuers shall maintain in full force and effect its existence and rights as a limited liability company or corporation validly existing, and in good standing under the laws of its state of organization and shall obtain and preserve its qualification to do business as a foreign limited liability company or corporation in each jurisdiction in which such qualifications are or shall be necessary to protect the validity and enforceability of this Base Indenture or the Notes or to avoid any Material Adverse Effect. The Master Issuer shall be owned or controlled, directly or indirectly, by Applebee's Holdings at all times.

Each of the Co-Issuers shall ensure that all limited liability company, corporate or other formalities regarding its existence (including holding regular board meetings, or other similar meetings) are followed. None 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 or directors, as the case may be, of each of the Securitization Entities shall include at least two (2) Independent Managers or Independent Directors, as the case may be.

Section 7.5 Protection of Indenture Collateral; Performance of Obligations.

(a) Other than with respect to the Company-Owned Real Property prior to the occurrence of any Trigger Event and as otherwise permitted under the Servicing Agreement with respect to Account Control Agreements for certain depository banks receiving cash funds from Company-Owned Restaurants, 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 Indenture Collateral;

(ii) maintain or preserve the Lien (and the priority thereof) of this Base Indenture or to carry out more effectively the purposes hereof and to maintain and preserve the status of the Indenture 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 Base 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 Indenture Collateral;

(v) preserve and defend title to the Indenture Collateral and the rights of the Secured Parties in the Indenture Collateral against the claims of all Persons; and

(vi) (x) pay or cause to be paid any and all taxes levied or assessed upon any of the Co-Issuers or in respect of all or any part of the Indenture 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 other Co-Issuer, counterparty or paying agent with respect to (as applicable) any item included in the Indenture Collateral at the time such item included in the Indenture 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 Indenture 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 agree 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 or the Aggregate Controlling

Party 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 Indenture Collateral in the same manner as described in the Granting Clause of this Base Indenture or may contain an indication or description of Indenture 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 Indenture 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 Base Indenture, remove any portion of the Indenture 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 Indenture Collateral.

Section 7.6 Opinions as to Indenture Collateral. On or before September 30 of each year, commencing in calendar year 2009, at the cost of the Co-Issuers, 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, if any, 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 Base Indenture with respect to the Indenture 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 the next twelve months 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)); provided, that this Section 7.6 shall not apply to any Company-Owned Real Property prior to the occurrence of a Trigger Event.

Section 7.7 Payment and Performance of Obligations.

(a) None 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 Indenture Collateral.

(b) The Co-Issuers will, and will cause the other Securitization Entities to, pay and discharge and fully perform, at or before maturity, all of their respective material

obligations and liabilities, including, without limitation, Tax liabilities and other governmental claims levied or imposed upon the Securitization Entities or upon the income, properties or operations of any Securitization Entity, judgments, settlement agreements and all obligations of each Securitization Entity under the Transaction Documents, except where the same may be contested in good faith by appropriate proceedings (and without derogation from the material obligations of the Co-Issuers hereunder and the Guarantors under the Guarantee and Collateral Agreements regarding the protection of the Indenture Collateral from Liens (other than Permitted Liens)), and will maintain, in accordance with GAAP, reserves as appropriate for the accrual of any of the same.

(c) The Co-Issuers may, with the prior written consent of each Insurer, if any, 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 any of the Co-Issuers hereunder by such Persons and the performance of the actions and other obligations with respect to the Indenture 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) None of the Co-Issuers shall, or 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 Indenture Collateral, except for Permitted Liens or as expressly permitted by this Base Indenture and the other Transaction Documents;

(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 Indenture Collateral;

(iii) except as may be expressly permitted hereby or by the other Transaction Documents, (A) permit the validity or effectiveness of this Base Indenture or any Grant hereunder to be impaired, or permit the Lien of this

Base 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 Base Indenture or the Notes, (B) except for the Lien of this Base Indenture, Permitted Liens or as otherwise permitted under this Base 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 Base Indenture)) to be created on or extend to or otherwise arise upon or burden the Indenture Collateral or any part thereof, any interest therein or the proceeds thereof, or (C) subject to the perfection exceptions referred to herein, take any action that would permit the Lien of this Base Indenture not to constitute a valid, first-priority perfected security interest in the Indenture Collateral, subject to Permitted Liens and other than as permitted hereunder;

(iv) become liable in any way, whether directly or by assignment or as a guarantor or other surety, for the obligations of any Franchisee under any lease, except in the case of any assigned or sublet Company Lease, Sale/Leaseback Lease or Franchisee Sub-lease;

(v) 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;

(vi) enter into any transaction with any Affiliate other than the transactions contemplated by the Transaction Documents on terms less favorable than those obtainable in an arm's-length transaction with a wholly unaffiliated Person;

(vii) maintain, accept transfer of, or otherwise obtain any bank account other than those pledged pursuant to this Base Indenture or the applicable Guaranty and Collateral Agreement, including the Indenture Trust Accounts (other than a bank account to be maintained by the Franchise Holder);

(viii) conduct business under any other name or change its name or jurisdiction of organization without first delivering to the Indenture Trustee, each Insurer, if any, 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 Applebee's Brand, obtaining the consent of the Aggregate Controlling Party; provided, that the foregoing shall not restrict the Restaurant Holders from operating restaurants under the Applebee's Brand;

(ix) declare or pay any dividends or distributions on any of its limited liability company interests or shares of stock, as the case may be; provided, however, that so long as no Partial Amortization Event, Rapid Amortization Event, Potential Rapid Amortization Event, Default or Event of

Default has occurred and is continuing with respect to any Series of Notes Outstanding or would result therefrom, each of the Co-Issuers and any Securitization Entity may, each in their sole discretion, declare and pay any dividends or distributions, including, without limitation, from the net proceeds received from the offering and sale of any Series of Notes, to the extent permitted under the applicable laws of the relevant entity's state of organization and its Operating Agreement. Without limiting Section 7.8(a)(xiv), no Co-Issuer will, or will permit any other Securitization Entity to, pay any wages or salaries or other compensation to its officers, directors or other agents except out of earnings computed in accordance with GAAP or except for the fees paid to its Independent Manager or director, as the case may be. Except as provided for in the Indenture and the other Transaction Documents, no Co-Issuer will, or will permit any other Securitization Entity to, redeem, purchase, retire or otherwise acquire for value any Equity Interest or other security in or issued by such Securitization Entity or set aside or otherwise segregate any amounts for any such purpose except as consented to by the Aggregate Controlling Party. The Master Issuer will not, nor will it permit any Subsidiary to, issue any Equity Interest other than the Equity Interests in existence on the Closing Date, and any minority equity interest issued by a Liquor License Holder, unless, in each case, such actions are taken as are required, in the sole discretion of the Indenture Trustee, to ensure the Grant to the Indenture Trustee and the perfection of a first priority perfected security interest in such Equity Interest;

(x) have any Subsidiaries other than the Subsidiaries in existence on the Closing Date except with the consent of the Aggregate Controlling Party;

(xi) make, incur, or suffer to exist any loan, advance, extension of credit or other investment in any Person other than (a) investments in Eligible Investment held in any of the Indenture Trust Accounts, the Concentration Account and the Servicing Accounts, (b) any loans or advances to Franchisees made in the ordinary course of business in accordance with the Servicing Standard, (c) in the case of the Master Issuer, ownership of the equity of the Co-Issuers, the Liquor License Holders and the Franchise Holder, (d) in the case of Applebee's Holdings, ownership of the equity of the Master Issuer, (e) in the case of the Franchise Holder, investments in Eligible Investments held in an account subject to an Account Control Agreement and intercompany loans to the Master Issuer, in each case, limited to the proceeds of any capital contribution to the Franchise Holder to maintain a certain minimum net worth or (f) as contemplated under this Base Indenture.

(xii) 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;

(xiii) lend any of the Indenture 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;

(xiv) hire or have any employees (other than any Restaurant Holder required to have employees to comply with applicable law relating to the sale of alcoholic beverages);

(xv) except for Permitted Liens, sell, transfer, exchange or otherwise grant any rights in or dispose of its assets other than Excluded Property or Excepted Property or the payment of distributions to its member to the extent permitted under this Base Indenture; provided, that Co-Issuers may, and will permit the Securitization Entities to, (a) 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 and (b) make such Asset Disposition or other disposition of property pursuant to Section 7.8(a)(xxiii);

(xvi) without the consent of each Series Controlling Party that is an Insurer (or each Insurer, if any, if required under the Series Supplement or otherwise applicable to the provision in question), 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;

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

(xviii) 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 Indenture Collateral, except to the extent such action or failure to act is otherwise permitted by the Indenture or the other Transaction Documents;

(xix) (A) fail to pay any assessment, including any tax assessment, charge or fee with respect to the Trust Estate in excess of $1,000,000 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 any of the Co-Issuers of such failure, or (B) fail to defend any action known to a Authorized Officer of any 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 Indenture Collateral created by this Base Indenture or materially reduce the amount of the Indenture 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 Indenture 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 Indenture Collateral or any material portion thereof or (2) defend an action or actions known to an Authorized Officer of any of the Co-Issuers solely for civil damages not in excess of an aggregate amount of $1,000,000, as confirmed in writing by external counsel;

(xx) 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 any such Insurer is then a Series Controlling Party), if applicable, consents thereto;

(xxi) establish or maintain or contribute to any Plan that is covered by Title IV of ERISA (other than in the case of any Restaurant Holder that is required to have employees to comply with applicable law relating to the sale of alcoholic beverages);

(xxii) without the consent of the Aggregate Controlling Party, issue any Senior Notes that would cause the Aggregate Outstanding Principal Amount of all Senior 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 Series of Senior Notes;

(xxiii) sell, transfer, lease, license, liquidate or otherwise dispose of any of its property (whether by means of a single transaction or a series of related transactions), including any Equity Interests of any other Securitization Entity, except in the case of the following or as otherwise permitted in any Transaction Document:

(1) any Refranchising Asset Disposition or Non-Refranchising Asset Disposition (each, an " Asset Disposition"); provided that:

(A) (i) no Event of Default or Rapid Amortization Event has occurred and is continuing or, (ii) if an Event of Default or Rapid Amortization Event has occurred and is continuing, the Aggregate Controlling Party has consented thereto;

(B) the cash proceeds from the Asset Dispositions will be deposited to the Capital Expenditure Reserve Account, in accordance with Section 10.2(h) below, pending a determination whether an amount equal to the related Asset Disposition Prepayment Amount is required to be deposited to the

Collection Account for application to prepay principal of the Notes in accordance with Articles X and XI;

(2) any Obsolete Property Disposition; provided, that all proceeds arising from such disposition shall be treated as Collections with respect to the Monthly Collection Period in which such amounts are received; and

(3) any other sale, lease, license, transfer or other disposition of property to which the Aggregate Controlling Party has given the Master Issuer prior written consent and which is not otherwise expressly permitted by the Indenture or other Transaction Documents; provided that all proceeds arising from such sale, lease, license, transfer or other disposition are deposited in accordance with the instructions provided by the Aggregate Controlling Party in the document providing such prior written consent and that if such document does not contain deposit instructions, then such proceeds shall be deposited into the Concentration Account; provided further, that the Master Issuer shall deliver a copy of such prior written consent to the Rating Agencies;

(xxiv) take or omit to take any action with respect to the maintenance, enforcement and defense of the IP Holder's rights in and to the IP Assets that would constitute a breach by the Servicer of the Servicing Agreement if such action were taken or omitted by the Servicer on behalf of any Securitization Entity;

(xxv) permit any Liquor License Holder to engage in any business or activity, which would not be permitted to be taken by any Securitization Entity under this Section 7.8 or Section 7.9 or 7.13(p); and

(xxvi) 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) None of the Co-Issuers or the Indenture Trustee shall sell, transfer, exchange or otherwise dispose of Indenture Collateral, or enter into or engage in any business with respect to any part of the Indenture Collateral, except as expressly permitted by this Base Indenture and the Servicing Agreement.

(c) The proceeds of the Notes will not be used to purchase or carry any "margin stock" (as defined or used in the regulations of the Board of Governors of the Federal Reserve System, including Regulations T, U and X thereof) in such a way that could cause the transactions contemplated by the Transaction Documents to fail to comply with the regulations of the Board of Governors of the Federal Reserve System, including Regulations T, U and X thereof. No Securitization Entity owns or is engaged in the business of extending credit for the purpose of purchasing or carrying any margin stock.

Section 7.9 No Other Business. The Co-Issuers shall not, and will not permit any other Securitization Entity to, engage in any business or activity other than issuing and selling the Notes pursuant to this Base Indenture and any supplements thereto, entering into any

Series Hedge Agreements, acting as franchisor of the Applebee's Restaurants, the Other U.S. Franchise Business and the Other U.S. Products and Services and sublicensor of the IP Assets (with respect to the Master Issuer and the Franchise Holder) or acting as licensor of the IP Assets (with respect to the IP Holder), entering into the Transaction Documents and acquiring, owning, holding, enforcing, pledging and disposing of, solely for their own respective accounts, the Indenture 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. To the extent not precluded by the laws of the applicable state of organization, none of the Co-Issuers shall amend its certificate of formation or limited liability company agreement, or certificate of incorporation or by-laws, in any such 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 (including the "swap rate" for any applicable term) in respect of each Interest Accrual Period (or other applicable 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 (including the "swap rate" for any applicable term) for each Interest Accrual Period (or other applicable 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 any 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 Insurers, if any, 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, if any, the quotations upon which each Series Interest Rate is based, 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. None 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 Base Indenture, the Notes (issued pursuant to Section 2.3) or the other Transaction Documents, except as set forth on Schedule 7.12(u); provided, that (i) the Franchise Holder may make loans to the other Securitization Entities in connection with maintaining a minimum net worth, and (ii) any Securitization Entity may guarantee the obligations of a Restaurant Holder and/or a new Franchisee under a lease in connection with any sale/leaseback transactions between a Restaurant Holder and a third party and any assigned lease in respect of a new Franchisee; provided, further, in the case of the foregoing clause (ii), that such guarantee and any related documentation will be in form and substance acceptable to the Aggregate Controlling Party (such acceptance not to be unreasonably withheld or delayed).

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 and the Liquor License Holders is a limited liability company or corporation, as the case may be, duly formed and validly existing under the laws of its jurisdiction of organization and has all requisite power and authority to own its properties, hold a liquor license, if applicable, 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 Base Indenture and any other document or instrument (including the Notes) delivered by the issuer pursuant hereto or in connection herewith and is duly qualified to do business and is in good standing, in all jurisdictions necessary for the conduct of such business except where the failure to be so qualified or in good standing would not have a Material Adverse Effect. The Applebee's Restaurants owned by the Restaurant Holders have the ability to serve alcohol;

(b) the execution and delivery of, and the performance of its obligations under, this Base 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 Base Indenture and each Transaction Document to which any of the Securitization Entities is a party have been duly authorized by all necessary action and authorized officers of such Securitization Entity;

(c) the execution and delivery of, and the performance of its obligations under, this Base Indenture and each Transaction Document to which any of the Securitization Entities is a party, the consummation of the transactions contemplated by this Base 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, (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 or (z) any law, order, rule, regulation, judgment or decree of any Governmental Authority having jurisdiction over any of the Co-Issuers 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 created or permitted under this Base Indenture;

(d) there are no Proceedings or investigations pending or, to the knowledge of the Co-Issuers, threatened against any of the Securitization Entities or to which its properties are subject, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality, (A) questioning the validity of this Base Indenture or any Transaction Documents to which any of the Securitization Entities is a party, (B) seeking to prevent the consummation of any of the transactions contemplated by this Base 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 Base Indenture or any Transaction Documents to which any of the Securitization Entities is a party, except as set forth on Schedule 7.12(d), (D) seeking any determination or ruling that would, individually or in the aggregate, materially and adversely affect the validity or enforcement of this Base 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, (ii) recordation of the IP Lien Filings with respect to the IP Assets owned as of the Closing Date and those subsequently acquired by the IP Holder, and (iii) recordings of any mortgages, 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 Base Indenture and any Transaction Documents to which any of the Securitization Entities is a party and the consummation of the transactions contemplated by this Base 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 Base 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 Co-Issuers (considered collectively) own, or are licensed to use, all of the Indenture Collateral, and there are no Liens with respect to, no Liens upon, or any

restrictions on the transferability of, the Indenture Collateral other than Permitted Liens and as otherwise provided in this Base Indenture;

(h) 99% of the issued and outstanding limited liability company interests of Applebee's Holdings are owned by Applebee's International and 1% of the issued and outstanding limited liability company interests of Applebee's Holdings are owned by Applebee's Holdings II Corp., all of which limited liability company interests have been validly issued and are owned of record by Applebee's International and Applebee's Holdings II Corp., free and clear of all Liens other than Permitted Liens;

(i) all of the issued and outstanding limited liability company interests of the Master Issuer are owned by Applebee's Holdings, all of which limited liability company interests have been validly issued and are owned of record by Applebee's Holdings, free and clear of all Liens other than Permitted Liens;

(j) all of the issued and outstanding limited liability company interests or shares of stock, as the case may be, of the Franchise Holder, the IP Holder, and each of the Restaurant Holders and a majority of the issued and outstanding limited liability company interests or shares of stock, as the case may be, of each of the Liquor License Holders, are owned by the Master Issuer, except in the case of the Liquor License Holders, a nonvoting minority interest is owned by an individual to comply with applicable law, all of which limited liability company interests or shares of stock, as the case may be, have been validly issued and are owned of record by the Master Issuer, free and clear of all Liens other than Permitted Liens;

(k) 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;

(l) 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;

(m) the Co-Issuers are not required in connection with the sale of the Notes to qualify this Base Indenture under the United States Trust Indenture Act of 1939, as amended;

(n) the Notes satisfy the requirements set forth in Rule 144A(d)(3) under the Securities Act;

(o) the Notes shall be "debt securities" within the meaning of Rule 902 of the Securities Act;

(p) no Default has occurred and is continuing;

(q) 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;

(r) none of the Securitization Entities has established or maintains any Plan covered by Title IV of ERISA (other than any Restaurant Holder that may be required to have employees to comply with applicable law relating to the sale of alcoholic beverages);

(s) both before and immediately after giving effect to the transactions contemplated by this Base 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;

(t) no payments to be made to the Co-Issuers under any of the Existing Franchise Assets will be subject to any value-added tax or other similar tax;

(u) none of the Co-Issuers or the other Securitization Entities has or will have (i) any employees (other than any Restaurant Holder that may be required to have employees to comply with applicable law relating to the sale of alcoholic beverages), (ii) any outstanding indebtedness for borrowed money (to the extent that this representation is deemed made after the Closing Date) other than the Notes and the obligations of the Master Issuer under any intercompany loan from the Franchise Holder except as set forth on Schedule 7.12(u), (iii) material liabilities except where such liabilities are expressly permitted by the Transaction Documents or (iv) entered into any material agreements other than as expressly contemplated or permitted under the Transaction Documents;

(v) the Securitization Entities will have acquired on the Closing Date the insurance coverage described on Schedule 7.12(v) hereto, in such amounts and covering such risks as are adequate for the conduct of their respective businesses and the value of their respective properties and as is customary for companies engaged in similar businesses in similar industries. All such insurance is primary coverage, all premiums therefor due on or before the date hereof have been paid in full, and the terms and conditions thereof are no less favorable to the Securitization Entities than the terms and conditions of insurance maintained by their Affiliates that are not Securitization Entities. All policies of insurance of the Securitization Entities are in full force and effect and the Securitization Entities are in compliance with the terms of such policies in all material respects;

(w) the IP Holder, the Master Issuer and the Franchise Holder, through ownership of the IP Assets or license to use the IP Assets, respectively, own and/or have the right to use all Intellectual Property necessary to operate the Applebee's System within the United States substantially in the manner as conducted by Applebee's International immediately prior to the Closing Date;

(x) except as set forth on Schedule 7.12(x) hereto, all of the Trademark, Copyright and Patent registrations and applications owned by IP Holder in the United States are subsisting, unexpired, have not been abandoned in any applicable jurisdiction and are, to the Co-Issuers' knowledge, valid and enforceable;

(y) (i) the use of the Initial IP Assets in the manner in which they are currently used, and the operation of the Applebee's System in the manner in which it is currently operated, does not infringe, dilute, misappropriate or otherwise violate the rights of any third party in a manner that could reasonably be expected to have a Material Adverse Effect, and, except as set forth on Schedule 7.12(y) hereto, there are no such claims pending, or to the Co-Issuers' knowledge, threatened, against any of the Co-Issuers that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (ii) to the Co-Issuers' knowledge, no Initial IP Assets are being infringed, diluted, misappropriated or otherwise violated by any third party in a manner that could reasonably be expected to have a Material Adverse Effect; (iii) except as set forth on Schedule 7.12(y), there is no action or proceeding pending or threatened, by the Co-Issuers alleging the infringement, dilution, misappropriation or other violation of any Initial IP Assets in which an adverse determination in connection therewith could , individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (iv) except as set forth in Schedule 7.12(y) hereto, no action or proceeding is pending or, to the Co-Issuers' knowledge, threatened, against any of the Co-Issuers that seeks to limit, cancel or question the validity of any Initial IP Asset (including, without limitation, the right to proceeds therefrom and the right to bring an action at law or in equity for any infringement, dilution or violation of such Initial IP Asset and to collect all damages, settlements and proceeds relating to such Initial IP Asset), or the Co-Issuers' rights or interests therein, or use thereof which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect;

(z) each Securitization Entity has filed, or caused to be filed, all Federal, state, local and foreign Tax returns and all other Tax returns which, to the knowledge of any Co-Issuer, are required to be filed by, or with respect to the income, properties or operations of, such Securitization Entity (whether information returns or not), and has paid, or caused to be paid, all Taxes due, if any, pursuant to said returns or pursuant to any assessment received by any Securitization Entity or otherwise, except such Taxes, if any, as are being contested in good faith and by appropriate proceedings and for which adequate reserves have been set aside in accordance with GAAP. As of the Closing Date, except as set forth on Schedule 7.12(z), no Co-Issuer is aware of any proposed Tax assessments against any Securitization Entity. Except as would not reasonably be expected to have a Material Adverse Effect, no tax deficiency has been determined adversely to any Securitization Entity, nor does any Securitization Entity have any knowledge of any tax deficiencies. Each Securitization Entity has paid all fees and expenses required to be paid by it in connection with the conduct of its business, the maintenance of its existence and its qualification as a foreign entity authorized to do business in each state and each Foreign Country in which it is required to so qualify, except to the extent that the failure to pay such fees and expenses is not reasonably likely to result in a Material Adverse Effect;

(aa) no events have occurred, and no actions have been taken, at any time prior to the Closing Date (or, in the case of any issuance of Additional Notes, since 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.

(bb) since their formation none of the Securitization Entities has 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 Securitization Entity, set forth in this Base Indenture, including without limitation Section 7.13(p), had this Base Indenture been in full force and effect since the formation of the Securitization Entities;

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

(dd) 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 Indenture Collateral and which have not been disclosed in the applicable Offering Memorandum, the Transaction Documents or otherwise disclosed in writing to each Insurer, if any;

(ee) all certificates, reports, statements, notices, documents and other written information furnished to the Insurers, if any, by or on behalf of the Securitization Entities pursuant to any provision of the Indenture or any other Transaction Document, or in connection with or pursuant to any amendment or modification of, or waiver under, the Indenture or any other Transaction Document, are, at the time the same are so furnished, complete and correct in all material respects (taking into account the purposes for which such information is given, and when taken together with all other information furnished by or on behalf of the Securitization Entities to the Insurers, if any), and give the Insurers, if any, true and accurate knowledge of the subject matter thereof in all material respects, and the furnishing of the same to the Insurers, if any, shall constitute a representation and warranty by each Securitization Entity made on the date the same are furnished to the Insurers, if any, to the effect specified herein.

(ff) each Insurer, if any, has received all information reasonably requested;

(gg) 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. 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;

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

(ii) the representations on Existing Franchise Assets made by Applebee's International in the First Tier Asset Contribution Agreement are true and correct (and Applebee's International's indemnity obligation and other obligations are assigned by Applebee's Holdings to the Master Issuer pursuant to the Second Tier Asset Contribution Agreement);

(jj) 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.

Section 7.13 Affirmative Covenants. So long as any of the Notes remain Outstanding or 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, if any) to audit the books of account and financial statements of the Master Issuer and the Franchise Holder; and to prepare in accordance with GAAP and deliver annual audited consolidated balance sheets, profit and loss statements and retained earnings statements of the Master Issuer and its Subsidiaries 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, if any, and each Rating Agency then rating any Outstanding Notes), and allow the Indenture Trustee, each Insurer, if any, the Back-Up Manager 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, if any, 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 Indenture Collateral, all records related thereto (and to make extracts and copies thereof) (such rights of any such Insurer to continue for so long as no Insurer Event of Default has occurred with respect to any such Insurer);

(c) give notice in writing to the Indenture Trustee, the Servicer and each Insurer, if any, within three (3) Business Days following the date of Actual Knowledge of the occurrence of any circumstances that might reasonably be expected to constitute an Event of Default, Default, Rapid Amortization Event or other event that might otherwise reasonably be expected to have a 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, Default, Rapid Amortization Event or other event, and shall specify the action, if any, the Co-Issuers are taking with respect to such Event of Default, Default, Rapid Amortization Event or other event; 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, Default, Rapid Amortization Event or other event that might otherwise reasonably be expected to have a Material Adverse Effect;

(d) so far as permitted by law, at all times give to the Indenture Trustee and the Back-Up Manager 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 Base

Indenture or in the Back-Up Manager Agreement and 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 with insurers having a rating from A.M. Best of not less than "A+" such insurance that in its business judgment is appropriate and is customary for business operations of the type conducted by the Co-Issuers; provided, that the Co-Issuers shall cause the Servicer to list each Securitization Entity and the Indenture Trustee as an "additional insured," and the Indenture Trustee as "loss payee," on any insurance maintained by the Servicer for the benefit of the Securitization Entities, which as of the Closing Date shall include every insurance policy maintained by Applebee's International with respect to the businesses and assets contributed to the Securitization Entities. The terms and conditions of all such insurance shall be no less favorable to the Co-Issuers than the terms and conditions of insurance maintained by their Affiliates that are not Securitization Entities;

(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) RESERVED.

(j) deliver to the Indenture Trustee and each Insurer, if any, 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 any such Insurer is then the Series Controlling Party relating to a Series of Notes) each Insurer, if any (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 Indenture Collateral and (ii) the Co-Issuers maintain adequate reserves in accordance with GAAP for the payment of contested taxes;

(l) in addition to any other notices, certificates or information provided pursuant to this Base Indenture, promptly inform the Indenture Trustee and, so long as any Notes are Outstanding, each Insurer, if any, 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 which the Co-Issuers' ability to comply with the Notes or otherwise could reasonably be expected to 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) with respect to each of the Co-Issuers, and will cause each other Securitization Entity to,

(A) act and conduct its business solely in its own name through the Servicer or through other agents selected in accordance with its limited liability company agreement or certificate of incorporation (as applicable), including, without limitation, its Officers;

(B) except as otherwise expressly permitted by this Base Indenture or the other Transaction Documents, maintain separately its funds and assets from those of any Affiliates that are not Securitization Entities or predecessor Restaurant Holders owning Post-Closing U.S. Restaurants, and

such funds and assets shall not be commingled with the funds and assets of any other Person that is not a Securitization Entity or predecessor Restaurant Holder owning Post-Closing U.S. Restaurants;

(C) maintain complete and correct books and records of account and minutes of the proceedings of the Securitization Entities (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 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 Base Indenture);

(E) except as otherwise specified in its limited liability company agreement or certificate of incorporation, this Base Indenture or the Transaction Documents, as the case may be, 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 Base 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 Base Indenture or the other 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 its limited liability company agreement or certificate of incorporation, as the case may be, or this Base Indenture;

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

(J) except as otherwise expressly permitted by this Base Indenture or the other Transaction Documents, 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 Base Indenture remain outstanding, not dissolve, liquidate, merge, consolidate or sell substantially all of its assets, except as permitted hereunder;

(O) except as otherwise expressly permitted by this Base Indenture or the other Transaction Documents, 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 limited liability company or corporate formalities as the case may be, of its state of organization;

(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, including this Base Indenture;

(S) cause its board of managers (or directors, as applicable) and its agents, including the Servicer, to act at all times with respect to such Co-Issuer consistently with, and in furtherance of the foregoing and in the best interests of such Co-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) 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 Affiliates 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 Base Indenture;

(r) if so requested by the Initial Purchaser or Placement Agents, as applicable, 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 if so requested by the Initial Purchaser or Placement Agents, as applicable;

(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, if any, surrender such Insurance Policy for cancellation to each Insurer, if any, relating to such Insurance Policy;

(v) subject to Section 7.8(a)(xv), in the case of the IP Holder, maintain ownership of the IP Assets and, in the case of each of the Master Issuer and the Franchise Holder, maintain on behalf of itself and the other Co-Issuers, the right to use the IP Assets, subject to and in accordance with the applicable IP License Agreement;

(w) solely with respect to the Master Issuer, cause each of its Subsidiaries (other than with respect to the Franchise Holder to the extent of any capital contribution made to the Franchise Holder to maintain a minimum net worth determined by the Servicer) to dividend to the Master Issuer (not less frequently than monthly) any funds in excess of such Subsidiary's obligations under any Transaction Document subject to any applicable law;

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

(y) with respect to its participation in any 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), comply 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; and

(z) 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, with respect to the Co-Issuers, and will cause each other Securitization Entity to:

(A) (i) comply 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) comply with all of their Environmental Permits; and

(B) not permit Materials of Environmental Concern to be present at, on, under, in, or about any Owned Real Property or Leased Property 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.

Section 7.14 Additional Securitization Entities.

(a) The Master Issuer shall be permitted, with the prior written consent of the Aggregate Controlling Party (which consent may not be unreasonably withheld or delayed), to establish a new Restaurant Holder to be a directly owned subsidiary of the Master Issuer; provided, that any such Restaurant Holder must become a Co-Issuer hereunder and, in connection with the organization of any such Additional Co-Issuer and as a condition precedent to the contribution of any assets to such Additional Co-Issuer, (i) the Co-Issuers shall cause such Additional Co-Issuer to promptly execute a Supplement to this Base Indenture pursuant to which such Additional Co-Issuer shall become jointly and severally obligated under the Indenture with the other Co-Issuers, (ii) the Master Issuer shall have caused the pledged Equity Interests of such Additional Securitization Entity to be pledged as Indenture Collateral hereunder and shall have taken all steps necessary to perfect the security interest of the Indenture Trustee in such Pledged

Equity Assets, (iii) the Master Issuer shall cause any new Restaurant Holder to become party to the Indenture and the other Transaction Documents to which the existing Restaurant Holders are parties pursuant to an assumption agreement and customary documentation required in connection therewith, and (iv) the Co-Issuers shall have caused to be delivered to the Indenture Trustee and each Insurer, if any, an opinion or opinions of counsel as to (a) the due formation and valid existence of such Additional Co-Issuer, (b) the enforceability of such Supplement, (c) the perfection of the security interests in the pledged Equity Interests, (d) issues of substantive consolidation and, if applicable, true sale, with respect to such Additional Co-Issuer and any assets contributed by any Affiliate that is not a Securitization Entity directly or indirectly to such Additional Co-Issuer and (e) such other matters as the Aggregate Controlling Party may reasonably request, including without limitation an opinion as to the matters described in Section 2.3(c)(vii) as to such Additional Co-Issuer.

(b) Upon the execution and delivery of a Supplement as required by clause (i) above, any Additional Co-Issuer party thereto will become a party to this Base Indenture with the same force and effect as if originally named therein as a Co-Issuer and, without limiting the generality of the Indenture, will assume all Obligations and liabilities of a Co-Issuer hereunder.

Section 7.15 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 Base 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 Base 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 Indenture Collateral created hereunder, free of any Liens, including but not limited to the removal and transfer of any such Indenture Collateral from any existing location or jurisdiction to another location or jurisdiction so as to prevent the impairment of the security interest in such Indenture Collateral created by this Base 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 Base 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 Base Indenture or any other Transaction Documents.

Section 7.16 Financial Covenants. If funds on deposit in the Senior Notes Interest Reserve Account are less than the Series 2007-1 Senior Notes Interest Reserve Amount, then all investment income earned on funds on deposit in the Senior Notes Interest Reserve Account shall be retained in such account until the funds in such account are equal to or greater than the Series 2007-1 Senior Notes Interest Reserve Amount. If funds on deposit in the Senior Notes Interest Reserve Account are greater than or equal to the applicable Series 2007-1 Senior Notes Interest Reserve Amount, then all investment income earned on such funds, shall, except as otherwise required under this Base Indenture, be released to the Collection Account.

Section 7.17 Security Interest Representations, Warranties and Covenants of the Co-Issuers.

(a) Other than with respect to the Company-Owned Real Property prior to the occurrence of any Trigger Event and as otherwise permitted under the Servicing Agreement with respect to Account Control Agreements for certain depository banks receiving cash funds from Company-Owned Restaurants, this Base Indenture creates a valid and continuing security interest (as defined in the applicable UCC) in the Indenture 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 7.17, each Co-Issuer owns and has good and marketable title to its Indenture Collateral, free and clear of any Lien except Permitted Liens, Liens granted pursuant to the Transaction Documents or otherwise permitted pursuant to the Transaction Documents.

(c) Each of the Co-Issuers shall, within three (3) Business 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 Indenture Collateral perfectible under the UCC or other applicable law and deliver to the Servicer the IP filings in appropriate form for filing in the PTO, with copies to the Indenture Trustee, and Granted to the Indenture Trustee hereunder and deliver copies of such Financing Statement to the Indenture Trustee and each Insurer, if any, if the Indenture Trustee or any such Insurer requests.

(d) Other than the security interests granted to the Indenture Trustee pursuant to this Base Indenture and Permitted Liens, none of the Co-Issuers has pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Indenture Collateral. None of the Co-Issuers has authorized the filing of, nor is aware of any Financing Statements against, any of the Co-Issuers that include a description of Indenture Collateral covering any Indenture Collateral other than any Financing Statement relating to the security interest granted to the Indenture Trustee hereunder or that has been terminated. None of the

Co-Issuers is aware of any judgment, Pension Benefit Guaranty Corporation or tax Lien filings against any of the Co-Issuers.

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

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

(g) The Indenture Trust Accounts are not in the name of any Person other than the Indenture Trustee. None of the Co-Issuers have 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.

(h) All of the Indenture 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).

(i) 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.

(j) Each of the Indenture Trust Accounts is a "securities account" (within the meaning of the applicable UCC).

(k) Other than the Indenture Trust Accounts and the Real Estate Assets, the Indenture Collateral consists of securities, loans, investments, accounts, inventory, equipment, chattel paper, money, deposit accounts, instruments, financial assets, documents, investment property, general intangibles, letter of credit rights, and other supporting obligations (in each case, as defined in the UCC).

(l) Each of the foregoing representations shall, as applicable, be deemed repeated each time new assets become part of the Indenture Collateral.

(m) Other than with respect to the Company-Owned Real Property prior to the occurrence of any Trigger Event and as otherwise permitted under the Servicing Agreement with respect to Account Control Agreements for certain depository banks receiving cash funds from Company-Owned Restaurants, the security interest of the Indenture Trustee in the Indenture Collateral shall, until payment in full of the indebtedness secured hereunder and termination of this Base Indenture, be first-priority as to any other Liens, subject to Permitted Liens and subject to the perfection exceptions described herein, perfected security interest upon

the taking of actions set forth in subsection (c) above, any IP Lien Filings necessary with respect to After-Acquired IP Assets, and the rights of Co-Issuers to dispose of Indenture Collateral hereunder.

(n) The foregoing representations shall survive termination of this Base Indenture.

Section 7.18 RESERVED.

Section 7.19 Covenants Regarding the IP Assets.

(a) The Co-Issuers shall notify the Trustee and the Aggregate Controlling Party in writing within ten (10) Business Days of any Co-Issuer's first knowing or having reason to know that any application or registration relating to any material IP Assets in the United States that is reasonably likely to become abandoned or dedicated to the public domain, or of any material adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the PTO, the United States Copyright Office or any court, but excluding any non-final determinations (other than in an adversarial proceeding) of the PTO) regarding the validity or any Securitization Entity's ownership of any material IP Assets, its right to register the same, or to keep and maintain the same. The parties hereto acknowledge and agree that the IP Holder may cancel, withdraw, abandon, or allow to lapse U.S. state registrations for Trademarks which are no longer in use or for which there is a corresponding U.S. federal registration and no notice of abandonment need be provided to the Indenture Trustee.

(b) The IP Holder agrees to, and each other Co-Issuer agrees to cause the IP Holder to, execute, deliver and file the IP Lien Filings, and any other instruments or documents as may be reasonably necessary or desirable in the Aggregate Control Party's opinion to perfect or protect the Trustee's security interest granted under this Base Indenture in the Patents, Trademarks and Copyrights included in the Indenture Collateral.

(c) If any Co-Issuer, either itself or through any agent, licensee or designee, shall file an application for the registration of any Patent, Trademark or Copyright with the PTO or the United States Copyright Office, such Co-Issuer in a reasonable time after such filing (and in any event within ninety (90) days with regard to Patents and Trademarks and thirty (30) days with regard to Copyrights) (i) shall give the Trustee and the Aggregate Controlling Party written notice thereof and (ii) upon reasonable request of the Aggregate Controlling Party, shall execute and deliver all instruments and documents, and take all further action, that the Aggregate Controlling Party may so request in order to continue, perfect or protect the security interest granted hereunder in the United States, including, without limitation, executing and delivering supplemental grants of security interest in Trademarks, Patents and Copyrights substantially in the Form of Exhibit I.

(d) In the event that any material IP Assets are materially infringed upon, misappropriated, diluted or otherwise violated by a third party, the IP Holder, upon becoming aware of such infringement, misappropriation, dilution or violation, shall promptly notify the Trustee and the Aggregate Controlling Party in writing. The IP Holder shall take all

appropriate action consistent with Applebee's International's current business practices, at its expense, to protect or enforce such material IP Assets, including suing for infringement, misappropriation, dilution or violation and seeking an injunction (including, if appropriate, temporary and/or preliminary injunctive relief) against such infringement, misappropriation, dilution or violation, unless the failure to take such actions on behalf of the IP Holder by the Servicer would not constitute a breach by the Servicer of the Servicing Agreement; provided that if the IP Holder decides not to take action with respect to a material infringement, misappropriation, dilution or violation, the IP Holder shall promptly (and in any event, in advance of any deadline for taking such action) deliver written notice to the Trustee and the Aggregate Controlling Party setting forth in reasonable detail the basis for its decision not to act.

ARTICLE VIII

SUPPLEMENTAL INDENTURES

Section 8.1 Supplemental Indentures without the Consent of the 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 in the reasonable judgment of the Aggregate Controlling Party) and with the consent of the Insurers, if any (and so long as any such Insurer is a Series Controlling Party of each Series of Notes affected thereby, or is the Aggregate Controlling Party) 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 Base 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 Base Indenture (including, without limitation, in order to obtain a security interest thereto in a manner consistent with Section 7.17), or to subject to the Lien of this Base Indenture additional property;

(ii) to evidence the succession of another Person to any 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 any of the Co-Issuers, in each case only to the extent not adverse to the interests of any Noteholder or each Insurer, if any, or to surrender any right or power herein conferred upon any 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;

(vi) to 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 U.S. Franchise Agreements, the servicing of Existing Franchise Assets and the preservation and maintenance of the Existing Franchise Assets, in each case, as determined in accordance with the Servicing Standard;

(ix) to take any action necessary or advisable to effectuate any lockbox arrangements entered into by any Co-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 except to the extent specified in Section 2.3);

(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; or

(xii) to make any change required by the Irish Stock Exchange or any other stock exchange on which the Notes are listed, or to be listed, in order to permit or maintain such listing.

(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 Base 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 Base Indenture or of modifying in any manner the rights of the Noteholders under this Base 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, if any (nor shall waivers of any similar matters be effective without the written consent of each Insurer, if any) and, other than in the case of clause (xi) below, all the holders of 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 of Notes, or change the principal amount thereof or the Series Note Interest Rate thereon, 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 Base 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 Base Indenture or any Defaults hereunder and their consequences provided for in this Base 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 Base Indenture with respect to any part of the Trust Estate or terminate the Lien of this Base Indenture on any property at any time subject hereto or deprive any Noteholder of the security afforded by the Lien of this Base 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 or to sell or liquidate the Trust Estate pursuant to Section 5.5;

(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 Base 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 Base 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 any Co-Issuer or the tax consequences to the Holders of any Class of Notes as described in the related Offering Memorandum under the heading "Certain U.S. Federal Income Tax Considerations" (or such other equivalent heading) to any material extent or otherwise cause any of the statements described in the related Offering Memorandum under the heading "Certain U.S. Federal Income Tax Considerations" (or such other equivalent heading) to be inaccurate or incorrect to any material extent; or

(xi) (A) modify the premium or other compensation payable to such Insurer, if any, 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, if any, (C) has or may have the effect of increasing or accelerating such Insurer's, if any, payment obligations under the Insurance Policy or otherwise materially and adversely affecting the rights, interests or obligations of such Insurer, if any under this Base Indenture or the other Transaction Documents, or (D) modify provisions of this Base Indenture or related Indenture Supplement

or other Transaction Documents relating to such Insurer's, if any, subrogation or other rights or any requirements that the consent of the Insurers 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 Base Indenture, the Indenture Trustee shall be entitled to receive, and (subject to Section 6.3, including, without limitation, Section 6.3(f)) 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 Base 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 Base Indenture or otherwise. For so long as any Class of Notes is listed on the Irish Stock Exchange and the rules of such exchange so require, the Indenture Trustee shall deliver written notice to the Irish Paying Agent (for notification to the Irish Stock Exchange) of any supplemental indenture within ten (10) days following the date of such supplemental indenture.

Section 8.4 Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article VIII, this Base Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Base 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

RESERVED

ARTICLE X

COLLECTIONS AND ALLOCATION OF FUNDS AND MAINTENANCE OF ACCOUNTS

Section 10.1 Concentration Account.

(a) Deposits. On or prior to the Closing Date, the Servicer will establish and maintain an account in the name and for the benefit of the Master Issuer (the "Concentration Account") into which the Servicer will deposit (or cause to be deposited) the following amounts:

(i) All amounts payable by Franchisees, including all Franchise Payments and Development Payments, within three (3) Business Days following the Servicer's receipt of such payments, to the extent that such payments are not deposited directly to the Concentration Account, any Servicing Account or such other account, in each case in accordance with the terms of this Base Indenture or the Servicing Agreement, as applicable. (For the avoidance of doubt, the Franchise Payments payable to the Master Issuer by the Restaurant Holders in respect of the Company-Owned U.S. Restaurants and the Predecessor Restaurant Holders in respect of the Post-Closing U.S. Restaurants will be deemed to be paid when due since such Franchise Payments would otherwise be paid out of amounts on deposit in the Concentration Account for deposit back to the Concentration Account);

(ii) all cash revenues generated at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants (unless and until such Restaurants become Reacquired U.S. Restaurants) within three (3) Business Days following the Servicer's or its Affiliates receipt of such cash revenues; provided, however, that to the extent required under applicable laws, the Servicer shall be permitted to deposit revenues attributable to alcohol sales at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants that operate as Texas private clubs into one or more accounts maintained in the name of such Texas Private clubs; provided, further, that the Servicer shall withdraw from such accounts and deposit into the Concentration Account within ten (10) Business Days after the end of each fiscal month the amount remaining in such accounts after the payment of applicable taxes and fees relating to the operation of the Texas private clubs;

(iii) all credit card proceeds for transactions at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants (unless and until such Restaurants become Reacquired U.S. Restaurants) within three (3) Business Days after the date on which such credit card proceeds are deposited by the related

credit card processor to the applicable credit-card sub-account of the Concentration Account;

(iv) the aggregate amount, if any, withdrawn from the Gift Card Reserve Account for deposit to the Concentration Account on a weekly basis on each Weekly Allocation Date in an amount equal to the aggregate dollar amount of the redemption at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants of ACMC Gift Cards sold at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants, as applicable, over the related Weekly Collections Allocation Period;

(v) the amount received from ACMC, Inc. in respect of the redemption at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants of ACMC Gift Cards sold other than at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants, as applicable;

(vi) the amount deposited to the Concentration Account by ACMC, Inc. or its third party processor in respect of Applebee's Branded Gift Cards issued by unaffiliated Franchisees that are sold at Franchised U.S. Restaurants and redeemed at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants, as applicable;

(vii) the Lease Receipts, if any, paid to the Restaurant Holders within three (3) Business Days of receipt by or on behalf of the Restaurant Holders;

(viii) all amounts received upon the disposition of obsolete inventory, equipment, furniture, fixtures and other assets (other than IP Assets) relating to the Company-Owned U.S. Restaurants within three (3) Business Days of receipt by the Restaurant Holders or Predecessor Restaurant Holders, as applicable;

(ix) all amounts, if any, received in respect of the IP Assets;

(x) the IHOP Residual Amount, if any, received by the Master Issuer or the Servicer on behalf of the Master Issuer on a weekly basis;

(xi) the equity contributions, if any, made by Applebee's International to Applebee's Holdings for contribution to the Master Issuer, but only to the extent that Applebee's International does not direct that such equity contributions be made directly to the Collection Account or any Collection Account Administrative Account; and

(xii) all other amounts constituting Collections not referred to in the preceding clauses, including any royalty fees or other amounts received in respect of IP Assets, other than the Indemnification Amounts, Insurance Proceeds Amounts, Asset Disposition Prepayment Amounts and other amounts

required to be deposited directly to the Collection Account (subject, in the case of Liquor License Related Indemnification Amounts, to Section 10.2(h)).

(b) Withdrawals. The Servicer will be permitted or required, in accordance with the Servicing Agreement, to withdraw amounts on deposit in the Concentration Account as follows:

(i) on a daily basis in accordance with the Servicing Agreement in order to pay the cash operating expenses that are incurred or committed to be paid by the Restaurant Holders (or the Liquor License Holders) relating to the operation of the Company-Owned U.S. Restaurants and the Predecessor Restaurant Holders relating to the Post-Closing U.S. Restaurants, such as the cost of goods sold, labor, repair and maintenance expenses, insurance, liquor taxes, gift card redemption expenses, the local advertising fees allocable to the Company-Owned U.S. Restaurants, lease and other occupancy expenses, including the Lease Payments payable by the Restaurant Holders and, with respect to the Post-Closing U.S. Restaurants, the Predecessor Restaurant Holders, to third parties;

(ii) on a daily basis in accordance with the Servicing Agreement to the extent of the amounts previously deposited to the Concentration Account that the Servicer determines were required to be deposited directly to another account pursuant to the Servicing Agreement, including any Advertising Fees payable by Franchisees that were required to be deposited to the Advertising Fees Account and any amounts not constituting Collections that were deposited to the Concentration Account in error;

(iii) On Friday of each calendar week or, if such day is not a Business Day, the immediately following Business Day (each such date, a "Weekly Allocation Date"), commencing with December 7, 2007, the Servicer will, based solely on the information contained in the Weekly Servicer's Report, apply the amount on deposit in the Concentration Account as of the last day of the immediately preceding Weekly Collections Allocations Period to make the following payments and deposits in the following order of priority in respect of the immediately preceding Weekly Collections Allocation Period (the "Weekly Collections Allocation Priority"):

(1) first, to deposit to the SPE Operating Expense Account, an amount equal to any accrued and unpaid government taxes (other than Federal, state and local income taxes), and any filing fees and registration fees (other than liquor license fees) payable by the Co-Issuers to any Federal, state or local government entities;

(2) second, to deposit to the Sales Tax Account any sales taxes payable to the applicable state and local taxing authorities that are owed with respect to Company-Owned U.S. Restaurants and Post-Closing U.S.

Restaurants (unless and until such Restaurants become Reacquired U.S. Restaurants);

(3) third, to deposit to the Lease Payment Account, (A) on each of the first three Weekly Allocation Dates that occur during each Monthly Collection Period, an amount equal to one-third of the Lease Payments scheduled to be paid on the Sale/Leaseback Leases, if any, over the immediately following Monthly Collection Period together with the shortfall, if any, in the amount required to be deposited to the Lease Payment Account pursuant to this clause third on any preceding Weekly Allocation Date (unless the related Lease Payment has already been paid in full or discharged) and (B) on the fourth and (if applicable) fifth Weekly Allocation Date that occurs during each Monthly Collection Period, the shortfall, if any, in the amount required to be deposited to the Lease Payment Account pursuant to this clause third on any preceding Weekly Allocation Date (unless the related Lease Payment has already been paid in full or discharged);

(4) fourth, to deposit to the Gift Card Reserve Account, an amount equal to the sum of (A) the proceeds from the sale of ACMC Gift Cards at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants over the immediately preceding Weekly Collections Allocation Period, plus (B) any amount previously required to be deposited to the Gift Card Reserve Account pursuant to this clause fourth that has not been deposited to the Gift Card Reserve Account;

(5) fifth, to deposit to the Third Party Licensing Fee Account, an amount equal to the aggregate amount of the accrued and unpaid licensing fees or royalty fees or other similar amounts payable to third parties in connection with the sale or use of their products or services at Company-Owned U.S. Restaurants, Post-Closing U.S. Restaurants and Franchised U.S. Restaurants accrued (whether or not yet due and payable) over the immediately preceding Weekly Collections Allocation Period (together with any previously accrued and unpaid amounts), including, without limitation, the Weight Watchers Fees (which amount is expected to be paid on a quarterly basis to Weight Watchers International, Inc., pursuant to the Weight Watchers Agreement, from the amount on deposit in the Third Party Licensing Fee Account), but only to the extent that such amounts are not deposited directly to the Third Party Licensing Fee Account by Franchisees;

(6) sixth, to deposit to the Advertising Fees Account an amount equal to the sum of (A) the aggregate amount of the Advertising Fees determined to be payable by the Restaurant Holders on the Company-Owned U.S. Restaurants and the Predecessor Restaurant Holders on the Post-Closing U.S. Restaurants based on sales activity during the preceding Weekly Collections Allocation Period plus (B) any amount required to be deposited to the Advertising Fees Account pursuant to this clause sixth on a

previous Weekly Allocation Date that was not deposited to such account on or after such date;

(7) seventh, to deposit to the SPE Operating Expense Account, an amount equal to any previously accrued and unpaid SPE Operating Expenses together with any SPE Operating Expenses that are expected to be payable prior to the immediately following Weekly Allocation Date (or, if earlier, the immediately following Payment Date) in an amount not to exceed the Capped SPE Operating Expense Amount with respect to the annual period in which such Weekly Allocation Date occurs after giving effect to all deposits previously made to the SPE Operating Expense Account pursuant to the Weekly Collections Allocation Priority or the Priority of Payments during the annual period in which such Weekly Allocation Date occurs (which annual period will be measured from the Closing Date to the anniversary thereof and from each anniversary thereof to the next anniversary thereof); and

(8) eighth, to pay to itself in its capacity as Servicer, an amount equal to the sum of (A) the Weekly Servicing Fee for such date, plus (B) any previously accrued and unpaid Weekly Servicing Fee (without the payment of interest thereon), plus (C) the aggregate amount of the Excluded Amounts payable to the Servicer pursuant to this Base Indenture that have been deposited to the Concentration Account during the immediately preceding Weekly Collections Allocation Period that have not previously been paid back to the Servicer pursuant to this clause eighth.

(iv) Notwithstanding anything to the contrary herein, and provided that no Rapid Amortization Event has occurred and is continuing, then on each Weekly Allocation Date during the first seven (7) Weekly Collections Allocation Periods following the Closing Date, following the payment of the amounts required to be paid on such Weekly Allocation Date pursuant to the Weekly Collections Allocation Priority, the Servicer shall have the right, but not the obligation, to withdraw up to the Weekly Residual Amount, plus any Weekly Residual Amount not withdrawn on a preceding Weekly Allocation Date, from the Concentration Account for distribution to or at the direction of the Master Issuer, so long as the Weekly Debt Service Allocation Amount, plus any Weekly Debt Service Allocation Amount not previously deposited in the Collection Account on a preceding Weekly Allocation Date, has been withdrawn from the Concentration Account and deposited into the Collection Account with respect to each such Weekly Collections Allocation Period. In addition to the foregoing, the Servicer shall be permitted to withdraw the Initial Residual Deposit Amount on any Weekly Allocation Date in the second Monthly Collection Period, so long as no Rapid Amortization Event has occurred and is continuing and so long as an amount equal to the Debt Service with respect to the Payment Date occurring in February 2008 shall have been deposited into the Collection Account on or before such Weekly Allocation Date.

(v) On a monthly basis on each Accounting Date, to make the deposits to the Collection Account provided under Section 10.11(a).

(c) Eligible Accounts. The Concentration Account shall be an Eligible Account that is pledged to, and subject to an account control agreement in favor of, the Indenture Trustee. If the Concentration Account is at any time no longer an Eligible Account, the Master Issuer shall, within five (5) Business Days of obtaining knowledge that such Concentration Account is no longer an Eligible Account, notify each Series Controlling Party and establish a new Concentration Account that is an Eligible Account and that is pledged to the Indenture Trustee for the benefit of the Secured Parties. If a new Concentration Account is established, the Master Issuer shall transfer, or cause the Servicer to transfer, all cash and investments from the non-qualifying Concentration Account into the new Concentration Account.

(d) Administration of the Concentration Account. All amounts held in the Concentration Account shall be invested in Eligible Investments at the written direction of the Master Issuer and such amounts may be transferred by the Master Issuer into a money market account for the sole purpose of investing in Eligible Investments so long as such money market account is (A) an Eligible Account and (B) pledged by the Master Issuer to the Trustee for the benefit of the Secured Parties pursuant to this Base Indenture; provided, however, that any such investment in any Concentration Account (or in any such money market account) shall mature not later than the date on which such amount is required to be withdrawn from the Concentration Account as set forth in this Article X. In the absence of written investment instructions hereunder, funds on deposit in the Concentration Account shall remain uninvested. The Master Issuer shall neither direct nor permit the disposal of any Eligible Investments prior to the maturity thereof to the extent such disposal would result in a loss of the initial purchase price of such Permitted Investment.

(e) Earnings from the Concentration Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Concentration Accounts shall be deemed to be Investment Income on deposit for distribution to the Collection Account in accordance with Section 10.11.

(f) Control of Concentration Account Following Trigger Event. If a Trigger Event occurs, (i) the Aggregate Controlling Party may direct the Servicer to notify the Franchisees to make all Franchise Payments, all payments on the Refranchised Restaurant Leases, if any, and the Franchisee Sub-Leases, if any, and all Development Payments to a Lock-Box Account established and maintained by a Lock-Box Provider to the extent that the Franchisees do not make such payments directly to the Concentration Account, (ii) except to the extent that the Aggregate Controlling Party waives such requirement, the Servicer will use commercially reasonable efforts to cause all depositary institutions that receive funds generated by the Company-Owned U.S. Restaurants to enter into Account Control Agreements with the Indenture Trustee pursuant to which such depositary institutions will act at the direction of the Indenture Trustee; provided, that the Servicer will not be liable for any inability to cause the Indenture Trustee or such depositary institutions to enter into such Account Control Agreements if the Servicer has exercised commercially reasonable efforts to obtain such agreements, and (iii) the Servicer will be required to record the mortgages relating to the Company-Owned Real Property within ninety (90) days following the occurrence of any Trigger Event. If the Servicer is

unable to cause any such depositary institution to enter into an Account Control Agreement in any circumstance requiring the depositary institution to enter into an Account Control Agreement pursuant to the Servicing Agreement within 90 days following the occurrence of the Trigger Event, the Servicer will be required to replace such depositary institution with another depositary institution that enters into an Account Control Agreement within such 90-day period.

Section 10.2 Servicing Accounts. Each Servicing Account shall be an Eligible Account that is pledged to, and subject to an account control agreement in favor of, the Indenture Trustee.

(a) Advertising Fees Account. On or prior to the Closing Date, the Servicer will establish and maintain an account designated as the "Advertising Fees Account" in the name and for the benefit of the Master Issuer. The advertising fees paid by the Franchisees (referred to herein as the "Advertising Fees") pursuant to their respective Franchise Agreements will not be included in the Indenture Collateral and will not be deposited to the Concentration Account. Instead, the Advertising Fees will be deposited by the Servicer to the Advertising Fees Account within three (3) Business Days of the Servicer's receipt of the Advertising Fees (to the extent that the Franchisees do not make the payment of the Advertising Fees directly to the Advertising Fees Account), except with respect to Advertising Fees payable by the Restaurant Holders and the Predecessor Restaurant Holders, which will be withdrawn from the Concentration Account and deposited to the Advertising Fees Account in accordance with the Weekly Collections Allocation Priority. The Servicer, acting on behalf of the Master Issuer or the Franchise Holder in accordance with the Servicing Agreement, may increase or reduce the percentage of the aggregate amount paid by the Franchisees pursuant to the Franchise Agreements that are applied to cover Advertising Fees. The Servicer will apply the amount on deposit in the Advertising Fees Account on a daily basis to cover the costs and expenses associated with the National Advertising Fund in accordance with the Servicing Agreement.

Notwithstanding anything to the contrary in the foregoing paragraph, if the amount on deposit in the Third Party Licensing Fee Account is not sufficient to pay certain third party licensing fees, then the amount of such deficiency may be paid out of the Advertising Fees Account, in accordance with Section 10.2(c).

(b) Gift Card Reserve Account.

(i) On or prior to the Closing Date, the Servicer will establish and maintain an account designated as the " Gift Card Reserve Account" in the name and for the benefit of the Master Issuer subject to the right of ACMC, Inc. to receive amounts on deposit in such account in the manner provided in the Servicing Agreement. On each Weekly Allocation Date, the Servicer will withdraw from the Concentration Account for deposit to the Gift Card Reserve Account an amount equal to the proceeds from the sale of ACMC Gift Cards at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants over the immediately preceding Weekly Collections Allocation Period (but only to the extent of available funds for such purpose in accordance with the Weekly Collections Allocation Priority on such Weekly Allocation Date).

(ii) On each Weekly Allocation Date, the Servicer will withdraw from the Gift Card Reserve Account for deposit to the Concentration Account an amount equal to the dollar amount of the redemption, over the immediately preceding Weekly Collections Allocation Period, at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants of ACMC Gift Cards sold at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants, as applicable; provided, that if there are insufficient funds on deposit in the Gift Card Reserve Account for such purpose, the shortfall will be withdrawn from the Gift Card Reserve Account for deposit to the Concentration Account on the immediately following Weekly Allocation Date on which such funds are available.

(iii) On a weekly basis, as funds are received from ACMC, Inc. for such purpose, the Servicer will deposit to the Concentration Account an amount equal to the proceeds of the redemption at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants, as applicable, of ACMC Gift Cards sold other than at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants, as applicable.

(iv) On the fifth calendar day of each calendar month or, if such date is not a Business Day, the immediately following Business Day, the Servicer will withdraw from the Gift Card Reserve Account for payment to or at the direction of ACMC, Inc. (for payment or credit by ACMC, Inc. to the Franchisees) an amount equal to the proceeds from the sale of ACMC Gift Cards sold at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants, as applicable, that were redeemed at Franchised U.S. Restaurants in the immediately preceding Monthly Collection Period.

(v) On the sixth calendar day of each calendar month, or if such date is not a Business Day, the immediately following Business Day, ACMC, Inc. will deposit, or cause its third party processor to deposit, to the Concentration Account, the amount due to the Restaurant Holders and the Predecessor Restaurant Holders in an amount equal to the proceeds from redemptions occurring in the immediately preceding Monthly Collection Period of Applebee's Branded Gift Cards sold at Franchised U.S. Restaurants and redeemed at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants, as applicable.

(vi) On May 5th of each year or, if such day is not a Business Day, the immediately following Business Day, commencing with May 5, 2008, the Servicer will withdraw an amount equal to the Excess Gift Card Reserve Amount from the Gift Card Reserve Account for payment to or at the direction of ACMC, Inc. The Excess Gift Card Reserve Amount, if any, as of May 5th of each year will be an amount equal to the income recognized by ACMC, Inc. in respect of the preceding calendar year in accordance with U.S. GAAP attributable to the proceeds from the sale of an ACMC Gift Card purchased at a Company-Owned U.S. Restaurant or Post-Closing U.S. Restaurant which will not be redeemed.

(c) Third Party Licensing Fee Account. On or prior to the Closing Date, the Servicer will establish and maintain an account designated as the "Third Party Licensing Fee Account" in the name and for the benefit of the Master Issuer. On each Weekly Allocation Date, in accordance with the Weekly Collections Allocation Priority, the Servicer will withdraw available amounts on deposit in the Concentration Account for deposit to the Third Party Licensing Fee Account in an amount equal to the royalties, licensing fees or other similar amounts payable to third parties in connection with the sale and use of their products in Franchised U.S. Restaurants, Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants to the extent that such amounts are not deposited directly to the Third Party Licensing Fee Account by Franchisees. As of the initial Closing Date, such royalties, licensing fees or other similar amounts will be limited to the licensing fees payable on a quarterly basis to Weight Watchers International, Inc. pursuant to the Weight Watchers Agreement (referred to herein as the "Weight Watchers Fees"). The Servicer will apply amounts on deposit in the Third Party Licensing Fee Account to pay the Weight Watchers Fees to Weight Watchers International, Inc. or to pay the applicable royalties, licensing fees or other similar amounts to such other applicable third party licensors on a periodic basis as may be required from time to time under the applicable license agreement; provided, that if the amount on deposit in the Third Party Licensing Fee Account is not sufficient to pay the minimum Weight Watchers Fees (as provided in the Weight Watchers Agreement) or such other royalties, licensing fees or other similar amounts to such other applicable third party licensors as may be required from time to time under the applicable license agreement, the amount of such deficiency may be paid out of the Advertising Fees Account (to the extent the Franchisees have agreed thereto in their respective Franchise Agreements). On each Weekly Allocation Date, the Servicer may apply any available amount on deposit in the Concentration Account in accordance with the Weekly Collections Allocation Priority to make deposits to the Third Party Licensing Fee Account for subsequent payment to third parties in connection with such other agreements pursuant to which royalty fees, licensing fees or other similar fees may be payable to third parties from time to time in the future. The Third Party Licensing Fee Account and the amount on deposit in the Third Party Licensing Fee Account will be included in the Indenture Collateral subject to the rights of Weight Watchers International, Inc. and other third parties to the amounts therein.

(d) Insurance Proceeds Account.

(i) On or prior to the Closing Date, the Servicer will establish and maintain an account designated as the "Insurance Proceeds Account" in the name and for the benefit of the Master Issuer. The Servicer will deposit or cause to be deposited to the Insurance Proceeds Account all Insurance/Condemnation Proceeds received by or on behalf of the Securitization Entities on the Collateral within three Business Days following receipt pending a determination by the Servicer whether such proceeds are required to be withdrawn for deposit to the Collection Account for application as the Insurance Proceeds Amount to pay principal of the Notes on the immediately following Payment Date pursuant to Section 10.12. The Servicer may withdraw Insurance/Condemnation Proceeds previously deposited by the Servicer to the Insurance Proceeds Account that are not required to be applied as the Insurance Proceeds Amount on any Business Day for the restoration of the related property that was the source of the Insurance/Condemnation Proceeds or for investment in

the New U.S. Restaurant Business in accordance with Section 14.3. All such Insurance/Condemnation Proceeds deposited in the Insurance Proceeds Account will be withdrawn by the Servicer for deposit to the Concentration Account following any determination by the Servicer that such amounts will not be applied in accordance with the preceding sentence and are not required to be applied as Insurance Proceeds Amounts.

(ii) Any Franchisee Insurance Proceeds received by or on behalf of the Master Issuer or the Franchise Holder pursuant to the related Franchise Documents will also be deposited to the Insurance Proceeds Account to the extent that such amounts are not applied directly to Franchisee Insurance Restoration Payments in accordance with the related Franchise Documents. The Servicer may withdraw amounts on deposit in the Insurance Proceeds Account on any Business Day for application as Franchisee Insurance Restoration Payments in accordance with the related Franchise Agreement. The Insurance Proceeds Account and the amount on deposit in such account will be included in the Collateral subject to the rights of the Franchisees to such amounts pursuant to the related Franchise Agreements. Subject to Section 10.2(d)(i), if the Servicer determines that any amount on deposit in the Insurance Proceeds Account is not allocable to Franchisee Insurance Restoration Payments, such amount will be withdrawn for deposit to the Collection Account for application as Collections that are available to prepay principal of the Notes in accordance with Articles X and XI.

(e) SPE Operating Expense Account. On or prior to the Closing Date, the Servicer will establish and maintain an account designated as the "SPE Operating Expense Account" in the name and for the benefit of the Master Issuer. On each Weekly Allocation Date and each Payment Date, the Servicer will withdraw available amounts on deposit in the Concentration Account in accordance with the Weekly Collections Allocation Priority or the Priority of Payments, as applicable, for deposit to the SPE Operating Expense Account in an amount equal to any previously accrued and unpaid SPE Operating Expenses up to the Capped SPE Operating Expense Amount with respect to the annual period in which such Weekly Allocation Date or Payment Date, as applicable, occurs after giving effect to all deposits previously made to the SPE Operating Expense Account on any Weekly Allocation Date or Payment Date in such annual period (which annual period will be measured from the Closing Date to the anniversary thereof and from each anniversary thereof to the next anniversary thereof). If there are insufficient amounts on deposit in the SPE Operating Expense Account to pay all accrued and unpaid SPE Operating Expenses on any date, the amount on deposit in the SPE Operating Expense Account will be applied to pay such SPE Operating Expenses in the order of priority set forth in the definition of "SPE Operating Expenses." The SPE Operating Expense Account and the amount on deposit therein will be included in the Indenture Collateral.

(f) Lease Payment Account. On or prior to the Closing Date, the Servicer will establish and maintain an account designated as the "Lease Payment Account" in the name and for the benefit of the Master Issuer. On each Weekly Allocation Date, the Servicer will withdraw amounts on deposit in the Concentration Account for deposit to the Lease Payment Account in accordance with the Weekly Collections Allocation Priority, in an amount

equal to (A) on each of the first three Weekly Allocation Dates that occur during each Monthly Collection Period, one-third of the Lease Payments scheduled to be paid on the Sale/Leaseback Leases, if any, over the immediately following Monthly Collection Period together with the shortfall, if any, in the amount required to be deposited to the Lease Payment Account pursuant to the Weekly Collections Allocation Priority on any preceding Weekly Allocation Date (unless the related Lease Payment has already been paid in full or discharged) and (B) on the fourth and (if applicable) fifth Weekly Collections Allocations Date that occurs during each Monthly Collection Period, the shortfall, if any, in the amount required to be deposited to the Lease Payment Account pursuant to the Weekly Collections Allocation Priority on any preceding Weekly Allocation Date (unless the related Lease Payment has already been paid in full or discharged). The Lease Payment Account and the amount on deposit therein will be included in the Collateral subject to the rights of the third parties that are the lessors under the Sale/Leaseback Leases to the amount on deposit in such account.

(g) Sales Tax Account. On or prior to the Closing Date, the Servicer will establish and maintain an account designated as the "Sales Tax Account" in the name and for the benefit of the Master Issuer. The Servicer will calculate the percentage of the revenues received with respect to Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants (unless and until such Restaurants become Reacquired U.S. Restaurants) that are attributable to sales tax and will withdraw such amount from the Concentration Account for deposit into the Sales Tax Account on a weekly basis in accordance with the Weekly Collections Allocation Priority on each Weekly Allocation Date. The Servicer will withdraw amounts on deposit in the Sales Tax Account on a daily basis for application to pay such taxes to the appropriate authorities.

(h) Capital Expenditure Reserve Account. On or prior to the Closing Date, the Servicer will establish and maintain an account designated as the "Capital Expenditure Reserve Account" in the name and for the benefit of the Master Issuer. The Servicer will deposit the gross proceeds from Asset Dispositions to the Capital Expenditure Reserve Account within three (3) Business Days following receipt by or on behalf of the Securitization Entities. The Servicer may withdraw from the Capital Expenditure Reserve Account on any Business Day the portion of such gross proceeds representing taxes then known to be due and payable in connection with such Asset Disposition, transaction costs and other direct costs associated with the Asset Disposition. The Servicer will withdraw from the Capital Expenditure Reserve Account for deposit to the Collection Account by the next Accounting Date that portion of the gross proceeds, if any, that constitutes an Asset Disposition Prepayment Amount for deposit to the Collection Account for application to pay principal of the Notes in accordance with the Priority of Payments on the next Payment Date as described herein; provided, that prior to the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date, such Asset Disposition Prepayment Amount may be retained on deposit in a segregated trust account unless the Co-Issuers elect to apply such proceeds to pay principal on each Payment Date following receipt. The Servicer may withdraw any remaining amount on deposit in the Capital Expenditure Reserve Account on any Business Day for reinvestment in the New U.S. Restaurant Business in accordance with Section 11.1(s). All Asset Disposition proceeds deposited to the Capital Expenditure Reserve Account will be withdrawn by the Servicer for deposit to the Concentration Account to the extent that the Servicer determines that such amounts will not be reinvested in the New U.S. Restaurant Business in the manner described in the preceding sentence and are not required to be applied as Asset Disposition Prepayment Amounts.

The Servicer may direct that any Liquor License Related Indemnification Amount be deposited in the Capital Expenditure Reserve Account for a period not longer than six months following the Closing Date (such period, the " Liquor License Procural Period") if at the time of payment of the Liquor License Related Indemnification Amount Applebee's International delivers written notice to each of the Indenture Trustee, the Servicer and each Insurer that, with respect to the relevant Applebee's Restaurant, it will seek to obtain another temporary liquor license or permanent liquor license (or other alternative arrangement to serve alcoholic beverages at such Applebee's Restaurant) by the expiration of the Liquor License Procural Period. Subject to the terms of the relevant Transaction Documents, the Liquor License Related Indemnification Amount will be withdrawn from the Capital Expenditure Reserve Account as follows:

(x) if Applebee's International procures such liquor license (or other alternative arrangement to serve alcoholic beverages at such Applebee's Restaurant) on or before the expiration of the Liquor License Procural Period, (i) the assets relating to such Applebee's Restaurant or (ii) the rights to the proceeds generated by such Applebee's Restaurant, as the context requires, will be transferred to the applicable Restaurant Holder (in accordance with the terms of the relevant Transaction Documents) and the related Liquor License Related Indemnification Amount will be withdrawn from the Capital Expenditure Reserve Account by the Servicer for payment to Applebee's International; and

(y) if Applebee's International fails to procure such liquor license (or other alternative arrangement to serve alcoholic beverages at such Applebee's Restaurant) on or before the expiration of the Liquor License Procural Period, the Liquor License Related Indemnification Amount will be withdrawn from the Capital Expenditure Reserve Account within three (3) Business Days following the expiration of such period for deposit to the Collection Account.

(i) Administration of the Servicing Accounts. The Servicer will invest and reinvest funds deposited in the Servicing Accounts in Eligible Investments maturing no later than the Business Day preceding each Payment Date. All income or other gain from such Eligible Investments will be credited to the related Servicing Account, and any loss resulting from such investments will be charged to the related Servicing Account.

(j) Earnings from the Servicing Accounts. All Investment Income (net of losses and investment expenses) paid on funds on deposit in the Servicing Accounts shall be deemed to be Investment Income on deposit for application to amounts required to be on deposit in the Servicing Accounts or for distribution to the Collection Account in accordance with Section 10.11; provided that all such interest and earnings paid on funds on deposit in the Advertising Fees Account shall remain in the Advertising Fees Account, to be applied and used in accordance with the Servicing Agreement.

Section 10.3 Senior Notes Interest Reserve Account.

(a) Establishment of the Senior Notes Interest Reserve Account. On or prior to the Closing Date, the Master Issuer, or the Servicer on behalf of the Master Issuer, shall establish and maintain an account in the name of the Indenture Trustee for the benefit of the Holders of Senior

Notes, the Indenture Trustee, solely in its capacity as trustee for the Holders of

Senior Notes, and the Insurers, if any, bearing a designation clearly indicating that the funds deposited therein (other than reserves for Insurer Premiums, if any, which shall be held solely for the benefit of the Insurers, if any, as Secured Parties) are held for the benefit of the foregoing Secured Parties (the " Senior Notes Interest Reserve Account"). The Senior Notes Interest Reserve Account shall be an Eligible Account. If the Senior Notes Interest Reserve Account is at any time no longer an Eligible Account, the Master Issuer shall, within five (5) Business Days of obtaining knowledge that the Senior Notes Interest Reserve Account is no longer an Eligible Account, notify the applicable Series Controlling Parties and establish a new Senior Notes Interest Reserve Account that is an Eligible Account. If a new Senior Notes Interest Reserve Account is established the Master Issuer shall instruct the Indenture Trustee in writing to transfer all cash and investments from the non-qualifying Senior Notes Interest Reserve Account into the new Senior Notes Interest Reserve Account. Initially, the Senior Notes Interest Reserve Account will be established with the Indenture Trustee.

(b) Administration of the Senior Notes Interest Reserve Account . All amounts held in the Senior Notes Interest Reserve Account shall be invested in Eligible Investments at the written direction of the Master Issuer; provided, however, that any such investment in the Senior Notes Interest Reserve Account shall mature not later than the Business Day prior to the next succeeding Payment Date. In the absence of written investment instructions hereunder, funds on deposit in the Senior Notes Interest Reserve Account shall remain uninvested. The Master Issuer shall not direct (or permit) the disposal of any Eligible Investments prior to the maturity thereof to the extent such disposal would result in a loss of the initial purchase price of such Permitted Investment.

(c) Earnings from the Senior Notes Interest Reserve Account . All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Senior Notes Interest Reserve Account shall be deemed to be Investment Income on deposit for application to amounts required to be on deposit in the Senior Notes Interest Reserve Account or for distribution to the Collection Account in accordance with Section 10.11.

Section 10.4 Cash Trap Reserve Account.

(a) Establishment of the Cash Trap Reserve Account . On or prior to the Closing Date, the Master Issuer, or the Servicer on behalf of the Master Issuer, shall establish and maintain an account in the name of the Indenture Trustee for the benefit of the Secured Parties, bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Secured Parties (the " Cash Trap Reserve Account"). The Cash Trap Reserve Account shall be an Eligible Account. If the Cash Trap Reserve Account is at any time no longer an Eligible Account, the Master Issuer shall, within five (5) Business Days of obtaining knowledge that the Cash Trap Reserve Account is no longer an Eligible Account, notify the Series Controlling Parties and establish a new Cash Trap Reserve Account that is an Eligible Account. If a new Cash Trap Reserve Account is established the Master Issuer shall instruct the Trustee in writing to transfer all cash and investments from the non-qualifying Cash Trap Reserve Account into the new Cash Trap Reserve Account. Initially, the Cash Trap Reserve Account will be established with the Indenture Trustee.

(b) Administration of the Cash Trap Reserve Account. All amounts held in the Cash Trap Reserve Account shall be invested in Eligible Investments at the written direction of the Master Issuer; provided, however, that any such investment in the Cash Trap Reserve Account shall mature not later than the Business Day prior to the next succeeding Payment Date. In the absence of written investment instructions hereunder, funds on deposit in the Cash Trap Reserve Account shall remain uninvested. The Master Issuer shall not direct (or permit) the disposal of any Eligible Investments prior to the maturity thereof to the extent such disposal would result in a loss of the initial purchase price of such Permitted Investment.

(c) Earnings from the Cash Trap Reserve Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Cash Trap Reserve Account shall be deemed to be Investment Income on deposit for application to amounts

required to be on deposit in the Cash Trap Reserve Account or for distribution to the Collection Account in accordance with Section 10.11.

Section 10.5 RESERVED.

Section 10.6 Hedge Payment Account.

(a) Establishment of the Hedge Payment Account. On or prior to the Closing Date, the Master Issuer, or the Servicer on behalf of the Master Issuer, shall establish and maintain an account in the name of the Indenture Trustee for the benefit of the Secured Parties, bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Secured Parties (the " Hedge Payment Account"). The Hedge Payment Account shall be an Eligible Account. If the Hedge Payment Account is at any time no longer an Eligible Account, the Master Issuer shall, within five (5) Business Days of obtaining knowledge that the Hedge Payment Account is no longer an Eligible Account, notify the Series Controlling Parties and establish a new Hedge Payment Account that is an Eligible Account. If a new Hedge Payment Account is established the Master Issuer shall instruct the Trustee in writing to transfer all cash and investments from the non-qualifying Hedge Payment Account into the new Hedge Payment Account. Initially, the Hedge Payment Account will be established with the Indenture Trustee.

(b) Administration of the Hedge Payment Account. All amounts held in the Hedge Payment Account shall be invested in Eligible Investments at the written direction of the Master Issuer; provided, however, that any such investment in the Hedge Payment Account shall mature not later than the Business Day prior to the next succeeding Payment Date. In the absence of written investment instructions hereunder, funds on deposit in the Hedge Payment Account shall remain uninvested. The Master Issuer shall not direct (or permit) the disposal of any Eligible Investments prior to the maturity thereof to the extent such disposal would result in a loss of the initial purchase price of such Permitted Investment.

(c) Earnings from the Hedge Payment Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Hedge Payment Account shall be deemed to be Investment Income on deposit for application to amounts required to be on deposit in the Hedge Payment Account or for distribution to the Collection Account in accordance with Section 10.11.

Section 10.7 Collection Account.

(a) Establishment of Collection Account. On or prior to the Closing Date, the Master Issuer or the Servicer on behalf of the Master Issuer shall establish and shall maintain the Collection Account in the name of the Indenture Trustee for the benefit of the Secured Parties, bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Secured Parties (the " Collection Account"). The Collection Account shall be an Eligible Account. If the Collection Account is at any time no longer an Eligible Account, the Master Issuer shall, within five (5) Business Days of obtaining knowledge that the Collection Account is no longer an Eligible Account, notify the applicable Series Controlling Parties and establish a new Collection Account that is an Eligible Account. If a new Collection Account is established the Master Issuer shall instruct the Trustee in writing to transfer all cash and investments from the non-qualifying Collection Account into the new Collection Account. Initially, the Collection Account will be established with the Indenture Trustee.

(b) Administration of the Collection Account. All amounts held in the Collection Account shall be invested in Eligible Investments at the written direction of the Master Issuer; provided, however, that any such investment in the Collection Account shall mature not later than the Business Day prior to the next succeeding Payment Date. In the absence of written investment instructions hereunder, funds on deposit in the Collection Account shall remain uninvested. The Master Issuer shall not direct (or permit) the disposal of any Eligible Investments prior to the maturity thereof to the extent such disposal would result in a loss of the initial purchase price of such Permitted Investment.

(c) Earnings from Collection Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Collection Account shall be deemed to be Investment Income on deposit for distribution in accordance with Section 10.12.

Section 10.8 Collection Account Administrative Accounts.

(a) Establishment of Collection Account Administrative Accounts. The Master Issuer or the Servicer on behalf of the Master Issuer shall establish and maintain ten administrative accounts associated with the Collection Account, each of which shall be an Eligible Account, for the benefit of the Secured Parties bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Secured Parties (each, a "Collection Account Administrative Account"):

(i) an account for the deposit of Senior Notes Monthly Interest Amount (the " Senior Notes Interest Payment Account");

(ii) an account for the deposit of the Insurer Premiums (the " Insurer Premiums Account");

(iii) an account for the deposit of Series 2007-1 Class A-1 Commitment Fees Amount (the " Class A-1 Commitment Fees Account");

(iv) an account for the deposit of the amounts allocable to the payment of principal of the Senior Notes (the "Senior Notes Principal Payment Account");

(v) an account for the deposit of the Subordinated Notes Monthly Interest Amount (the "Subordinated Notes Interest Payment Account" and together with the Senior Notes Interest Payment Account, the "Interest Payment Accounts");

(vi) an account for the deposit of the amounts allocable to the payment of principal of the Subordinated Notes (the "Subordinated Notes Principal Payment Account" and, together with the Senior Notes Principal Payment Account, the "Principal Payment Accounts");

(vii) an account for the deposit of Senior Notes Monthly Contingent Additional Interest Amount (the "Senior Notes Monthly Contingent Additional Interest Account");

(viii) an account for the deposit of the Subordinated Notes Monthly Contingent Additional Interest Amount (the "Subordinated Notes Monthly Contingent Additional Interest Account" and, together with the Senior Notes Monthly Contingent Additional Interest Account, the "Contingent Additional Interest Accounts");

(ix) an account for the deposit of the Senior Notes Monthly Excess Adjusted Interest Amount (the "Senior Notes Excess Adjusted Interest Account"); and

(x) an account for the deposit of the Class A-1 Excess Interest Amount (the "Class A-1 Excess Interest Account");

provided that if any Collection Account Administrative Account is at any time no longer an Eligible Account, the Master Issuer shall, within five (5) Business Days of obtaining knowledge that such Collection Account Administrative Account is no longer an Eligible Account, notify the applicable Series Controlling Parties and establish a new Collection Account Administrative Account that is an Eligible Account to replace such non-qualifying Collection Account Administrative Account. If a new Collection Account Administrative Account is established the Master Issuer shall instruct the Indenture Trustee in writing to transfer all cash and investments from the non-qualifying Collection Account Administrative Account into the new Collection Account Administrative Account.

(b) Administration of the Collection Account Administrative Accounts. All amounts held in the Collection Account Administrative Accounts shall be invested in Eligible Investments at the written direction of the Master Issuer; provided, however, that any such investment in the Collection Account Administrative Accounts shall mature not later than the Business Day prior to the next succeeding Payment Date. In the absence of written investment instructions hereunder, funds on deposit in the Collection Account Administrative Accounts shall remain uninvested. The Master Issuer shall not direct (or permit) the disposal of

any Eligible Investments prior to the maturity thereof to the extent such disposal would result in a loss of the initial purchase price of such Permitted Investment.

(c) Earnings from the Collection Account Administrative Accounts. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Collection Account Administrative Accounts shall be deposited therein and shall be deemed to be Investment Income on deposit for distribution in accordance with Section 10.12.

Section 10.9 Indenture Trustee as Securities Intermediary.

(a) The Indenture Trustee or other Person holding any Account held in the name of the Indenture Trustee for the benefit of the Secured Parties (collectively the "Master Issuer Trustee Accounts") shall be the "Securities Intermediary." If the Securities Intermediary in respect of any Master Issuer Trustee Account is not the Indenture Trustee, the Master Issuer shall obtain the express agreement of such other Person to the obligations of the Securities Intermediary set forth in this Section 10.9.

(b) The Securities Intermediary agrees that:

(i) The Master Issuer Trustee Accounts are accounts to which "financial assets" within the meaning of Section 8-102(a)(9) ("Financial Assets") of the UCC in effect in the State of New York (the "New York UCC") will or may be credited;

(ii) The Master Issuer Trustee Accounts are "securities accounts" within the meaning of Section 8-501 of the New York UCC and the Securities Intermediary qualifies as a "securities intermediary" under Section 8-102(a) of the New York UCC;

(iii) All securities or other property (other than cash) underlying any Financial Assets credited to any Master Issuer Trustee Account shall be registered in the name of the Securities Intermediary, indorsed to the Securities Intermediary or in blank or credited to another securities account maintained in the name of the Securities Intermediary and in no case will any Financial Asset credited to any Master Issuer Trustee Account be registered in the name of the Master Issuer, payable to the order of the Master Issuer or specially indorsed to the Master Issuer;

(iv) All property delivered to the Securities Intermediary pursuant to this Base Indenture will be promptly credited to the appropriate Master Issuer Trustee Account;

(v) Each item of property (whether investment property, security, instrument or cash) credited to a Master Issuer Trustee Account shall be treated as a Financial Asset under Article 8 of the New York UCC;

(vi) If at any time the Securities Intermediary shall receive any entitlement order from the Indenture Trustee (including those directing

transfer or redemption of any Financial Asset) relating to the Master Issuer Trustee Accounts, the Securities Intermediary shall comply with such entitlement order without further consent by the Master Issuer or any other Person;

(vii) The Master Issuer Trustee Accounts shall be governed by the laws of the State of New York, regardless of any provision of any other agreement. For purposes of all applicable UCCs, New York shall be deemed to be the Securities Intermediary's jurisdiction and the Master Issuer Trustee Accounts (as well as the "securities entitlements" (as defined in Section 8-102(a)(17) of the New York UCC) related thereto) shall be governed by the laws of the State of New York;

(viii) The Securities Intermediary has not entered into, and until termination of this Base Indenture, will not enter into, any agreement with any other Person relating to the Master Issuer Trustee Accounts and/or any Financial Assets credited thereto pursuant to which it has agreed to comply with entitlement orders (as defined in Section 8-102(a)(8) of the New York UCC) of such other Person and the Securities Intermediary has not entered into, and until the termination of this Base Indenture will not enter into, any agreement with the Master Issuer purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in Section 10.9(b)(vi); and

(ix) Except for the claims and interest of the Indenture Trustee, the Secured Parties, the Master Issuer and the other Securitization Entities in the Master Issuer Trustee Accounts, neither the Securities Intermediary nor, in the case of the Indenture Trustee, any Trust Officer knows of any claim to, or interest in, the Master Issuer Trustee Accounts or in any Financial Asset credited thereto. If the Securities Intermediary or, in the case of the Trustee, a Trust Officer has Actual Knowledge of the assertion by any other person of any Lien, encumbrance, or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any Master Issuer Trustee Account or in any Financial Asset carried therein, the Securities Intermediary will promptly notify the Trustee, the Control Party and the Master Issuer thereof.

(c) At any time after the occurrence and during the continuation of an Event of Default, the Indenture Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Master Issuer Trustee Accounts and all other Eligible Accounts held with, or subject to an account control agreement in favor of, the Indenture Trustee, and in all proceeds thereof, and (acting at the direction of the applicable Series Controlling Party) shall be the only Person authorized to originate entitlement orders in respect of the Master Issuer Trustee Accounts; provided, however, that at all other times the Master Issuer shall, subject to the terms of the Indenture and the other related documents, be authorized to instruct the Indenture Trustee to originate entitlement orders in respect of the Master Issuer Trustee Accounts.

Section 10.10 Establishment of Series Accounts. To the extent specified in the Series Supplement with respect to any Series of Notes, the Indenture Trustee may establish and maintain one or more Series Accounts and/or administrative accounts of any such Series Account in accordance with the terms of such Series Supplement.

Section 10.11 Collections and Investment Income.

(a) Deposits to Collection Account. Until the Indenture is terminated pursuant to Article IV:

(i) on or prior to each Accounting Date, the Servicer will withdraw from the Concentration Account for deposit to the Collection Account an amount equal to the following amounts deposited to the Concentration Account over the preceding Monthly Collection Period to the extent remaining after giving effect to the application of the Weekly Collections Allocation Priority on each Weekly Allocation Date and any amounts withdrawn from the Concentration Account pursuant to Section 10.1(b)(iv) over such Monthly Collection Period:

(A) all Franchise Payments and Development Payments received over such period;

(B) all amounts equaling the Restaurant Holder Profits generated over such period;

(C) any IHOP Residual Amounts received over such period;

(D) without duplication of the preceding amounts, all other Collections deposited to the Concentration Account over such period (other than Excluded Amounts and all or any part of the initial deposit to the Concentration Account on the Closing Date that has not been previously withdrawn and that the Servicer elects to retain on deposit in the Concentration Account).

(ii) on and after the Closing Date, the Servicer will also deposit or cause to be deposited to the Collection Account (or to such other account specified below) the following amounts:

(A) any Indemnification Amounts within three (3) Business Days following the receipt by the Servicer or any of its Affiliates of such amounts; provided, that any Liquor License Related Indemnification Amounts shall be deposited into the Collection Account in accordance with the procedures set forth in Section 10.2(h); provided, further, that upon the deposit of such Liquor License Related Indemnification Amounts into the Collection Account, such amounts shall be

allocated, distributed and applied in all respects as any other Indemnification Amounts under the Indenture;

(B) any Insurance Proceeds Amounts (which will be deposited to the Insurance Proceeds Account within three (3) Business Days following receipt by the Servicer or its Affiliates and then withdrawn for deposit to the Collection Account by the next Accounting Date);

(C) any Asset Disposition Prepayment Amounts (which will be deposited to the Capital Expenditure Reserve Account within three (3) Business Days following receipt by the Servicer or its Affiliates and then withdrawn for deposit to the Collection Account by the next Accounting Date);

(D) the Series Hedge Agreement Receipts, if any, received by the Co-Issuers in respect of any Series Hedge Agreements entered into by the Co-Issuers in connection with the issuance of Additional Notes following the Closing Date within two (2) Business Days following receipt thereof by the Master Issuer or the Servicer, as the case may be;

(E) all Retained Collections required to be withdrawn from the Concentration Account under Section 10.1(b) at the time required thereunder or received from any other source within two (2) Business Days of receipt thereof by the Master Issuer or the Servicer, as the case may be;

(F) any amounts obtained by the Indenture Trustee on account of or as a result of the exercise by the Indenture Trustee of any of its rights under the Indenture, including without limitation, under Article V hereof;

(G) any amounts obtained by the Indenture Trustee from the sale and transfer of the Collateral pursuant to the Auction for purposes of implementing the Auction Call Redemption; and

(H) all amounts, if any, relating to the Cash Collateral required to be deposited into the Collection Account in accordance with Section 11.1(e) hereof.

(b) Investment Income. On each Accounting Date, (i) the Servicer will withdraw an amount equal to the Investment Income earned (net of losses and expenses) on amounts on deposit in the Concentration Account and each Servicing Account (other than the Advertising Fees Account) over the preceding Monthly Collection Period for deposit to the Collection Account, and (ii) the Indenture Trustee will withdraw an amount equal to the Investment Income earned (net of losses and expenses) on amounts on deposit in the Senior

Notes Interest Reserve Account, the Cash Trap Reserve Account, the Hedge Payment Account, the Series Distribution Accounts or the Collection Account Administrative Accounts over the preceding Monthly Collection Period for deposit to the Collection Account.

(c) Payment Instructions. In accordance with and subject to the terms of the Servicing Agreement, the Master Issuer shall cause the Servicer to instruct (i) each Franchisee or Franchise Developer obligated at any time to make any payment pursuant to any Franchise Agreement or Development Agreement, respectively, to make such payment to the Concentration Account or its related Lock-Box Account, (ii) each Restaurant Holder obligated at any time to make any payments pursuant to any arrangements with Applebee's International or any of its Affiliates (including the Securitization Entities) to make such payments to the Concentration Account or its related Lock-Box Account, and (iii) any Person (not an Affiliate of the Securitization Entities) obligated at any time to make any payments with respect to the Indenture Collateral, including, without limitation, the IP Assets, to make such payment to the Concentration Account or the Collection Account or such accounts' related Lock-Box Account, as determined by the Master Issuer or Servicer.

(d) Misdirected Collections. The Co-Issuers agree that if any Collections shall be received by any Co-Issuer or any other Securitization Entity (or by the Servicer on their behalf) in an account other than a Concentration Account or the Collection Account or in any other manner, such monies, instruments, cash and other proceeds will not be commingled by such Co-Issuer or such other Securitization Entity (or, in each case, by the Servicer, as the case may be) with any of their other funds or property, if any, but will be held separate and apart therefrom and shall be held in trust by such Co-Issuer or such other Securitization Entity (or, in each case, but the Servicer, as the case may be) for the benefit of the Secured Parties, and, within one (1) Business Day of the identification of such payment shall be deposited to the Concentration Account, or paid over to the Indenture Trustee, with any necessary endorsement. In the event the Servicer determines that amounts previously held in the Concentration Account should have been applied in accordance with the Weekly Collections Allocation Priority, but were instead misdirected to the Collection Account, the Indenture Trustee shall withdraw from the Collection Account any monies on deposit therein that the Servicer certifies to it and the Series Controlling Parties are monies incorrectly deposited into the Collection Account and pay such amounts to or at the direction of the Servicer. All monies, instruments, cash and other proceeds received by the Indenture Trustee pursuant to the Indenture shall be immediately deposited in the Collection Account and shall be applied as provided in this Article X.

(e) 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 Base 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 10.12 Application of Monthly Collections on Payment Dates. On each Payment Date, the Indenture Trustee shall, based solely on the information contained in the Monthly Servicer's Report, withdraw the amount on deposit in the Collection Account in respect

of the preceding Monthly Collection Period for allocation or payment in the following order of priority (the " Priority of Payments") after giving effect to all allocations and payments made pursuant to the Weekly Collections Allocation Priority on each Weekly Allocation Date that occurred during such Monthly Collection Period:

(i) first, to deposit to (A) the SPE Operating Expense Account an amount equal to any accrued and unpaid government taxes (other than Federal, state and local income taxes), filing fees and registration fees (other than liquor license fees) payable by the Securitization Entities to any Federal, state or local government entities, in each case after giving effect to the payment of such amounts on any Weekly Allocation Date during the preceding Monthly Collection Period and then (B) the Sales Tax Account an amount equal to any accrued and unpaid sales taxes owed with respect to all Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants and not previously deposited to the Sales Tax Account pursuant to the Weekly Collections Allocation Priority (unless and until such Restaurants become Reacquired U.S. Restaurants) and payable to the applicable taxing authority;

(ii) second, to deposit to the Senior Notes Principal Payment Account or, if no Senior Notes are Outstanding (or the amount on deposit in the Senior Notes Principal Payment Account equals the Aggregate Outstanding Principal Amount of the Senior Notes Outstanding after giving effect to any deposit to such account on or prior to such Payment Date), to deposit to the Subordinated Notes Principal Payment Account, an amount equal to (A) the Insurance Proceeds Amount, if any, (B) the Asset Disposition Prepayment Amount, if any, and (C) the Indemnification Amount, if any, in each case with respect to such Payment Date; provided, that if the *pro forma* Three-Month DSCR at least equals 3.5x as of such Payment Date (after giving effect to the elimination of future revenues from the assets reconveyed to Applebee's International in exchange for the Indemnification Amount and after giving effect to all other payments of principal on such Payment Date including any partial application of the Indemnification Amount pursuant to this clause second on such Payment Date), then the Indemnification Amount will not be deposited to the Principal Payment Accounts pursuant to this clause second and instead will be applied in the manner provided in the remaining clauses of this Priority of Payments;

(iii) third, to deposit to the SPE Operating Expense Account, an amount equal to any previously accrued and unpaid SPE Operating Expenses together with any SPE Operating Expenses that are expected to be payable prior to the immediately following Weekly Allocation Date in an amount not to exceed the Capped SPE Operating Expense Amount with respect to the annual period in which such Weekly Allocation Date occurs after giving effect to all deposits previously made to the SPE Operating Expense Account;

(iv) fourth, to deposit to the applicable Indenture Trust Account, ratably according to the amounts required to be deposited set forth in subclauses (A) through (D) below, the following amounts until the amount

required to be deposited pursuant to subclauses (A) through (D) below is deposited in full:

(A) to the Senior Notes Interest Payment Account, the Senior Notes Monthly Interest Amount;

(B) to the Insurer Premiums Account, the Accrued Insurer Premium Amount, if any;

(C) to the Class A-1 Commitment Fees Account, the Class A-1 Commitment Fees Amount; and

(D) to the Hedge Payment Account, the accrued and unpaid Series Hedge Payment Amount, if any, payable to each Hedge Counterparty, if any, which will be paid to each Hedge Counterparty, if any, *pro rata* according to the amount due and payable to each of them; provided, that the deposit to the Hedge Payment Account pursuant to this subclause (D) will exclude any termination payment payable to a Hedge Counterparty, if any, without regard to whether such Hedge Counterparty, if any, was the defaulting party or an affected party or any other unscheduled amount due and payable to a Hedge Counterparty, if any, and will exclude any indemnity payment, tax payments or other similar amounts not constituting regularly scheduled hedge payments;

(v) fifth, to pay to each Insurer, if any, the Insurer Expense Amount, if any, for such Payment Date, *pro rata* based on the Insurer Expense Amount owing to each Insurer, if any, on such date;

(vi) sixth, to pay to each Insurer, if any, the Insurer Reimbursement Amount, if any, for such Payment Date, *pro rata* based on the Insurer Reimbursement Amount owing to each Insurer, if any, on such date;

(vii) seventh, to pay to the Class A-1 Administrative Agent (or other Person acting in a similar capacity in respect of the Class A-1 Notes) pursuant to each Class A-1 Note Purchase Agreement (or other similar agreement), an amount equal to any accrued and unpaid Class A-1 Note Administrative Expenses due under each Class A-1 Note Purchase Agreement (or other similar agreement) in an aggregate amount up to the Capped Class A-1 Note Administrative Expense Amount for such Payment Date, *pro rata* based on all such amounts due under each Class A-1 Note Purchase Agreement for such Payment Date;

(viii) eighth, to deposit to the Senior Notes Interest Reserve Account, an amount equal to the Senior Notes Interest Reserve Deficit Amount on such Payment Date with respect to the Senior Notes of each Series of Notes Outstanding in accordance with the related Series Supplement; provided, that no

amount with respect to any Senior Notes of any Series of Notes Outstanding will be deposited to the Senior Notes Interest Reserve Account pursuant to this clause eighth on any Payment Date that occurs during the Monthly Collection Period immediately preceding the Series Legal Final Maturity Date for such Senior Notes;

(ix) ninth, to pay to the Servicer the Supplemental Servicing Fee, if any, together with any previously accrued and unpaid Supplemental Servicing Fee;

(x) tenth, if no Rapid Amortization Event has occurred (other than a Rapid Amortization Event that has been waived or cured pursuant to a Rapid Amortization Cure Right or with respect to which amounts are being trapped in a trust account pursuant to a prospective Rapid Amortization Cure Right) but a Partial Amortization Event has occurred and is continuing with respect to any Series of Notes Outstanding on such Payment Date, to deposit to the Senior Notes Principal Payment Account the Partial Amortization Amount applicable to such Series of Notes;

(xi) eleventh, if no Rapid Amortization Event has occurred (other than a Rapid Amortization Event that has been waived or cured pursuant to a Rapid Amortization Cure Right or with respect to which amounts are being trapped in a trust account pursuant to a prospective Rapid Amortization Cure Right) but a Cash Trap Reserve Event has occurred and is continuing with respect to the Senior Notes of any Series of Notes Outstanding on such Payment Date, to deposit to the Cash Trap Reserve Account the Cash Trap Reserve Amount applicable to such Series of Notes;

(xii) twelfth, if a Rapid Amortization Event has occurred (other than a Rapid Amortization Event that has been waived or cured pursuant to a Rapid Amortization Cure Right), to deposit to the Senior Notes Principal Payment Account (or, if amounts are being trapped in a separate trust account pursuant to a prospective Rapid Amortization Cure Right, to such separate trust account) an amount equal to the lesser of (A) the remaining amount on deposit in the Collection Account with respect to such Payment Date and (B) the Aggregate Outstanding Principal Amount of all Senior Notes after giving effect to any deposit to such account pursuant to the preceding clauses;

(xiii) thirteenth, to deposit to the SPE Operating Expense Account, an amount equal to any accrued and unpaid SPE Operating Expenses (together with any SPE Operating Expenses that are expected to be payable prior to the immediately following Weekly Allocation Date) in excess of the Capped SPE Operating Expense Amount after giving effect to clause third above;

(xiv) fourteenth, to pay to each Class A-1 Administrative Agent (or other Person acting in a similar capacity in respect of the Class A-1 Notes) pursuant to each Class A-1 Note Purchase Agreement (or other similar

agreement), an amount equal to any accrued and unpaid Class A-1 Note Administrative Expenses due under the related Class A-1 Note Purchase Agreement (or other similar agreement) for such Payment Date in excess of the Capped Class A-1 Note Administrative Expense Amount after giving effect to clause seventh above, *pro rata* based on all such amounts due under each Class A-1 Note Purchase Agreement for such Payment Date;

(xv) fifteenth, to pay to the Class A-1 Administrative Agent (or other Person acting in a similar capacity in respect of the Class A-1 Notes) pursuant to each Class A-1 Note Purchase Agreement (or other similar agreement), an amount equal to any accrued and unpaid amounts due under the related Class A-1 Note Purchase Agreement (or other similar agreement), *pro rata* based on all such amounts due under each Class A-1 Note Purchase Agreement for such Payment Date;

(xvi) sixteenth, to deposit to the Subordinated Notes Interest Payment Account, the Subordinated Notes Monthly Interest Amount with respect to each Class of Subordinated Notes Outstanding until the amount on deposit in such account equals the Subordinated Notes Monthly Interest Amount with respect to each Class of Subordinated Notes Outstanding for the related Payment Date;

(xvii) seventeenth, if no Rapid Amortization Event has occurred (other than a Rapid Amortization Event that has been waived or cured pursuant to a Rapid Amortization Cure Right or with respect to which amounts are being trapped in a trust account pursuant to a prospective Rapid Amortization Cure Right) but a Partial Amortization Event has occurred with respect to any Series of Notes Outstanding on such Payment Date, to deposit to the Subordinated Notes Principal Payment Account any Partial Amortization Amount applicable to such Series of Notes (after giving effect to any deposit of the Partial Amortization Amount applicable to such Series of Notes pursuant to clause tenth above);

(xviii) eighteenth, if a Rapid Amortization Event has occurred (other than a Rapid Amortization Event that has been waived or cured pursuant to a Rapid Amortization Cure Right), to deposit to the Subordinated Notes Principal Payment Account (or, if amounts are being trapped in a separate trust account pursuant to a prospective Rapid Amortization Cure Right, to such separate trust account) an amount equal to the lesser of (A) the remaining amount on deposit in the Collection Account with respect to such Payment Date and (B) the Aggregate Outstanding Principal Amount of all Subordinated Notes after giving effect to any deposit to such account pursuant to the preceding clauses;

(xix) nineteenth, to deposit, *pro rata* according to the amount required to be deposited to the applicable account, to (A) the Class A-1 Excess Interest Account, the Class A-1 Excess Interest Amount, if any, (B) Senior Notes Excess Adjusted Interest Account, the Senior Notes Monthly Excess Adjusted Interest Amount and (C) to the Senior Notes Monthly Contingent

Additional Interest Account, the Senior Notes Monthly Contingent Additional Interest Amount, in each case for such Payment Date;

(xx) twentieth, to deposit to the Subordinated Notes Monthly Contingent Additional Interest Account, the Subordinated Notes Monthly Contingent Additional Interest Amount for such Payment Date;

(xxi) twenty-first, to deposit to the Hedge Payment Account, (A) any accrued and unpaid Series Hedge Payment Amount that constitutes a termination payment payable to a Hedge Counterparty, if any, and (B) any other amount payable to a Hedge Counterparty, if any, pursuant to the related Hedge Agreement, in each case *pro rata* to each Hedge Counterparty, if any, according to the amount due and payable to each of them;

(xxii) twenty-second, to deposit to the Senior Notes Principal Payment Account and, on and after the Payment Date on which the Senior Notes will be paid in full, the Subordinated Notes Principal Payment Account, the Monthly Aggregate Extension Prepayment Amount, if any, for such Payment Date;

(xxiii) twenty-third, to deposit to the applicable Interest Payment Account the accrued and unpaid Make-Whole Amount, if any, on each Class of Notes Outstanding in the following order of priority: first, on each Class of Senior Notes *pro rata* according to the amount then due and payable and second, on each Class of Subordinated Notes sequentially according to alphanumerical designation (which with respect to each Class of Subordinated Notes bearing the same alphanumerical designation will be paid *pro rata* according to the amount then due and payable);

(xxiv) twenty-fourth, to deposit to the Subordinated Notes Principal Payment Account for each Series of Notes an amount equal to the lesser of (i) the applicable Monthly Subordinated Notes Amortization Amount for such Series of Notes, if any (together with any accrued but unpaid Monthly Subordinated Notes Amortization Amount), and (ii) the amount, if any, by which the remaining amount of funds on deposit in the Collection Account after giving effect to clause twenty-third above, exceeds the Residual Threshold Amount for such Series of Notes (such lesser amount, the "Subordinated Notes Principal Amortization Amount"); and

(xxv) twenty-fifth, to pay the remaining amount, if any (the "Residual Amount"), to or at the direction of the Master Issuer.

Section 10.13 Notices to Insurers and the Rating Agencies. The Indenture Trustee shall, promptly after receipt, deliver copies of the following documents to each Insurer, if any, any Class A-1 Administrative Agent, 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 ten (10) Business Days after the

occurrence thereof) each Insurer, if any, any Class A-1 Administrative Agent, and the Rating Agencies of the following events:

(a) the occurrence of a Default or an Event of Default under this Base 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) Senior Notes Interest Payment Account. On each Accounting Date, after giving effect to the allocations set forth in the Priority of Payments, the Master Issuer shall instruct the Indenture Trustee in writing to withdraw on the following Payment Date: (i) the funds allocated to the Senior Notes Interest Payment Account on such Payment Date with respect to the immediately preceding Monthly Collection Period to be paid to the Senior Notes from the Collection Account, up to the accrued and unpaid Senior Notes Monthly Interest Amount, in the order of priority set forth in Section 11.5, and deposit such funds into the applicable Series Distribution Accounts, and (ii) if the amount of funds allocated to the Senior Notes Interest Payment Account referred to in the immediately preceding clause (i) is less than the accrued and unpaid Senior Notes Monthly Interest Amount for the Interest Accrual Period with respect to each Class of Senior Notes ending most recently prior to such Payment Date, as applicable, an amount equal to the lesser of (A) such insufficiency and (B) after giving effect to the ratable manner in which funds are allocated in clause fourth of the Priority of Payments, such ratable portion of the Senior Notes Available Reserve Account Amount which is allocable to pay off the Senior Notes Monthly Interest Amount for such Interest Accrual Period, from first, the Senior Notes Interest Reserve Account, and second, the Cash Trap Reserve Account, to be paid to the Senior Notes, up to the accrued and unpaid Senior Notes Monthly Interest Amount, in the order of priority set forth in Section 11.5 below, and deposit such funds into the applicable Series Distribution Accounts.

(b) Insurer Premiums Account. On each Accounting Date, after giving effect to the allocations set forth in the Priority of Payments, the Master Issuer shall instruct the Indenture Trustee in writing to withdraw on the following Payment Date: (i) the funds allocated to the Insurer Premiums Account on such Payment Date with respect to the immediately preceding Monthly Collection Period and to pay such funds *pro rata* among the Insurers, if any, based upon the Policy Exposure of any such Insurer as of such Payment Date to the applicable Insurers, if any, and (ii) if the amount of funds allocated to the Insurer Premiums Account referred to in the immediately preceding clause (i) above with respect to the immediately preceding Monthly Collection Period is less than the accrued and unpaid Accrued Insurer

Premiums Amount for the Interest Accrual Period ending most recently prior to such Payment Date, an amount equal to the lesser of (A) such insufficiency and (B) after giving effect to the ratable manner in which funds are allocated in clause fourth of the Priority of Payments, such ratable portion of the Senior Notes Available Reserve Account Amount which is allocable to pay off the Accrued Insurer Premiums Amount for such Interest Accrual Period from, first, the Senior Notes Interest Reserve Account, and second, the Cash Trap Reserve Account, to pay such funds to the Insurers, if any, as applicable.

(c) Class A-1 Monthly Commitment Fees Account. On each Accounting Date, after giving effect to the allocations set forth in the Priority of Payments, the Master Issuer shall instruct the Indenture Trustee in writing to withdraw on the following Payment Date: (i) the funds allocated to the Class A-1 Commitment Fees Account on such Payment Date with respect to the immediately preceding Monthly Collection Period to be paid to the Class A-1 Notes from the Collection Account, up to the Class A-1 Monthly Commitment Fees Amount accrued and unpaid with respect to the Class A-1 Notes, *pro rata* among each Class of Class A-1 Notes based upon the Class A-1 Monthly Commitment Fees Amount payable with respect to each such Class, and deposit such funds into the applicable Series Distribution Accounts and (ii) if the amount of funds allocated to the Class A-1 Commitment Fees Account referred to in the immediately preceding clause (i) above with respect to the immediately preceding Monthly Collection Period is less than the accrued and unpaid Class A-1 Monthly Commitment Fees Amount for the Interest Accrual Period ending most recently prior to such Payment Date, an amount equal to the lesser of (A) such insufficiency and (B) after giving effect to the ratable manner in which funds are allocated in clause fourth of the Priority of Payments, such ratable portion of the Senior Notes Available Reserve Account Amount which is allocable to pay off the Class A-1 Monthly Commitment Fees Amount for such Interest Accrual Period from, first, the Senior Notes Interest Reserve Account, and second, the Cash Trap Reserve Account, to be paid to the Class A-1 Notes up to the Class A-1 Monthly Commitment Fees Amount, *pro rata* among each Class of Class A-1 Notes based upon the Class A-1 Monthly Commitment Fees Amount payable with respect to each such Class, and deposit such funds into the applicable Series Distribution Accounts.

(d) Hedge Payment Account. On each Accounting Date, after giving effect to the allocations set forth in the Priority of Payments, the Master Issuer shall instruct the Indenture Trustee in writing to withdraw on the following Payment Date the funds allocated to the Hedge Payment Account on such Payment Date with respect to the immediately preceding Monthly Collection Period and to pay such funds *pro rata* among the Hedge Counterparties according to the amount due and payable to each such Hedge Counterparties as of such Payment Date.

(e) Senior Notes Principal Payment Account. On each Accounting Date, after giving effect to the allocations set forth in the Priority of Payments, the Master Issuer shall instruct the Indenture Trustee in writing to withdraw on the following Payment Date: (i) the funds allocated to the Senior Notes Principal Payment Account on such Payment Date with respect to the immediately preceding Monthly Collection Period to be paid, in the following order, (A) to each applicable Class of Senior Notes from the Collection Account up to the aggregate amount of accrued and unpaid Indemnification Amounts, Asset Disposition Prepayment Amounts, and Insurance Proceeds Amounts (to the extent required to pay down

principal on Notes), owed to each such Class of Senior Notes in the order of priority set forth in Section 11.5, (B) to each applicable Class of Senior Notes from the Collection Account up to the aggregate amount of accrued and unpaid Partial Amortization Amount, owed to each such Class of Senior Notes in the order of priority set forth in Section 11.5, (C) to each applicable Class of Senior Notes from the Collection Account up to the amounts distributed to such administrative account pursuant to clause twelfth of the Priority of Payments owed to each such Class of Senior Notes, in the order of priority set forth in Section 11.5, and (D) to each applicable Class of Senior Notes from the Collection Account up to the aggregate amount of the accrued and unpaid Monthly Aggregate Extension Prepayment Amounts, owed to each such Class of Senior Notes in the order of priority set forth in Section 11.5, and deposit such funds into the applicable Series Distribution Accounts, and (ii) if a Rapid Amortization Event has occurred and is continuing or will occur on such Payment Date, the amounts on deposit in the Cash Trap Reserve Account (after giving effect to any payments made from the Cash Trap Reserve Account pursuant to Sections 11.1(a)(ii), 11.1(b)(ii) or 11.1(c)(ii)), if any, to be paid to each applicable Class of Senior Notes up to the Aggregate Outstanding Principal Amount of all Senior Notes after giving effect to the application of the amounts on deposit in the Senior Notes Principal Payment Account referred to in the immediately preceding clause (i) above, in the order of priority set forth in Section 11.5, and deposit such funds into the applicable Series Distribution Accounts; provided, that any payment of principal of any Class A-1 L/C Notes of any Series of Notes pursuant to this paragraph may require the deposit of funds (the "Cash Collateral") with the applicable L/C Provider that has issued the related letters of credit underlying such Class A-1 L/C Notes to serve as collateral and act as security to guarantee any obligations of the Co-Issuers relating to such letters of credit (the " Collateralized Letters of Credit"); provided, further, that upon the expiration of the Collateralized Letters of Credit (x) so long as any Series of Notes remain Outstanding, the Cash Collateral shall be deposited into the Collection Account to be applied in accordance with the Priority of Payments, or (y) if no Series of Notes remain Outstanding, the Cash Collateral shall be returned to the applicable Co-Issuers.

(f) Subordinated Notes Interest Payment Account. On each Accounting Date, after giving effect to the allocations set forth in the Priority of Payments, the Master Issuer shall instruct the Indenture Trustee in writing to withdraw on the following Payment Date: (i) the funds allocated to the Subordinated Notes Interest Payment Account on such Payment Date with respect to the immediately preceding Monthly Collection Period to be paid to each Class of Subordinated Notes from the Collection Account, up to the accrued and unpaid Subordinated Notes Monthly Interest Amount with respect to each such Class of Subordinated Notes in the order of priority set forth in Section 10.1(b), and deposit such funds into the applicable Series Distribution Accounts and (ii) if the amount of funds allocated to the Subordinated Notes Interest Payment Account on each Payment Date with respect to the immediately preceding Monthly Collection Period referred to in the immediately preceding clause (i) is less than the accrued and unpaid Subordinated Notes Monthly Interest Amount for the Interest Accrual Period ending most recently prior to such Payment Date and no Senior Notes are Outstanding and there are no amounts due but unpaid to any Insurer or Hedge Counterparty, if any, the amounts on deposit in the Cash Trap Reserve Account (after giving effect to any payments made from the Cash Trap Reserve Account pursuant to Sections 11.1(a)(ii), 11.1(b)(ii), 11.1(c)(ii) or 11.1(e)(ii)), if any, to be paid to each applicable Class of Subordinated Notes, up to the accrued and unpaid Subordinated Notes Monthly Interest Amount, after giving effect to the application of the amounts on deposit in the Subordinated Notes Interest Payment Account referred to in the

immediately preceding clause (i), in the order of priority set forth in Section 11.5, and deposit such funds into the applicable Series Distribution Accounts.

(g) Subordinated Notes Principal Payment Account. On each Accounting Date, after giving effect to the allocations set forth in the Priority of Payments, the Master Issuer shall instruct the Indenture Trustee in writing to withdraw on the following Payment Date: (i) the funds allocated to the Subordinated Notes Principal Payment Account on such Payment Date with respect to the immediately preceding Monthly Collection Period to be paid, in the following order, (A) to each applicable Class of Subordinated Notes from the Collection Account up to the aggregate amount of accrued and unpaid Indemnification Amounts, Asset Disposition Prepayment Amounts, and Insurance Proceeds Amounts (to the extent required to pay down principal on Notes), owed to each such Class of Subordinated Notes in the order of priority set forth in Section 11.5, (B) to each applicable Class of Subordinated Notes from the Collection Account up to the aggregate amount of accrued and unpaid Partial Amortization Amount, owed to each such Class of Subordinated Notes in the order of priority set forth in Section 11.5, (C) to each applicable Class of Subordinated Notes from the Collection Account up to the amounts distributed to such administrative account pursuant to clause (xvii) of the Priority of Payments owed to each such Class of Subordinated Notes, in the order of priority set forth in Section 11.5, (D) to each applicable Class of Subordinated Notes from the Collection Account up to the aggregate amount of the accrued and unpaid Monthly Aggregate Extension Prepayment Amounts, owed to each such Class of Subordinated Notes in the order of priority set forth in Section 11.5, and (E) to each applicable Class of Subordinated Notes from the Collection Account up to the aggregate amount of the accrued and unpaid Subordinated Notes Principal Amortization Amounts owed to each such Class of Subordinated Notes, in the order of priority set forth in Section 11.5, and deposit such funds into the applicable Series Distribution Accounts, and (ii) if a Rapid Amortization Event has occurred and is continuing or will occur on such Payment Date, the amounts on deposit in the Cash Trap Reserve Account (after giving effect to any payments made from the Cash Trap Reserve Account pursuant to Sections 11.1(a)(ii), 11.1(b)(ii), 11.1(c)(ii), 11.1(e)(ii) or 11.1(f)(ii)), if any, to be paid to each applicable Class of Subordinated Notes up to the Aggregate Outstanding Principal Amount of all Subordinated Notes after giving effect to the application of the amounts on deposit in the Subordinated Notes Principal Payment Account referred to in the immediately preceding clause (i) above, in the order of priority set forth in Section 11.5, and deposit such funds into the applicable Series Distribution Accounts.

(h) Class A-1 Excess Interest Account. One each Accounting Date, after giving effect to the allocations set forth in the Priority of Payments, the Master Issuer shall instruct the Indenture Trustee in writing to withdraw on the following Payment date the funds allocated to the Class A-1 Excess Interest Account on such Payment Date with respect to the immediately preceding Monthly Collection Period, to be paid to the applicable Class A-1 Notes from the Collection Account, up to the accrued and unpaid Class A-1 Excess Interest Amounts distributed to such administrative account owe to each such Class A-1 Notes in the order of priority set forth in Section 11.5, and deposit such funds into the applicable Series Distribution Accounts.

(i) Senior Notes Excess Adjusted Interest Account. On each Accounting Date, after giving effect to the allocations set forth in the Priority of Payments, the

Master Issuer shall instruct the Indenture Trustee in writing to withdraw on the following Payment Date the funds allocated to the Senior Notes Excess Adjusted Interest Account on such Payment Date with respect to the immediately preceding Monthly Collection Period, to be paid to each applicable Class of Senior Notes from the Collection Account, up to the accrued and unpaid Senior Notes Excess Adjusted Interest Amount distributed to such administrative account owed to each such Class of Senior Notes in the order of priority set forth in Section 11.5, and deposit such funds into the applicable Series Distribution Accounts.

(j) Senior Notes Monthly Contingent Additional Interest Account. On each Accounting Date, after giving effect to the allocations set forth in the Priority of Payments, the Master Issuer shall instruct the Indenture Trustee in writing to withdraw on the following Payment Date the funds allocated to the Senior Notes Monthly Contingent Additional Interest Account on such Payment Date with respect to the immediately preceding Monthly Collection Period, to be paid to each applicable Class of Senior Notes from the Collection Account, up to the amount of accrued and unpaid Senior Notes Monthly Contingent Additional Interest distributed to such administrative account owed to each such Class of Senior Notes in the order of priority set forth in Section 11.5, and deposit such funds into the applicable Series Distribution Accounts.

(k) Subordinated Notes Monthly Contingent Additional Interest Account. On each Accounting Date, after giving effect to the allocations set forth in the Priority of Payments, the Master Issuer shall instruct the Indenture Trustee in writing to withdraw on the following Payment Date the funds allocated to the Subordinated Notes Monthly Contingent Additional Interest Account on such Payment Date with respect to the immediately preceding Monthly Collection Period, to be paid to each applicable Class of Subordinated Notes from the Collection Account up to the amount of accrued and unpaid Subordinated Notes Monthly Contingent Additional Interest distributed to such administrative account owed to each such Class of Subordinated Notes in the order of priority set forth in Section 11.5, and deposit such funds into the applicable Series Distribution Accounts.

(l) Senior Notes Interest Reserve Account.

(i) On the Accounting Date preceding the first Payment Date that coincides with or follows any Senior Notes Interest Reserve Step-Down Date, the Master Issuer shall instruct the Indenture Trustee in writing to withdraw on such Payment Date funds then on deposit in the Senior Notes Interest Reserve Account equal to the Senior Notes Interest Reserve Step-Down Release Amount and deposit such funds into the Collection Account.

(ii) If the Master Issuer determines, with respect to any Series of Senior Notes, that the amount to be deposited in any Series Distribution Account in accordance with the terms of this Section 11.1 on any Series Legal Final Maturity Date related to such Series of Senior Notes is less than the Aggregate Outstanding Principal Amount of such Series of Senior Notes, on the Accounting Date immediately preceding such Series Legal Final Maturity Date, the Master Issuer shall instruct the Indenture Trustee thereof in writing, and the Indenture Trustee shall, in accordance with such instruction on such Series Legal

Final Maturity Date, withdraw from the Senior Notes Interest Reserve Account and deposit in the order of priority set forth in Section 11.5 into the applicable Series Distribution Accounts, an amount equal to the lesser of such insufficiency and the Available Senior Notes Interest Reserve Account Amount (after giving effect to any payments made from the Senior Notes Interest Reserve Account pursuant to clause (ii) of Section 11.1(a), clause (ii) of Section 11.1(b), and clause (ii) of Section 11.1(c)) on such Series Legal Final Maturity Date.

(m) Cash Trap Reserve Account. On the Accounting Date preceding any Payment Date that is anticipated to be a Cash Trap Reserve Cure Date, the Master Issuer shall instruct the Indenture Trustee in writing to withdraw on such Payment Date any amounts then on deposit in the Cash Trap Reserve Account and deposit such funds into the Collection Account; provided that such Payment Date constitutes a Cash Trap Reserve Cure Date.

(n) Lease Payment Account. Subject to and in accordance with Section 10.2(f), the Servicer may withdraw amounts on deposit in the Lease Payment Account on any Business Day to pay the Lease Payments payable by the Restaurant Holders and, with respect to the Post-Closing U.S. Restaurants, the Predecessor Restaurant Holders as the lessees under the Sale/Leaseback Leases, if any, entered into with third parties in connection with the Company-Owned Real Property sold to the third parties in sale/leaseback transactions;

(o) Gift Card Reserve Account. Subject to and in accordance with Section 10.2(b), the Servicer may withdraw amounts on deposit in the Gift Card Reserve Account (i) on a monthly basis on the fifth calendar day of each month or, if such day is not a Business Day, the immediately following Business Day, for payment to or at the direction of ACMC, Inc. the amount payable to ACMC, Inc. in connection with the redemption of ACMC Gift Cards sold on behalf of ACMC, Inc. at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants, as applicable, and redeemed at Franchised U.S. Restaurants and (ii) on a weekly basis for deposit to the Concentration Account on each Weekly Allocation Date in an amount equal to the aggregate dollar amount of the redemption at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants of ACMC Gift Cards sold at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants, as applicable;

(p) Third Party Licensing Fee Account. Subject to and in accordance with Section 10.2(c), the Servicer may withdraw amounts on deposit in the Third Party Licensing Fee Account, on any Business Day to pay the accrued and unpaid licensing fees or royalty fees or other similar amounts payable to third parties in connection with the sale or use of their products or services at Company-Owned U.S. Restaurants, Post-Closing U.S. Restaurants and Franchised U.S. Restaurants, which as of the Closing Date will include the Weight Watchers Fees payable on a quarterly basis to Weight Watchers International, Inc. pursuant to the Weight Watchers Agreement;

(q) Advertising Fees Account. Subject to and in accordance with Section 10.2(a), the Servicer may withdraw amounts on deposit in the Advertising Fees Account, on any Business Day to pay fees and expenses relating to the National Advertising Fund , and subject to and in accordance with Sections 10.2(a) and 10.2(c), may, in certain instances, if the amount on deposit in the Third Party Licensing Fee Account is not sufficient to pay certain third

party licensing fees, withdraw amounts on deposit in the Advertising Fees Account to pay the amount of such deficiency;

(r) SPE Operating Expense Account. Subject to and in accordance with Section 10.2(e), the Servicer may withdraw amounts on deposit in the SPE Operating Expense Account, on any Business Day to pay any amount described in clause (i) of the Weekly Collections Allocation Priority and any other SPE Operating Expenses that are due and payable on such date;

(s) Capital Expenditure Reserve Account. Subject to and in accordance with Section 10.2(h), the Servicer may withdraw amounts on deposit in the Capital Expenditure Reserve Account, on any Business Day to pay any taxes, transaction costs and other direct costs associated with Asset Dispositions, to reinvest in the New U.S. Restaurant Business and to deposit the Asset Disposition Prepayment Amount and any Liquor License Related Indemnification Amount into the Collection Account;

(t) Sales Tax Account. Subject to and in accordance with Section 10.2(g), the Servicer may withdraw amounts on deposit in the Sales Tax Account, on any Business Day to pay sales taxes payable to the applicable state and local taxing authorities that are owed with respect to Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants (unless and until such Restaurants become Reacquired U.S. Restaurants); and

(u) Insurance Proceeds Account. Subject to and in accordance with Section 10.2(d), the Servicer may withdraw amounts on deposit in the Insurance Proceeds Account, on any Business Day to pay the Franchisee Insurance Restoration Payments on behalf of Franchisees or to apply the amounts on deposit therein to reinvest in the New U.S. Restaurant Business to the extent that such amounts are not required to be applied as an Insurance Proceeds Amount pursuant to Section 10.12.

Section 11.2 Determination of Monthly Interest. Monthly payments of interest and fees on each Series of Notes shall be determined, allocated and distributed in accordance with the procedures set forth in the applicable Series Supplement.

Section 11.3 Determination of Monthly Principal. Monthly payments of principal, if any, of each Series of Notes shall be determined, allocated and distributed in accordance with the procedures set forth in the applicable Series Supplement.

Section 11.4 Prepayment of Principal. Mandatory prepayments of principal, if any, of each Series of Notes shall be determined, allocated and distributed in accordance with the procedures set forth in the applicable Series Supplement, if not otherwise described herein.

Section 11.5 Distributions in General.

(a) Unless otherwise specified in the applicable Series Supplement or in this Base Indenture, on each Payment Date, the Paying Agent shall pay to the Noteholders of each Series of record on the preceding Record Date the amounts payable thereto (i) by wire transfer in immediately available funds released by the Paying Agent from the applicable Series Distribution Account no later than 12:30 p.m. (New York City time) if a Noteholder has

provided to the Paying Agent and the Trustee wiring instructions at least five (5) Business Days prior to the applicable Payment Date or (ii) by check mailed first-class postage prepaid to such Noteholder at the address for such Noteholder appearing in the Note Register if such Noteholder has not provided wire instructions pursuant to clause (i) above; provided, however, that the final principal payment due on a Note shall only be paid upon due presentment and surrender of such Note for cancellation in accordance with the provisions of the Note at the applicable Corporate Trust Office.

(b) Unless otherwise specified in the applicable Series Supplement or in this Base Indenture (including Section 10.12), and except to the limited extent described below,

(i) on each Payment Date, the Co-Issuers will make payments of interest, make-whole amount and any other amount other than payments of principal on the Notes in the following order of priority:

(A) first, on each Class of Senior Notes, *pro rata* according to the amount of interest payable on each Class of Senior Notes until paid in full, and

(B) second, on each Class of Subordinated Notes sequentially in alphanumerical order until paid in full (for which purpose each Class of Subordinated Notes bearing the same alphanumerical designation will be paid *pro rata* according to the amount of interest, make-whole or such other amount payable on each of such Classes of Subordinated Notes);

provided, that the Additional Interest Amount, if any, payable on each Class of Notes Outstanding will be paid on a subordinated basis in accordance with the Priority of Payments on each Payment Date (which with respect to the Additional Interest Amount payable at each priority level in the Priority of Payments will be allocated to each of the applicable Classes of Notes Outstanding in the order of priority described in clauses (A) and (B) of this subclause (b)(i).

(ii) On each Payment Date, the Co-Issuers will make mandatory prepayments of principal, if any, in connection with Series 2007-1 Monthly Aggregate Extension Prepayment Amounts, any Indemnification Amount, any Asset Disposition Prepayment Amount, any Insurance Proceeds Amount, any Subordinated Notes Principal Amortization Amounts, a Rapid Amortization Event or a Partial Amortization Event in the following order of priority:

(A) if no Rapid Amortization Event and no Partial Amortization Event has occurred,

(1) first, on the Class A-2-I Notes of all Series of Notes Outstanding until paid in full,

(2) second, on the Class A-2-II Notes of all Series of Notes Outstanding until paid in full,

(3) third, on the Class A-1 Notes of all Series of Notes Outstanding until paid in full; provided, that any payment of principal of any Class A-1 L/C Notes of any Series of Notes pursuant to this clause third may require the deposit of the Cash Collateral with the applicable L/C Provider in connection with the Collateralized Letters of Credit, all in accordance with the terms set forth in the final two provisos of Section 11.1(e) above, and

(4) fourth, on each Class of Subordinated Notes of each Series of Notes Outstanding sequentially in alphanumerical order;

(B) if either a Rapid Amortization Event that is potentially subject to the one-time Series 2007-1 Rapid Amortization Cure Right or a Partial Amortization Event has occurred,

(1) first, on the Class A-2 Notes of all Series of Notes Outstanding until paid in full,

(2) second, on the Class A-1 Notes of all Series of Notes Outstanding until paid in full; provided, that any payment of principal of any Class A-1 L/C Notes of any Series of Notes pursuant to this clause second may require the deposit of the Cash Collateral with the applicable L/C Provider in connection with the Collateralized Letters of Credit, all in accordance with the terms set forth in the final two provisos of Section 11.1(e) above, and

(3) third, on each Class of Subordinated Notes of each Series of Notes Outstanding sequentially in alphanumerical order;

provided, that principal to be paid pursuant to a series specific Partial Amortization Event will be allocable only to the relevant Series;

(C) if a Rapid Amortization Event that is not potentially subject to the one-time Series 2007-1 Rapid Amortization Cure Right has occurred,

(1) first, on the Class A-1 Notes of all Series of Notes Outstanding until paid in full; provided, that any payment of principal of any Class A-1 L/C Notes of any Series of Notes pursuant to this clause first may require the deposit of the Cash Collateral with the applicable L/C Provider in connection with the Collateralized Letters of Credit, all in accordance with the terms set forth in the final two provisos of Section 11.1(e) above,

(2) second, on the Class A-2 Notes of all Series of Notes Outstanding until paid in full, and

(3) third, on each Class of Subordinated Notes of each Series of Notes Outstanding sequentially in alphanumerical order;

(D) if the Aggregate Controlling Party has directed the Indenture Trustee to liquidate the Indenture Collateral following the occurrence of an Event of Default and an acceleration of the Notes,

(1) first, to all Classes of Senior Notes of all Series of Notes Outstanding *pro rata* based on the Aggregate Outstanding Principal Amount until paid in full; provided, that any payment of principal of any Class A-1 L/C Notes of any Series of Notes pursuant to this clause first may require the deposit of the Cash Collateral with the applicable L/C Provider in connection with the Collateralized Letters of Credit, all in accordance with the terms set forth in the final two provisos of Section 11.1(e) above, and

(2) second, to each Class of Subordinated Notes of all Series of Notes Outstanding sequentially in alphanumerical order.

(iii) Payments of principal on each Class of Notes of all Series of Notes Outstanding at each priority level described above will be paid *pro rata* according to the Aggregate Outstanding Principal Amount of each Class of Notes Outstanding.

(iv) Notwithstanding the foregoing, the Co-Issuers may apply an equity contribution made by Applebee's International to Applebee's Holdings for contribution to the Master Issuer to optionally prepay in whole or in part one or more Classes of Notes without regard to the alphanumerical designation of such Class or Classes of Notes in an Optional Prepayment on any Optional Prepayment Date; provided, that any Optional Prepayment of Series 2007-1 Subordinated Notes prior to the payment in full of Senior Notes will require satisfaction of such conditions described in Section 4.7(e) of the Series 2007-1 Supplement.

(v) If a Class of Senior Notes has multiple sub-classes, unless otherwise specified in the related Series Supplement, the sub-classes will rank *pari passu* with each other for purposes of all payments thereon but may earn different stated rates of interest, all or just individual subclasses may or may not be insured with respect to the amounts of principal and interest owed there by different Insurers, if any, and even if insured, such sub-classes may be insured by different Insurers that will be severally and not jointly liable for their obligations to the Holders of the related sub-Class of Senior Notes. Payments of interest on each sub-class of a Class of Senior Notes will be paid *pro rata* according to the aggregate amount of interest due (or such other amount payable) on each sub-class on each Payment Date. For the avoidance of doubt, the Series 2007-1 Class A-2-II-A Notes (issued in accordance with the applicable Insurance Policy) and the Series 2007-1 Class A-2-II-X Notes (which are not insured by any Insurer)

will rank *pari passu* with each other for purposes of all payments thereon but each sub-class may earn a separate rate of interest.

(vi) All Notes issued under the Indenture that are part of a Class with an alphanumerical designation that contains the letter "A" together with any subclasses thereof will be classified as " Senior Notes" for all purposes under the Indenture. All Notes issued under the Indenture that are part of a Class with an alphanumerical designation that does not contain the letter "A" will be classified as " Subordinated Notes" for all purposes under the Indenture.

(c) Unless otherwise specified in the applicable Series Supplement, the Indenture Trustee shall distribute all amounts owed to the Noteholders of any Class of Notes pursuant to the instructions of the Co-Issuers whether set forth in a Servicer's Certificate, a Company Order or otherwise.

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 Business Day immediately preceding each Weekly Allocation Date (or, if one or more non-Business Days occur during the same calendar week as such Weekly Allocation Date, on such Weekly Allocation Date), the Servicer shall furnish or cause to be furnished, to the Indenture Trustee, the Rating Agencies, the Back-Up Manager and each Insurer, if any, 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 10:00 a.m. (New York City time) on each Accounting Date, the Servicer shall furnish or cause to be furnished, to the Indenture Trustee, the Rating Agencies, the Back-Up Manager, each Paying Agent and each Insurer, if any, a monthly servicer's certificate substantially in the form of Exhibit K hereto (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 provided in any other notice given hereunder, no Servicer Termination Event, Rapid Amortization Event, Potential Rapid Amortization Event, Default or Event of Default has occurred or is continuing and no trademark registrations are within three (3) months of lapsing except with respect to such trademark registrations that the Servicer has determined to allow to lapse within such time period pursuant to the Servicing Standard (each, a " Monthly Servicer's Report").

(c) Monthly Noteholders' Report. On or before 10:00 a.m. (New York City time) on the second Business Day prior to each Payment Date, the Co-Issuers (or the Servicer on the Co-Issuers' behalf) shall furnish, or cause to be furnished, to the Indenture Trustee, the Rating Agencies, the Back-Up Manager and each Insurer, if any, the Monthly Noteholders' Report with respect to each Series of Notes substantially in the form of Exhibit M hereto or provided in the applicable Series Supplement, which with respect to the Series 2007-1 Notes will contain the information set forth in Section 12.4.

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

(e) Master Issuer and Franchise Holder Financial Statements. The Servicer, on behalf of the Co-Issuers, shall deliver to the Indenture Trustee, the Rating Agencies, the Back-Up Manager and each Insurer, if any:

(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 balance sheet of the Master Issuer and the Franchise Holder as of the end of each of the first three quarters of each fiscal year and unaudited statements of income, changes in shareholders' equity and cash flows of the Master Issuer and the Franchise Holder 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 any event within one hundred and twenty (120) days after the end of each fiscal year, an audited balance sheet of the Master Issuer and the Franchise Holder as of the end of each fiscal year and audited statements of income, changes in shareholders' equity and cash flows of the Master Issuer and the Franchise Holder 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 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,

provided, that during the first fiscal year following the Closing Date, the quarterly unaudited financial statements of the Master Issuer and the Franchise Holder shall be delivered within sixty (60) days after the end of each of the first three quarters of the fiscal year and the annual audited financial statements of the Master Issuer and the Franchise Holder shall be delivered within one hundred and fifty (150) days after the end of the fiscal year.

(f) Applebee's International Financial Statements. The Servicer, on behalf of the Co-Issuers, shall deliver to the Indenture Trustee, the Back-Up Manager, the Rating Agencies and each Insurer, if any:

(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 Applebee's International 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 Applebee's International 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 any event within one hundred and twenty (120) days after the end of each fiscal year, an audited consolidated balance sheet of Applebee's International as of the end of each fiscal year and audited consolidated statements of income, changes in shareholders' equity and cash flows of Applebee's International 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,

provided, that during the first fiscal year following the Closing Date, the quarterly unaudited consolidated financial statements of Applebee's International shall be delivered within sixty (60) days after the end of each of the first three quarters of the fiscal year and the annual audited consolidated financial statements of Applebee's International shall be delivered within one hundred and fifty (150) days after the end of the fiscal year.

(g) IHOP Corp. Financial Statements. The Servicer, on behalf of the Co-Issuers, shall deliver to the Indenture Trustee, the Rating Agencies, the Back-Up Manager, and each Insurer, if any:

(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 any 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.

(h) Additional Information. (i) The Servicer, on behalf of the Co-Issuers, will furnish, or cause to be furnished, from time to time such additional information regarding the Indenture 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., Applebee's International, the Servicer, and any Securitization Entity; and (ii) the Master Issuer or the Servicer will furnish, or cause to be furnished, to the Indenture Trustee and each Insurer, if any, notice of the occurrence of any Partial Amortization Event or Rapid Amortization Event within two (2) days of the occurrence of such event.

(i) Instructions as to Withdrawals and Payments. The Master 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 Collection 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.

(j) 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. On or before January 31 of each calendar year, beginning with calendar year 2009, 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 Master Issuer containing the information which is required to be contained in the Monthly Noteholders' Reports 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 Master Issuer deems necessary or desirable to enable the Noteholders to prepare their tax returns (each such statement, an "Annual Noteholders' Tax Statement").

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' Reports available each month to Noteholders, Note Owners, each Insurer, if any, 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, if any, and the Rating Agencies. The Indenture Trustee's website will initially be located at 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 (866) 846-4526. 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 Base Indenture. For so long as any Class of Notes is listed on the Irish Stock Exchange and the rules of such exchange so require, the Co-Issuers shall notify the Irish Paying Agent (for notification to the Irish Stock Exchange) if the rating assigned by any Rating Agency to such Class of Notes is reduced or withdrawn.

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 Co-Issuers. 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 Co-Issuers. 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 Class A-1 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 Base Indenture, subject to the terms and conditions of this Base 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 Base 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 of Notes if and to the extent 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 13.2 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

solely as provided in the applicable Series Supplement. None of the Co-Issuers may 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 the Aggregate Controlling Party has consented as to the form and substance of the Series Hedge Agreement.

Section 13.3 Hedge Counterparties. Any Hedge Counterparty shall be required to satisfy the following rating requirements (the "Hedge Counterparty Required Ratings") at the time that the related Series Hedge Agreement is entered into:

(i) Such Hedge Counterparty shall be required to have a short-term debt rating from Moody's;

(ii) if such Hedge Counterparty has only a short-term debt rating by Moody's, then such Hedge Counterparty will be required to have a short-term debt rating by Moody's of "P-1" or, if such Series Hedge Counterparty has only a long-term debt rating by Moody's, then such 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 Hedge Counterparty may not be on credit watch for a possible downgrade of such rating);

(iii) if such Hedge Counterparty has both short-term and long-term debt ratings by Moody's, then such Hedge Counterparty will be required to have both (x) a short-term debt rating by Moody's of "P-1" and that is not on credit watch for a possible downgrade and (y) a long-term debt rating by Moody's of at least "A2" (and, if such rating is "A2," such Hedge Counterparty may not be on credit watch for a possible downgrade of such rating);

(iv) such Hedge Counterparty shall be required to have a short-term debt rating by S&P of at least "A-1" or, if such Hedge Counterparty has only a long-term debt rating by S&P, then such Hedge Counterparty will be required to have a long-term debt rating by S&P of "A+"; and

(v) such Hedge Counterparty shall be required to have a short-term debt rating by Fitch of "F-1" or, if such Hedge Counterparty has only a long-term debt rating by Fitch, then such Hedge Counterparty shall be required to have a long-term debt rating by Fitch of "A."

If at any time after a Series Hedge Agreement is entered into, the applicable Hedge Counterparty fails to continue to have the Hedge Counterparty Required Ratings with respect to Moody's, but a Moody's Second Trigger Event has not yet occurred, then such Hedge Counterparty shall be required, at its sole expense, within ten (10) 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 Hedge Counterparty's obligations under such Series Hedge Agreement;

(ii) obtain a guarantor that has a Hedge Counterparty Required Rating with respect to Moody's; or

(iii) replace itself under the related Series Hedge Agreement with a substitute Hedge Counterparty that has the Hedge Counterparty Required Ratings with respect to Moody's or cause such substitute 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 Hedge Counterparty has either (A) a short-term debt rating by Moody's, and its short-term Moody's rating is "P-3" or below or is suspended or withdrawn, or (B) a long-term debt rating by Moody's and its long-term Moody's rating is "A3" or below or is suspended or withdrawn (such event, a " Moody's Second Trigger Event"), then such Hedge Counterparty will be required within ten (10) Business Days of such Moody's Second Trigger Event 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 five (5) 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 Hedge Counterparty's obligations under such Series Hedge Agreement.

If at any time after a Series Hedge Agreement is entered into, a Hedge Counterparty has a short-term debt rating by S&P or Fitch below "A-1" or "F-1" respectively, or, if a Hedge Counterparty has no short-term debt rating by S&P or Fitch, a long-term debt rating by S&P or Fitch below "A+" or "A," respectively, or that has been suspended or withdrawn, then such Hedge Counterparty shall be required, at its sole expense, within ten (10) Business Days, to either:

(i) post collateral in a segregated account as required by the relevant Series Hedge Agreement to secure such 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 or Fitch, as applicable, 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 Hedge Counterparty Required Rating with respect to S&P or Fitch, as applicable, 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 Hedge Counterparty that has a Hedge Counterparty Required Rating with respect to S&P or Fitch, as applicable, and the appointment of which will satisfy the Rating Agency Condition with respect to S&P or Fitch, as applicable; or (z) take such other actions necessary to satisfy the Rating Agency Condition with respect to S&P or Fitch, as applicable.

If at any time the short-term debt rating of a Hedge Counterparty by S&P or Fitch is lowered to below "A-2" or "F-2," as applicable, or the long-term debt rating of a Hedge

Counterparty is lowered to below “A-” by S&P or “BBB+” by Fitch, such Hedge Counterparty shall be required, at its sole expense, to immediately (but within no later than ten (10) Business Days) replace itself under the related Series Hedge Agreement with a substitute Hedge Counterparty that has a Hedge Counterparty Required Ratings and the appointment of which will satisfy the Rating Agency Condition with respect to S&P and Fitch or cause such substitute Hedge Counterparty to enter into a substantially equivalent Series Hedge Agreement with the Co-Issuers.

Any and all collateral posted by a Series Hedge Counterparty pursuant to the foregoing provisions of this Section 13.3 shall be held by the Indenture Trustee for the benefit of the Secured Parties, and the Co-Issuer’s rights with respect thereto shall constitute part of the Indenture Collateral.

ARTICLE XIV

RELEASE OF EXCLUDED ASSETS FROM TRUST ESTATE

Section 14.1 Release of Excluded Assets from the Trust Estate.

(a) Upon:

(i) receipt by the Indenture Trustee of the applicable Indemnification Amount in accordance with the applicable Transaction Document and all other amounts (if any) required to be paid at such time thereunder in connection with all of the assets relating to the applicable Company-Owned U.S. Restaurant, Post-Closing U.S. Restaurant or Franchised U.S. Restaurant, as the case may be;

(ii) deposit into the Capital Expenditure Reserve Account of the proceeds of an Asset Disposition;

(iii) receipt by the Indenture Trustee of an IHOP Certificate Release Request from the Master Issuer; provided that the IHOP Certificate Release Request shall be effective only:

(1) if the IHOP Certificate Release Request is made by the Master Issuer (or Servicer acting on its behalf) on or after the last day of the first full fiscal month following the three-year anniversary of the Closing Date;

(2) if as of the Payment Date immediately preceding the effective time of such IHOP Certificate Release Request, the One-Year DSCR is greater than 3.00x;

(3) if at the effective time of such IHOP Certificate Release Request, no Rapid Amortization Event has occurred and is continuing; and

(4) if at the effective time of such IHOP Certificate Release Request, no Subordinated Notes are Outstanding;

(iv) a Franchise Asset Termination;

(v) receipt by the Indenture Trustee of the proceeds from an Obsolete Property Disposition; or

(vi) receipt by the Indenture Trustee of all amounts obtained from the sale and transfer of the Indenture Collateral pursuant to the Auction for purposes of implementing the Auction Call Redemption and the satisfaction of the Auction Consummation Conditions (each of clauses (i) through (vi), an "Indenture Collateral Release Event"),

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 any part of the Indenture Collateral (the "Released Indenture Collateral Asset") relating to such Indenture Collateral Release Events shall automatically terminate and such applicable Indenture Collateral shall be released from the Trust Estate. For the avoidance of doubt, the Released Indenture Collateral Asset in the case of any Asset Disposition or Franchise Asset Termination shall be limited to the Indenture Collateral disposed of or terminated, as the case may be.

Section 14.2 Delivery of Documents by Indenture Trustee. The Indenture Trustee shall deliver any such documents as any Co-Issuer or the Servicer shall reasonably request to evidence the termination of a security interest in an Excluded Asset or Released Indenture Collateral Asset or the release of an Excluded Asset or Released Indenture Collateral Asset from the Trust Estate.

Section 14.3 Insurance/Condemnation Proceeds. All Insurance/Condemnation Proceeds on the Collateral received by or on behalf of the Securitization Entities in excess of $10 million during any fiscal year, commencing with the fiscal year in which the Closing Date occurs, will be applied to prepay principal of each Series of Notes Outstanding in an amount equal to such excess (such excess, the "Insurance Proceeds Amount") in accordance with the Priority of Payments on the Payment Date immediately following the receipt of such proceeds; provided that, notwithstanding the foregoing, the Insurance Proceeds Amount will not include (i) any proceeds that are invested by the applicable Securitization Entity in the restoration of the applicable Applebee's Restaurants, the New U.S. Restaurant Business, property on which Applebee's Restaurants are proposed to be developed and/or improvements and equipment relating to Applebee's Restaurants within 360 days of the casualty or condemnation giving rise to such proceeds, (ii) any Franchisee Insurance Proceeds that are allocable to Franchisee Insurance Restoration Payments or otherwise allocable to the related Franchisee pursuant to the related Franchise Agreement, and (iii) any Insurance/Condemnation Proceeds that are otherwise required to be reinvested in the Collateral pursuant to the Franchise Documents or otherwise. Any Insurance Proceeds Amounts shall be deposited into the Insurance Proceeds Account to be administered in accordance with Section 10.2(d) of this Base Indenture.

ARTICLE XV

AUCTION CALL REDEMPTION

Section 15.1 Auction Call Redemption. In accordance with the procedures set forth below (the "Auction Procedures"), the Indenture Trustee and an auction agent (such entity, the "Auction Agent") selected by the Aggregate Controlling Party will, on behalf of the Secured Parties, at the expense of the Co-Issuers (which expenses will be paid by the Co-Issuers in accordance with the Priority of Payments and will be required to be reasonable and customary in all respects), conduct an auction (an "Auction") of the Collateral if any Notes are Outstanding on the date fifteen (15) Business Days prior to the Payment Date occurring in December 2022 or the date fifteen (15) Business Days prior to the two year anniversary of each prior Auction Date thereafter until no Notes are Outstanding (each such date, an "Auction Date"). The Servicer, the Holders of the Subordinated Notes, the Indenture Trustee, the Back-Up Manager and any Hedge Counterparty and their respective Affiliates may, but will not be required to, bid at the Auction. The Indenture Trustee will sell and transfer or terminate the Collateral at the Auction; provided, that: (i) the Servicer or the Auction Agent certifies that bids from one or more bidders would result in the sale of all or a portion of the Collateral for a purchase price (paid in cash) which together with Eligible Investments held by the Co-Issuers (other than any Eligible Investments held by the Co-Issuers in any Servicing Account or the Advertising Fees Account) will be at least equal to the Total Redemption Amount; and (ii) each bidder selected by the Servicer enters into a written agreement with the Master Issuer (which the Master Issuer will execute if the conditions set forth herein are satisfied) that obligates it to purchase all or a portion of the Collateral and provides for payment in full (in cash) of the purchase price to the Indenture Trustee on the relevant Auction Date. If the conditions set forth in clauses (i) and (ii) above have been met (the "Auction Consummation Conditions"), the Indenture Trustee will sell and transfer the Collateral without representation, warranty or recourse, to the applicable selected bidder in accordance with and upon completion of the Auction Procedures. The Indenture Trustee will deposit the purchase price for or proceeds from the termination or disposition of, the Collateral in the Collection Account, and each Class of Series 2007-1 Notes will be redeemed on the Payment Date immediately following the relevant Auction Date in an amount equal to the outstanding principal balance of such Class of Notes plus any accrued but unpaid interest owed thereon (such redemption, the "Auction Call Redemption"). If any of the Auction Consummation Conditions are not met with respect to any Auction or if any selected bidder fails to pay the purchase price before the 6th Business Day following the relevant Auction Date, (a) the Auction Call Redemption will not occur on the Payment Date following the relevant Auction Date, (b) the Indenture Trustee will give notice of the withdrawal of the notice of Auction Call Redemption, (c) the Indenture Trustee will decline to consummate such sale and, subject to clause (d) below, may not solicit any further bids or otherwise negotiate any further sale or termination of Collateral Assets in relation to such Auction and (d) unless the Series 2007-1 Notes are redeemed in full prior to the next succeeding Auction Date, the Indenture Trustee and the Auction Agent will conduct another Auction on the next succeeding Auction Date. The Auction Procedures may be modified by the Co-Issuers and the Indenture Trustee subject to the prior written consent of the Aggregate Controlling Party.

Notice of an Auction Call Redemption will be given by the Indenture Trustee by first-class mail, postage prepaid, mailed not less than 10 Business Days prior to the Payment

Date immediately following the relevant Auction Date, to each Holder of Notes at such Holder's address in the Note Register maintained by the Note Registrar in accordance with the provisions of the Indenture. Failure to give notice of redemption, or any defect therein, to any Holder of any Note selected for redemption will not impair or affect the validity of the redemption of any other Notes. Notes called for redemption must be surrendered at the office of any Paying Agent, other than the Irish Paying Agent, appointed under the Indenture in order to receive all amounts that remain due and payable on the Notes. If any Notes to be redeemed in an Auction Call Redemption are listed on the Irish Stock Exchange, the Indenture Trustee shall also deliver notice of such redemption to the Irish Paying Agent at least ten (10) days prior to the Payment Date on which the Auction Call Redemption shall occur (and the Irish Paying Agent shall then forward such notice to the Irish Stock Exchange).

All notices of redemption with respect to the Notes will state: (a) the Payment Date on which the Auction Call Redemption will occur, (b) the amount to be paid with respect to each Class of Notes, (c) that all the Notes are being paid in full and that interest on such Notes will cease to accrue on the date specified in the notice and (d) the place or places where such Notes to be redeemed are to be surrendered for payment which will be the office of the Note Registrar or the office of any Paying Agent other than the Irish Paying Agent.

ARTICLE XVI

MISCELLANEOUS

Section 16.1 RESERVED.

Section 16.2 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 any 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 any 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, any 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 such Co-Issuer, the Servicer or such other Person, unless such Authorized Officer of any 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 any of the Co-Issuers (as applicable) stating

that the information with respect to such matters is in the possession of any 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 Base Indenture, they may, but need not, be consolidated and form one instrument.

Whenever in this Base Indenture it is provided that the absence of the occurrence and continuation of a Default, Event of Default or Rapid Amortization Event 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, Event of Default or Rapid Amortization Event as provided in Section 6.1(d).

Section 16.3 Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Base 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 Base Indenture and conclusive in favor of the Indenture Trustee and the Co-Issuers, if made in the manner provided in this Section 16.3.

(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 16.4 Notices, etc. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other documents provided or permitted by this Base 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, if any, 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 5547, Attn: Corporate Trust Services/Asset-Backed Administration, or at any other address previously furnished in writing to each Co-Issuer, the Servicer, each Insurer, if any, or Holders by the Indenture Trustee;

(b) the Master Issuer by the Indenture Trustee, the Servicer, each Insurer, if any, 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 c/o Applebee's Services, Inc., 11201 Renner Blvd., Lenexa, Kansas 66219, Attn: Deputy General Counsel, facsimile: (913) 980-9100, or at any other address previously furnished in writing to the Indenture Trustee by the Master Issuer;

(c) any Co-Issuer by the Indenture Trustee, the Servicer, each Insurer, if any, 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 c/o Applebee's Services, Inc., 11201 Renner Blvd., Lenexa, Kansas 66219, Attn: Deputy General Counsel, facsimile: (913) 980-9100, 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, if any, 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 Applebee's Services, Inc., 11201 Renner Blvd., Lenexa, Kansas 66219, Attn: Deputy General Counsel, facsimile: (913) 980-9100, or at any other address previously furnished in writing to the Co-Issuers, the Indenture Trustee, each Insurer, if any, 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., 7 World Trade Center at 250 Greenwich Street, New York, NY 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);

(g) Fitch, by the Co-Issuers, the Servicer or the Indenture Trustee, shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) to Fitch Ratings, 70 W. Madison Street, Chicago, Illinois 60602, Attn: ABS Monitoring Group – Whole Business, Facsimile: (312) 368-2069; or

(h) each Insurer, if any, 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 Insurers, if any, 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 Insurers, if any.

Section 16.5 Notices to Holders; Waiver. Except as otherwise expressly provided herein, where this Base 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 Base 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 Base 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 16.6 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 16.7 Successors and Assigns. All covenants and agreements in this Base Indenture by the each of the Co-Issuers shall bind its successors and assigns, whether so expressed or not. Any assignment of this Base Indenture without the written consent of each Series Controlling Party shall be null and void.

Section 16.8 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 16.8 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, if any, 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 16.8, 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 16.8 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 16.9 Confidential Information. Each of the parties hereto acknowledges that during the Term of the Indenture such party (the "Recipient") may receive Confidential Information from another party hereto (the " Discloser"). Recipient 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 of the Discloser 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 16.9 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 Base 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 16.10 Separability. In case any provision in this Base 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 16.11 Benefits of Indenture. Nothing in this Base 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 Base Indenture. Each Insurer, if any, is an express third party beneficiary of this Base Indenture entitled to enforce the provisions hereof as if a party hereto.

Section 16.12 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 Base 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 16.13 Governing Law. THIS BASE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

Section 16.14 Submission to Jurisdiction. The Co-Issuers and Indenture Trustee hereby, and each Insurer, if any, 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 Base Indenture, and the Co-Issuers and Indenture Trustee hereby, and each Insurer, if any, 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 Co-Issuers and Indenture Trustee hereby, and each Insurer, if any, 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 Co-Issuers 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 Co-Issuers, Indenture Trustee and each Insurer, if any, 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 16.15 Counterparts. This instrument and any Series Supplement may be executed in any number of counterparts (including by facsimile or other electronic means of communication), 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.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above mentioned.

APPLEBEE'S ENTERPRISES LLC,
as Master Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S IP LLC,
as IP Holder

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS NORTH LLC,
as a Restaurant Holder

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC,
as a Restaurant Holder

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS WEST
LLC,
as a Restaurant Holder

By: /s/ Beverly Elving
Name: Beverly Elving
Title:

APPLEBEE'S RESTAURANTS TEXAS
LLC,
as a Restaurant Holder

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS KANSAS
LLC,
as a Restaurant Holder

By: /s/ Rebecca Tilden
Name: Rebecca Tilden
Title: Vice President

APPLEBEE'S RESTAURANTS
VERMONT INC.,
as a Restaurant Holder

By: /s/ Rebecca Tilden
Name: Rebecca Tilden
Title: President

APPLEBEE'S RESTAURANTS INC.,
as a Restaurant Holder

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

WELLS FARGO BANK, NATIONAL
ASSOCIATION,
as Indenture Trustee

By: /s/ Melissa Philibert
Name: Melissa Philibert
Title: Vice President

Signature Page to Base Indenture

APPENDIX A

DEFINITIONS

"Accounts": Collectively, the Indenture Trust Accounts, the Servicing Accounts and the Restaurant Accounts.

"Account Control Agreement": The Account Control Agreement (Indenture Trust Accounts), the Account Control Agreement (Servicing Accounts), the Account Control Agreements (Restaurant Accounts) or such other control agreement in form and substance reasonably satisfactory to the Aggregate Controlling Party .

"Account Control Agreement (Indenture Trust Accounts) ": The Account Control Agreement, dated as of the Closing Date, by and among the Master Issuer, the Indenture Trustee and Wells Fargo Bank, National Association, in its additional capacity as the securities intermediary thereunder, relating to the Indenture Trust Accounts, as the same may be amended or otherwise modified from time to time in accordance with the terms thereof.

"Account Control Agreements (Restaurant Accounts) ": The Account Control Agreements, each dated as of the Closing Date, by and among the Master Issuer, the Servicer, the Back-Up Manager, the Indenture Trustee and the financial institutions named therein, relating to the Restaurant Accounts, as each may be amended or otherwise modified from time to time in accordance with the terms thereof.

"Account Control Agreement (Servicing Accounts) ": The Account Control Agreement, dated as of the Closing Date, by and among the Master Issuer, the Servicer, the Back-Up Manager, the Indenture Trustee and JPMorgan Chase Bank, N.A., in its capacity as the securities intermediary thereunder, relating to the Concentration Account and the Servicing Accounts, as the same may be amended or otherwise modified from time to time in accordance with the terms thereof.

"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).

"Accounting Date": With respect to any Payment Date, the third Business Day preceding such Payment Date.

"Accrued Insurer Premiums Amount": With respect to each Payment Date, the aggregate amount of the Insurer Premiums for all Classes of Senior Notes for the Interest Accrual Period ending on the related Payment Date plus any Carryover Accrued Insurer Premium Amount for such Payment Date.

"ACMC Gift Card": A Gift Card issued by ACMC, Inc. for redemption in Applebee's Restaurants.

"ACMC, Inc.": The meaning specified in the definition of "Excluded Property" in this Appendix A.

"ACMC-Developed IP": U.S. Intellectual Property Rights in all of the following created, developed, authored or acquired by ACMC, Inc. under the ACMC IP License Agreement: (i) the Applebee's Brand and (ii) derivative works of and other variations on the Trademarks included in the IP Assets.

"ACMC IP License Agreement": The ACMC Intellectual Property License Agreement, dated as of the Closing Date between the IP Holder, as the licensor, and ACMC, Inc., as the licensee.

"Act": The meaning specified in Section 16.3 of the Base Indenture.

"Actual Knowledge": The actual knowledge of (i) the Chief Executive Officer, the Chief Financial Officer, the Treasurer, the Comptroller, the General Counsel or the Senior Vice President of Finance of the Servicer, (ii) any manager or director (as applicable) of the relevant Securitization Entity who is also a director or an officer of the Servicer and/or IHOP Corp. (iii) an Authorized Officer of the Servicer or the Co-Issuers directly responsible for managing the servicing of the relevant asset or for administering the transactions relevant to such event or (iv) an Authorized officer of the Indenture Trustee responsible for administering the transactions relevant to such event.

"Additional Co-Issuer": Any entity that, after the Closing Date, becomes a "Co-Issuer" pursuant to Section 7.14(a) of the Base Indenture.

"Additional Interest Amount": With respect to (i) the Series 2007-1 Notes, the Series 2007-1 Additional Interest Amount and (ii) any additional Series of Notes, the Contingent Additional Interest Amount, if any, the Post-ARD Contingent Additional Interest Amount, if any, the Class A-2-I Note Excess Adjusted Interest Amount, if any, and the Senior Notes Monthly Excess Adjusted Interest Amount, if any.

"Additional Notes": Additional Series of Notes.

"Additional Securitization Entity": Any Subsidiary (direct or otherwise) of the Master Issuer or other Securitization Entity formed after the Closing Date.

"Adjusted Repayment Date": With respect to (i) the Series 2007-1 Notes, the Series 2007-1 Adjusted Repayment Date and (ii) any additional Series of Notes, the meaning, if any, specified in the related Series Supplement.

"Advance": Loans made by investors in the Series 2007-1 Class A-1 Note Purchase Agreement that will constitute the purchase of Series 2007-1 Class A-1 Outstanding Principal Amounts.

"Advertising Fees": The meaning specified in Section 10.2(a) of the Base Indenture.

"Advertising Fees Account": The meaning specified in Section 10.2(a) of the Base Indenture.

"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": All U.S. Intellectual Property Rights (and, with respect to the POS System, worldwide Intellectual Property rights) created, developed, authored or acquired by the IP Holder after the Closing Date pursuant to the Transaction Documents or otherwise, including all Servicer-Developed IP, Licensee-Developed IP and ACMC-Developed IP.

"Agent Members": Members of, or participants in, DTC.

"Aggregate Controlling Party": The Series Controlling Party with respect to a Majority of all Senior Notes Outstanding or, if no Senior Notes are Outstanding, a Majority of all Subordinated Notes Outstanding; provided that in determining such Majority, with respect to any Series of Notes for which the Lead Insurer is the Series Controlling Party, the Lead Insurer will 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 the Series 2007-1 Class A-1 Notes and any other variable funding Series of Notes, the Aggregate Outstanding Principal Amount, for purposes of the definitions of "Aggregate Controlling Party" and "Series Controlling Party," will include the maximum possible Aggregate Outstanding Principal Amount under such variable funding series of notes; provided, further, that so long as any Series 2007-1 Class A-1-A Notes or any Series 2007-1 Class A-2-II-A Notes remain Outstanding, Assured Guaranty shall be deemed to be the Aggregate Controlling Party with respect to all Series of Notes Outstanding (except in circumstances in which an Insurer Event of Default has occurred and is continuing in respect of Assured Guaranty, in which case the "Aggregate Controlling Party" shall be determined as otherwise set forth in this definition).

"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.

"Allocated Note Amount": With respect to (i) each Company-Owned U.S. Restaurant, Post-Closing U.S. Restaurant or Franchised U.S. Restaurant in existence on the Closing Date, the portion of the Aggregate Outstanding Principal Amount of the Notes allocated to such Applebee's Restaurant on the Closing Date based on such Applebee's Restaurant's relative contribution to the cash flows attributable to the Applebee's Restaurants over the twelve-month period ending September 30, 2007; and (ii) any Applebee's Restaurant contributed to the

applicable Restaurant Holder or any new Franchised U.S. Restaurant coming into existence following the Closing Date, the dollar amount based on such Applebee's Restaurant's relative contribution to the Retained Contributions attributable to the Applebee's Restaurants for the most recent twelve-month period (which with respect to any Applebee's Restaurant with less than a twelve month record will be assumed to equal the system-wide average amount of franchise royalties collected or Restaurant Holder Profit collected, as applicable for all Applebee's Restaurants over such period); provided, that in the case of a Refranchised Restaurant, such contribution will be determined as if such Refranchised Restaurant had been a Franchised U.S. Restaurant for the most recent twelve-month period; provided, further, that in each case the Allocated Note Amount with respect to each Applebee's Restaurant will be at least $10,000. The Servicer will recalculate the Allocated Note Amount with respect to all of the Applebee's Restaurants as of each date on which Applebee's International or the Servicer is required to reacquire the assets relating to an Applebee's Restaurant according to the cash proceeds attributable to each of the remaining Applebee's Restaurants over the most recent twelve-month period taking into account any change to the number of Applebee's Restaurants and the Aggregate Outstanding Principal Amount of the Notes.

"Annual Aggregate Asset Disposition Threshold": With respect to any fiscal year, $10,000,000.

"Annual Noteholders' Tax Statement": The meaning specified in Section 12.2 of the Base Indenture.

"Anticipated Repayment Date": With respect to (i) the Series 2007-1 Notes, the Series 2007-1 Anticipated Repayment Date and (ii) any additional Series of Notes, the meaning, if any, specified in the related Series Supplement.

"Applebee's Brand": The Trademark "Applebee's," alone or in combination with other words or symbols, any variations or derivatives thereof, and any names or marks confusingly similar thereto and when used as an adjective, "Applebee's Branded."

"Applebee's Holdings": Applebee's Holdings LLC, a newly formed, special purpose Delaware limited liability company.

"Applebee's Holdings Guaranty and Collateral Agreement": The Guaranty and Collateral Agreement, by and among Applebee's Holdings, the Master Issuer and the Indenture Trustee, dated as of the Closing Date.

"Applebee's Holdings II": Applebee's Holdings II Corp., a newly formed, special purpose Delaware corporation.

"Applebee's Holdings II First-Tier Asset Contribution Agreement": The asset contribution agreement, dated as of the Closing Date, between Applebee's International and Applebee's Holdings II.

"Applebee's Holdings II Second-Tier Asset Contribution Agreement": The asset contribution agreement, dated as of the Closing Date, between Applebee's Holdings II and Applebee's Holdings.

"Applebee's International": Applebee's International, Inc., a Delaware corporation.

"Applebee's International First-Tier Asset Contribution Agreement": The asset contribution agreement, dated as of the Closing Date, between Applebee's International, as the contributor, and Applebee's Holdings, as the contributee.

"Applebee's International Retained U.S. Restaurants IP License Agreement": The Applebee's International Intellectual Property License Agreement (Retained U.S.

Restaurant), dated as of the Closing Date, between the IP Holder, as the licensor, and Applebee's International, as the licensee.

"Applebee's International U.S. Territories/POS System IP License Agreement": The Applebee's International Intellectual Property License Agreement (U.S. Territories and POS System), dated as of the Closing Date, between the IP Holder, as the licensor, and Applebee's International, as the licensee.

"Applebee's Restaurants": As of any date of determination, any restaurant operated under the Applebee's Brand located in the United States, including "Applebee's Neighborhood Grill and Bar" and "TJ Applebee's Neighborhood Grill and Bar," excluding restaurants operated under the Applebee's Brand opened after the Closing Date that do not have or offer all of the following: (i) a varied menu; (ii) table service; (iii) beer, wine and/or liquor; and (iv) a per person average guest check that is between 70% and 130% of the per person average guest check of the Applebee's Branded restaurants located in the United States that are owned and operated by the Restaurant Holders as of such date of determination; provided, that if the total number of such restaurants is reduced to below 40 as of any date of determination following the Closing Date, on and after such date the per person average guest check of a representative sample of the Applebee's Branded restaurants located in the United States that are owned and operated by franchisees unaffiliated with the Restaurant Holders that satisfy the conditions set forth in clauses (i) through (iii) will be applied for purposes of this clause (iv) and otherwise the per person average guest check for purpose of clause (iv) of this definition will be determined in such other manner as may be mutually agreed upon by each of the Aggregate Controlling Party and the Servicer.

"Applebee's System": A system of restaurants that specialize in the sale of moderately priced food and alcoholic beverages in a casual dining setting, that includes proprietary rights in certain trade names, service marks and trademarks, including the service mark "Applebee's Neighborhood Grill & Bar" and variations of such mark, designs, decor and color schemes for restaurant premises, signs, equipment, procedures and formulas for preparing food and beverage products, specifications for certain food and beverage products, inventory methods, operating methods, financial control concepts, training facilities and teaching techniques.

"Asset Contribution Agreements": A First-Tier Asset Contribution Agreement, the Applebee's Holdings II Second-Tier Asset Contribution Agreement, the Second-Tier Asset Contribution Agreement or a Third-Tier Asset Contribution Agreement, as the context may require.

"Asset Disposition": The meaning specified in Section 7.8(a)(xxiii)(1) of the Base Indenture.

"Asset Disposition Additional Prepayment Amount": An amount equal to: (a) in the case of a Refranchising Asset Disposition, if: (i) the *pro forma* Three-Month DSCR after giving effect to such Refranchising Asset Disposition and the application of the proceeds of such Refranchising Asset Disposition is at least 0.1 higher than the *pro forma* Three-Month DSCR as of the Closing Date (as set forth in the Servicing Agreement), then $0; or (ii) the *pro forma* Three-Month DSCR after giving effect to such Refranchising Asset Disposition and the application of the proceeds of such Refranchising Asset Disposition is less than 0.1 higher than the *pro forma* Three-Month DSCR as of the Closing Date (as set forth in the Servicing Agreement), then an amount equal to the product of (x) the net after-tax cash proceeds of such Refranchising Asset Disposition minus any related Reinvested Amounts multiplied by (y) one minus a fraction, (A) the numerator of which is equal to the amount of cash flow related to the assets being refranchised that would have been generated for the benefit of the Securitization Entities if such assets had been refranchised as of the first day of the immediately preceding twelve Monthly Collection Periods (or, if sooner, the Closing Date) and (B) the denominator of which is equal to the amount of Net Cash Flow (without including any equity contributions contemplated in the definition thereof) actually generated by such assets for the benefit of the Securitization Entities for the last twelve Monthly Collection Periods; and (b) in the case of a Non-Refranchising Asset Disposition, after giving effect to such Non-Refranchising Asset Disposition and the application of the proceeds of such Non-Refranchising Asset Disposition, (i) if the Senior ABS Leverage Ratio, after giving effect to such Non-Refranchising Asset Disposition and the application of the proceeds of such Non-Refranchising Asset Disposition, is at least 0.25x lower than the Senior ABS Leverage Ratio as of the Closing Date, $0; or (ii) if such Senior ABS Leverage Ratio is not 0.25x or more lower than the Senior ABS Leverage Ratio as of the Closing Date, then an amount equal to the net after-tax cash proceeds of such Non-Refranchising Asset Disposition (minus any related Reinvested Amounts) multiplied by 50%.

"Asset Disposition Consolidated Leverage Test": A test that will be satisfied as of any date of determination if the IHOP Corp. Consolidated Leverage Ratio for the immediately preceding twelve-month fiscal period is equal to or less than 6.00x.

"Asset Disposition Prepayment Amount": An amount equal to:

(a) prior to the satisfaction of the Asset Disposition Consolidated Leverage Test and the repayment of principal of the Series 2007-1 Class A-2 Notes in an amount equal to or greater than $450 million, 100% of the net after-tax cash proceeds received from Asset Dispositions; and

(b) after the satisfaction of the Asset Disposition Consolidated Leverage Test and the repayment of principal of the Series 2007-1 Class A-2 Notes in an amount equal to or greater than $450 million, any net after-tax cash proceeds received from Asset Dispositions in excess of the Annual Aggregate Asset Disposition Threshold, up to a maximum amount equal to the Asset Disposition Additional Prepayment Amount; provided, that the Asset Disposition Additional Prepayment Amount will not include any Reinvested Amounts.

"Assured Guaranty": Assured Guaranty Corp., a Maryland-domiciled insurance company, and any successor thereto.

"Auction": The meaning specified in Section 15.1 of the Base Indenture.

"Auction Date": The meaning specified in Section 15.1 of the Base Indenture.

"Auction Call Redemption": The meaning specified in Section 15.1 of the Base Indenture.

"Auction Consummation Conditions": The meaning specified in Section 15.1 of the Base Indenture.

"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 of the Base Indenture.

"Authorized Minimum Denominations": The Notes will be issuable in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof.

"Authorized Officer": With respect to (i) any Securitization Entity, any Officer (or attorney-in-fact appointed by such Securitization Entity) who is authorized to act for such Securitization Entity in matters relating to, and binding upon such Securitization Entity, including an Authorized Officer of the Servicer authorized to act on behalf of such Securitization Entity; (ii) the Servicer, the Chief Executive Officer, Chief Financial Officer, Treasurer, Directors, Comptroller, the General Counsel or the Senior Vice President of Finance or any other Officer of the Servicer who is directly responsible for managing the servicing of the relevant Existing 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; (iii) 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.

"Available Senior Notes Interest Reserve Account Amount": As of any date of determination, the amount (excluding Investment Income thereon) on deposit in the Senior Notes Interest Reserve Account.

"Back-Up Manager": FTI Consulting Inc., a Maryland Corporation, in its capacity as back up manager pursuant to the Back-Up Manager Agreement, and any successor back up servicer.

"Back-Up Manager Agreement": The Back-Up Manager and Consulting Agreement, dated as of the Closing Date, by and among the Servicer, the Back-Up Manager, the Securitization Entities (other than Applebee's Holdings), the Series 2007-1 Class A Insurer and the Indenture Trustee.

"Bankruptcy Code": The Federal Bankruptcy Code, Title 11 of the United States Code, as amended.

"Bankruptcy Court": A bankruptcy court of competent jurisdiction.

"Base Indenture": The Base Indenture, dated as of the Closing Date, by and among the Co-Issuers and Wells Fargo Bank, National Association, as indenture trustee, as amended, supplemented or otherwise modified from time to time, exclusive of any Series Supplement.

"Base Rate": Solely for purposes of the Series 2007-1 Class A-1 Note Purchase Agreement, on any day, a rate per annum equal to the greater of (i) the Prime Rate in effect on such day and (ii) the Federal Funds Rate in effect on such day; provided, that any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Rate will 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; provided, further, that changes in any rate of interest calculated by reference to the Base Rate will take effect simultaneously with each change in the Base Rate.

"Base Rate Advance": Solely for the purpose of the Series 2007-1 Class A-1 Note Purchase Agreement, an Advance including, without limitation, a swingline loan or an unreimbursed drawing on the Series 2007-1 Class A-1 L/C Subfacility, that bears interest at a rate of interest determined by reference to the Base Rate during such time as it bears interest at such rate, as provided in the Series 2007-1 Class A-1 Note Purchase Agreement.

"Book-Entry Note": A Note in the form of a fully registered book-entry note, deposited with, or on behalf of, DTC, and registered in the name of a nominee of DTC.

"Business Day": Any day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments in each of New York, NY, and Minneapolis, Minnesota and the city in which the Corporate Trust Office of any successor to the Indenture Trustee is located if so required by such successor; provided, that, if and for so long as the Series 2007 1 Class A 2 Notes are listed on the Irish Stock Exchange and any action is required of the Irish Paying Agent under the Indenture, then, for purposes of determining when such action is required of the Irish Paying Agent, "Business Day" shall also be required to be a day on which banking institutions are open for business in Dublin, Ireland.

"Calculation Agent": The meaning specified in Section 7.10(a) of the Base Indenture.

"Capital Expenditure Reserve Account": The meaning specified in Section 10.2(h) of the Base Indenture.

"Capped Class A-1 Note Administrative Expense Amount": For each Payment Date, an amount equal to the lesser of:

(a) the Class A-1 Note Administrative Expenses that have become due and payable during the immediately preceding Monthly Collection Period and have not been previously paid; and

(b) the amount by which (i) $250,000 exceeds (ii) the aggregate amount of Class A-1 Note Administrative Expenses previously paid on each preceding Payment Date that occurred (x) in the case of a Payment Date occurring during the annual period following the Closing Date and ending on the first anniversary of the Closing Date, since the Closing Date and (y) in the case of a Payment Date occurring during any other annual period beginning with the annual period following the first anniversary of the Closing Date, since the most recent anniversary of the Closing Date.

"Capped SPE Operating Expense 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 amount by which $500,000 exceeds the aggregate SPE Operating Expenses already paid during such annual period; provided, that prior to the occurrence of an Event of Default, up to $85,000 of the Capped SPE Operating Expense Amount will be allocated to the fees and expenses of the Indenture Trustee over each annual period; provided, further, that following the occurrence of an Event of Default, up to $235,000 of the Capped SPE Operating Expense Amount will be allocated to the fees and expenses of the Indenture Trustee over each annual period commencing with the annual period in which Event of Default occurs.

"Carryover Accrued Insurer Premiums Amount": For any Payment Date, the amount, if any, by which the amount allocated to pay Insurer Premiums on the preceding Payment Date was less than the Accrued Insurer Premium Amount for such preceding Payment Date.

"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.

"Cash Collateral": The meaning specified in Section 11.1(e) of the Base Indenture.

"Cash Trap Reserve Account": The meaning specified in Section 10.4(a) of the Base Indenture.

"Cash Trap Reserve Amount": With respect to any Payment Date upon and following the occurrence of a Cash Trap Reserve Event but prior to a Cash Trap Reserve Cure Date, (a) 25% of the amounts remaining on deposit in the Collection Account after giving effect to the application of funds pursuant to clauses (i) through (x) of the Priority of Payments, and (b) 50% of the amounts remaining on deposit in the Collection Account after giving effect to the application of funds pursuant to clauses (i) through (x) of the Priority of Payments, if on such Payment Date the Three-Month Adjusted DSCR is less than 1.75x.

"Cash Trap Reserve Event": Occurs when the Three-Month Adjusted DSCR is less than 1.85x with respect to any Payment Date and ends on a Cash Trap Reserve Cure Date.

"Cash Trap Reserve Cure Date": Any Payment Date following the occurrence of a Cash Trap Reserve Event with respect to which the Three-Month Adjusted DSCR has been at least 1.85x for three consecutive Payment Dates (including such Payment Date).

"Certificate of Authentication": The meaning specified in Section 2.1 of the Base Indenture.

"Change of Control": The occurrence of any of the following events:

(a) an event or series of events by which any Person other than (i) IHOP Corp. or any direct or indirect wholly-owned Subsidiary of IHOP Corp. becomes the owner of more than 50% of the voting stock in Applebee's International or (ii) IHOP Corp., Applebee's International, Applebee's Holdings or any of their respective direct or indirect wholly-owned Subsidiaries becomes the owner of more than 50% of the membership interests in the Master Issuer;

(b) IHOP Corp. merges with another entity unaffiliated with IHOP Corp. and IHOP Corp. is not the surviving entity unless (i) such surviving entity has executed an assumption agreement pursuant to which it agrees to assume all of the obligations of IHOP Corp. and its Affiliates under the Transaction Documents to which IHOP Corp. or such Affiliate is a party, and (ii) the Rating Agency Condition is satisfied with respect to each Series of Notes Outstanding; or

(c) an event or series of events by which any person or group (i) acquires more than 50% of the equity interests of IHOP Corp. or (ii) controls, either directly or indirectly, more than 50% of the common stock of IHOP Corp. or an amount of common stock in IHOP Corp. that entitles such person or group to exercise more than 50% of the voting power of IHOP Corp.'s security holders or gives such person or group the power to appoint the majority of IHOP Corp.'s board of directors unless, with respect to any such event described in the foregoing clauses (i) and (ii) the Rating Agency Condition is satisfied with respect to each Series of Notes Outstanding.

"Charter Document": With respect to (i) a limited liability company, the certificate of formation and limited liability company agreement, (ii) a corporation, the certificate of incorporation and by-laws and (iii) a partnership, the certificate of partnership and the partnership agreement.

"Class": With respect to any Series of Notes, any one of the classes of Notes of such Series as specified in the applicable Series Supplement.

"Class A-1 Administrative Agent": With respect to (i) the Series 2007-1 Class A-1 Notes, Lehman Commercial Paper Inc., in its capacity as such pursuant to the Series 2007-1 Class A-1 Note Purchase Agreement, and its permitted successors and assigns in such capacity, and (ii) with respect to the Class A-1 Notes of any additional Senior Notes, the Person acting in such capacity pursuant to the related Class A-1 Note Purchase Agreement.

"Class A-1 Aggregate Commitment Fees": With respect to any Interest Accrual Period, the aggregate Class A-1 Monthly Commitment Fee Amount due and payable on all Class A-1 Notes Outstanding with respect to such Interest Accrual Period.

"Class A-1 Commitment Fees": For Class A-1 Notes for any Interest Accrual Period, the commitment fees payable to the Holders of such Class A-1 Notes pursuant to the related Class A-1 Note Purchase Agreement.

"Class A-1 Commitment Fee Adjustment Amount": For Class A-1 Notes for any Interest Accrual Period, the aggregate amount, if any, for such Interest Accrual Period that is identified as the "Commitment Fee Adjustment Amount" in the applicable Series Supplement.

"Class A-1 Commitment Fees Account": The meaning specified in Section 10.8(a)(iii) of the Base Indenture.

"Class A-1 Commitment Fees Amount": With respect to all Class A-1 Notes Outstanding for each Monthly Collection Period, an amount equal to the sum of:

(a) (i) the aggregate amount of the Class A-1 Commitment Fees for the Interest Accrual Period ending in the next succeeding Monthly Collection Period, and (ii) if such Payment Date occurs on or after a Payment Date on which amounts are withdrawn from the Class A-1 Commitment Fees Account to cover any Class A-1 Commitment Fee Adjustment Amount, the amount so withdrawn (without duplication for amounts previously allocated pursuant to this clause (ii)); and

(b) the amount, if any, by which (i) Class A-1 Commitment Fees for the Interest Accrual Period ending in the next succeeding Monthly Collection Period exceeds (ii) the aggregate amount previously allocated to the Class A-1 Commitment Fees Account on each preceding Payment Date with respect to the Monthly Collection Period.

"Class A-1 Excess Interest Account": The meaning specified in Section 10.8(a)(x) of the Base Indenture.

"Class A-1 Excess Interest Amount": With respect to the (i) Series 2007-1 Notes, the Series 2007-1 Class A-1 Excess Interest Amount and with respect to (ii) any other Series of Notes Outstanding, the meaning, if any, set forth in the related Series Supplement.

"Class A-1 Indemnities": All indemnification obligations of the Securitization Entities to the Class A-1 Noteholders pursuant to any Class A-1 Note Purchase Agreement.

"Class A-1 Note Administrative Expenses": With respect to any Series of Class A-1 Notes, all amounts due and payable to the Class A-1 Administrative Agent pursuant to the related Class A-1 Purchase Agreement that are identified as "Class A-1 Note Administrative Expenses" in the related

Series Supplement.

"Class A-1 Note Purchase Agreement": With respect to (i) the Series 2007-1 Class A-1 Notes, the Series 2007-1 Class A-1 Note Purchase Agreement (as defined in the Series 2007-1 Supplement) and (ii) any additional Class A-1 Notes, the meaning specified in the related Series Supplement.

"Class A-1 Notes": With respect to (i) the Series 2007-1 Class A-1 Notes, the 2007-1 Class A-1 Notes (as defined in the Series 2007-1 Supplement) and (ii) any additional Class A-1 Notes, the meaning specified in the related Series Supplement.

"Class A-2 Notes": With respect to (i) the Series 2007-1 Class A-2 Notes, the Series 2007-1 Class A-2 Notes (as defined in the Series 2007-1 Supplement) and (ii) any additional Class A-2 Notes, the meaning specified in the related Series Supplement.

"Class A-2-I Notes": With respect to (i) the Series 2007-1 Class A-2-I Notes, the Series 2007-1 Class A-2-I Notes (as defined in the Series 2007-1 Supplement) and (ii) any additional Class A-2-I Notes, the meaning specified in the related Series Supplement.

"Class A-2-II Notes": With respect to (i) the Series 2007-1 Class A-2-II Notes, the Series 2007-1 Class A-2-II Notes (as defined in the Series 2007-1 Supplement) and (ii) any additional Class A-2-II Notes, the meaning specified in the related Series Supplement.

"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": November 29, 2007.

"Code": The U.S. Internal Revenue Code of 1986, as amended.

"Co Indenture Trustee": The meaning specified in Section 6.11 of the Base Indenture.

"Co Issuers": Collectively, the Master Issuer, the IP Holder, the Restaurant Holders and any Additional Co Issuer.

"Co Issuer Certificate of Formation": Each certificate of formation of each of the related Co-Issuers, dated August 8, 2007, and any related Additional Co Issuer certificate of formation, as amended, modified or supplemented from time to time.

"Co Issuer Limited Liability Company Agreement": Each limited liability company agreement of each of the related Co-Issuers, and any related Additional Co Issuer limited liability company agreement, in each case, as amended, modified or supplemented from time to time.

"Collateral": All of the Securitization Entities' right, title and interest in, to and under all of their respective assets, now existing or hereafter created, other than the Excepted Property described below, and the proceeds thereof, including the following property:

(a) with respect to the Master Issuer, (i) the Existing U.S. Franchise Agreements and all Franchise Payments thereon, (ii) its rights but none of its obligations under the Post-Closing U.S. Restaurant Purchase Agreement, including the revenues generated by the

Post-Closing U.S. Restaurants (pending the transfer of the assets relating to such Post-Closing U.S. Restaurants to the applicable Restaurant Holders following the Closing Date), (iii) the IHOP Residual Certificate and any Replacement Residual Certificate, and (iv) the limited liability company membership interests (and, with respect to each Restaurant Holder that is a corporation, the capital stock) owned by the Master Issuer that represents the 100% ownership interest in each of the Franchise Holder, the IP Holder and the Restaurant Holders and its ownership interest in each Liquor License Holder;

(b) with respect to the Franchise Holder, (i) the Existing U.S. Development Agreements and all Development Payments thereon; (ii) the New U.S. Franchise Agreements and all Franchise Payments thereon; (iii) all rights to enter into New U.S. Franchise Agreements and New U.S. Development Agreements; (iv) the intercompany loans from the Franchise Holder to the Master Issuer; and (v) any deposit account held in the name of the Franchise Holder for purposes of maintaining a minimum net worth;

(c) (c) with respect to the Restaurant Holders, (i) the Company-Owned U.S. Restaurant Assets; (ii) the Company-Owned Real Property owned by the Restaurant Holders; and (iii) the payments received by the Restaurant Holders on the Refranchised Restaurant Leases, if any, Franchisee Sub-Leases, if any, and any other leases entered into by the Restaurant Holders as the lessor or the sub-lessor, as applicable; provided, that the Company-Owned U.S. Restaurant Assets and Company-Owned Real Property relating to the Post-Closing U.S. Restaurants will not be property of the Restaurant Holders included in the Collateral until such assets are transferred to the applicable Restaurant Holder in the manner provided in the Post-Closing U.S. Restaurant Purchase Agreement (although the right to the proceeds of such assets will be included in the Collateral from the Closing Date forward as described above);

(d) with respect to the IP Holder, the IP Assets and the right to bring an action at law or in equity for any infringement, misappropriation, dilution or violation thereof occurring prior to, on or after the Closing Date, and to collect all damages, settlements and proceeds relating thereto;

(e) with respect to Applebee's Holdings, the limited liability company membership interest in the Master Issuer (which represents the 100% ownership interest in the Master Issuer);

(f) 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 or other Persons, as applicable, to the Master Issuer or the Franchise Holder, as applicable, under the Franchise Agreements and the rights evidenced thereby or reflected therein;

(g) the Accounts and all amounts on deposit in or otherwise credited to the Accounts; provided, that the security interest of the Indenture Trustee to (i) the Lease Payment Account will be subject to the rights of third party lessors to receive the amount on deposit in such account, (ii) the Gift Card Reserve Account will be subject to the rights of ACMC, Inc. to receive the amount on deposit in such account, (iii) the Third Party Licensing Fee Account will be subject to the rights of Weight Watcher's International, Inc. and any other third

party to receive the amount on deposit in such account, (iv) the Insurance Proceeds Account will be subject to the rights of the Franchisees to receive the amount on deposit in such account pursuant to the related Franchise Agreement and (v) certain accounts maintained with depositary institutions for the deposit of cash revenues generated by Company-Owned U.S. Restaurants pending transfer to the Concentration Account may not be subject to Account Control Agreements to the extent permitted under the Servicing Agreement;

(h) 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 Master Issuer relating to the Existing Franchise Assets and on behalf of the IP Holder relating to the IP Assets;

(i) the rights, powers, remedies and authorities of the Co-Issuers under (i) each of the Transaction Documents (other than the Indenture) to which they are a party and (ii) with respect to the Master Issuer, each of the documents relating to the Existing Franchise Assets to which it is a party;

(j) any and all other property of the Co-Issuers now or hereafter acquired other than the Excepted Property;

(k) the rights, powers, remedies and authorities of the Securitization Entities under any agreements relating to the IP Assets including any IP License Agreement entered into by the Securitization Entities in connection therewith; and

(l) all payments, proceeds and accrued and future rights to payment with respect to the foregoing;

(m) provided, that the Collateral will exclude the following property of the Securitization Entities (the " Excepted Property"): (i) the liquor licenses owned by the Restaurant Holders, (ii) the Company Leases, the Sale/Leaseback Leases, if any, the Franchisee Sub-Leases, if any, and the Refranchised Restaurant Leases, if any (all of which leases are referred to herein collectively as the " Leases"), (iii) the Excepted IP Assets and (iv) the Advertising Fees Account and all amounts on deposit in the Advertising Fees Account from time to time, which will be held by the Servicer for the benefit of the Securitization Entities; provided, however, that all rights to payment and all payments received by the Restaurant Holders on any Franchisee Sub-Leases, Refranchised Restaurant Leases and any other leases that the Restaurant Holders are party to as lessor or sublessor will be included in the Collateral as described above; provided, further, that the Excluded Property will not be part of the Collateral.

"Collateralized Letters of Credit": The meaning specified in Section 11.1(e) of the Base Indenture.

"Collection Account": The trust account established pursuant to Section 10.7(a) of the Base Indenture.

"Collection Account Administrative Account ": The meaning specified in Section 10.8(a) of the Base Indenture.

"Collections": With respect to each Monthly Collection Period, all amounts received by or for the account of the Securitization Entities during such Monthly Collection Period, including (without duplication):

(i) the Franchise Payments and Development Payments deposited to the Concentration Account during such Monthly Collection Period;

(ii) all cash revenues and credit card proceeds generated by the Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants over such period, including (without duplication) (A) the aggregate amount of the proceeds from the redemption at such restaurants of ACMC Gift Cards sold at such restaurants that are withdrawn from the Gift Card Reserve Account for deposit to the Concentration Account on a weekly basis as described herein, (B) the funds received from ACMC, Inc. and deposited to the Concentration Account on a weekly basis in respect of redemptions at Company-Owned U.S. Restaurants and Post Closing U.S. Restaurants of ACMC Gift Cards sold other than at such restaurants and (C) the amount, if any, deposited to the Concentration Account by ACMC, Inc. or its third party processor in respect of Applebee's Branded Gift Cards issued by unaffiliated Franchisees that are sold at Franchised U.S. Restaurants and redeemed at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants;

(iii) the Lease Receipts, if any;

(iv) all amounts received in respect of the IP Assets;

(v) the IHOP Residual Amount, if any, received by the Master Issuer or the Servicer for the account of the Master Issuer on a weekly basis;

(vi) Indemnification Amounts, Insurance Proceeds Amounts, Asset Disposition Prepayment Amounts and (without duplication of Asset Disposition Prepayment Amounts) all other amounts received upon the disposition of the Collateral including amounts received upon the disposition of obsolete inventory, equipment, furniture, fixtures and other assets (other than IP Assets) relating to the Company-Owned U.S. Restaurants;

(vii) the Series Hedge Receipts, if any, received by the Co-Issuers in respect of any Series Hedge Agreements entered into by the Co-Issuers in connection with the issuance of additional Series of Notes following the Closing Date;

(viii) the Investment Income (net of losses and expenses) earned on amounts on deposit in the applicable accounts established pursuant to the Servicing Agreement and the Indenture;

(ix) the equity contributions, if any, that Applebee's International elects to make to Applebee's Holdings for contribution to the Master

Issuer (which will include the initial deposit to be made to the Concentration Account on the Closing Date only to the extent that the Servicer directs such deposit to be withdrawn from the Concentration Account for deposit to the Collection Account for application as Collections during any Monthly Collection Period);

(x) to the extent not otherwise included above, the Excluded Amounts;

(xi) rebates from vendors associated with supplies to Company-Owned U.S. Restaurants or other similar amounts; and

(xii) any other payments or proceeds (including all insurance and condemnation proceeds) received with respect to the Collateral.

"Company Leases": The leases for the real property on which Company-Owned U.S. Restaurants are located entered into between a third party, as the lessor, and the applicable Predecessor Restaurant Holder (prior to the Closing Date) and the applicable Restaurant Holder (on and after the Closing Date), as the lessee.

"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.

"Company-Owned Real Property": The real property (including the land, buildings and fixtures) on which a Company-Owned U.S. Restaurant is located and owned prior to the Closing Date by the applicable Predecessor Restaurant Holder and following the Closing Date by the applicable Restaurant Holder.

"Company-Owned U.S. Restaurant Assets": All of the assets associated with owning and operating the Company-Owned U.S. Restaurants (such as furnishings, cooking equipment, cooking supplies and computer equipment), other than (i) the Real Estate Assets, (ii) the IP Assets (other than the right to use the IP Assets granted to each Restaurant Holder pursuant to the related Franchise Agreement), (iii) any employee agreements (except to the extent that any Restaurant Holder is required to employ the employees of a Company-Owned U.S. Restaurant owned by such Restaurant Holder in order to comply with applicable liquor license laws) and (iv) any supply agreements (for which purpose such supply agreements will be of the type set forth in a schedule to the First-Tier Asset Contribution Agreements).

"Company-Owned U.S. Restaurants": Collectively, the Existing Company-Owned U.S. Restaurants, the Post-Closing U.S. Restaurants, from and after the date, if any, that they are transferred to a Restaurant Holder, the New Company-Owned U.S. Restaurants, if any, and any Retained U.S. Restaurants which are subsequently transferred to a Restaurant Holder.

"Concentration Account": The meaning specified in Section 10.1(a) of the Base Indenture.

"Confidential Information": Trade secrets and other information (including know how, ideas, techniques, recipes, formulas, 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 to an agreement to another party thereto whether in writing or disclosed orally, and whether or not designated as confidential. "Confidential Information" shall include the amount of premium fees being paid to Assured Guaranty pursuant to its Insurance Policy.

"Consolidated Earnings Before Discontinued Operations and Cumulative Effect of Change in Accounting Principle": With respect to IHOP Corp., Applebee's International and their Affiliates for any specified period, the amount (not less than zero) equal to their consolidated net earnings, plus losses and minus gains from discontinued operations, each net of tax, and the elimination of the impact on net earnings of the cumulative effect of changes in accounting principles, each as defined by GAAP.

"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.

"Contingent Additional Interest Accounts": The Senior Notes Monthly Contingent Additional Interest Account and the Subordinated Notes Monthly Contingent Additional Interest Account.

"Contingent Additional Interest Amount": With respect to the (i) Series 2007-1 Notes, the Series 2007-1 Contingent Additional Interest, if any, and with respect to (ii) each other Series of Notes, the meaning specified in the related Series Supplement.

"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.

"Copyrights": The meaning specified in the definition of "Intellectual Property" in this Appendix A.

"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 any (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.

"Current Practice": With respect to any action or inaction with regard to (a) Applebee's International, the performance standards of Applebee's International and its Affiliates immediately prior to the Closing Date or (b) IHOP Corp., the performance standards of IHOP Corp. and its Affiliates immediately prior to the Closing Date.

"Cut-Off Date": 12:00 a.m. (New York time) on November 26, 2007 (which will be Monday of the week in which the Closing Date occurs).

"Debt": With respect to any Person as of any date of determination (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, (f) any reimbursement obligations in respect of any letters of credit, contingent or otherwise, and (g) all contingent obligations of such Person in respect of the foregoing; provided, that notwithstanding the foregoing, Debt shall not include any liability for federal, state, local or other Taxes owed or owing to any governmental entity.

"Debt Service": With respect to any Payment Date, the sum of (i) the Senior Notes Monthly Interest Amount, plus (ii) the Class A-1 Commitment Fees Amount, plus (iii) the Accrued Insurer Premium Amount, plus (iv) the Series Hedge Payments payable pursuant to subclause (D) of clause (iv) of the Priority of Payments; plus (v) the Class A-1 Note Administrative Expenses due under each Class A-1 Note Purchase Agreement (or other similar agreement) in an aggregate amount up to the Capped Class A-1 Note Administrative Expense Amount, in each case with respect to such Payment Date; provided, that for purposes of calculating the Debt Service Coverage Ratio in respect of the first Payment Date, Debt Service will be deemed to be the product of (i) the sum of clauses (i) through (v) above multiplied by (ii) a fraction the numerator of which is 30 and the denominator of which is the number of days elapsed between the Initial Closing Date and the first Payment Date, based on a 360-day year of twelve 30-day months.

"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.

"Definitive Note": The meaning specified in Section 2.2(c) of the Base Indenture.

"Development Agreements": Collectively, the Existing U.S. Development Agreements and the New U.S. Development Agreements.

"Development Payments": All amounts payable by Franchisees pursuant to the Development Agreements other than Excluded Amounts.

"Discloser": The meaning specified in Section 16.9 of the Base Indenture.

"Disqualified Transferee": The meaning specified in Section 2.5(k) of the Base Indenture.

"Distribution Compliance Period": The meaning specified in Section 2.5(h)(iii) of the Base Indenture.

"Dollar" or "$" or "U.S.$" or "U.S. Dollar": The lawful currency of the United States.

"DTC": The Depository Trust Company, its nominees, and their respective successors.

"EBITDA": For any specified period, the amount (not less than zero) equal to:

(a) the sum of (i) the Consolidated Earnings Before Discontinued Operations and Cumulative Effect of Change in Accounting Principle of IHOP Corp., Applebee's International and their Affiliates plus (ii) to the extent any of the following are adjusted in calculating the amount specified in clause (i): (A) the Consolidated Net Interest Expense for such period, (B) the U.S. Federal, state, local and foreign income taxes for such period, (C) non-cash losses from the sale or disposition of assets not in the ordinary course of business and other non-cash extraordinary or non-cash nonrecurring items, (D) non-cash stock based compensation expense for such period, (E) depreciation and amortization, (F) impairment losses and non-cash store closure expenses, (G) non-cash loss of any joint venture, and (H) non-cash adjustments and actuarial estimates related to Neighborhood Insurance; minus;

(b) to the extent added in calculating the Consolidated Earnings Before Discontinued Operations and Cumulative Effect of Change in Accounting Principle, (A) gains from the sale or disposition of fixed assets not in the ordinary course of business and other extraordinary or nonrecurring items, and (B) the non-cash income for any joint venture.

"EBITDAR": For each Payment Date and any other date of determination, as determined as of the immediately preceding Accounting Date, the sum of (a) EBITDA for each of the last twelve fiscal months, plus (b) the amounts expensed by Applebee's International and IHOP Corp. under operating leases for each of the last twelve fiscal months.

"EDSF Rate": When used with respect to any Business Day, the rate derived from the Eurodollar Synthetic Forward Curve appearing on Bloomberg (or any successor service or, if such service or successor service is not available, a substitute rate, which will be the median of three quoted rates determined by the Indenture Trustee requesting at the expense of the Co-Issuers substitute rate quotes from three broker dealers of nationally recognized standing), adjusted for 30/360 day count convention expressed as a number of basis points per annum.

"Eligible Account": A (a) segregated identifiable trust account established in the trust department of a Qualified Trust Institution or (b) separately identifiable deposit or securities account established at a Qualified Institution.

"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 depositary 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 each of Moody's, S&P and Fitch (if rated by Fitch) and which is subject to supervision and examination by federal or state banking or depositary 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 depositary institution or trust company will have a credit rating from each of S&P, Moody's and Fitch (if rated by Fitch) 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 each of Moody's, S&P and Fitch (if rated by Fitch) 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 depositary 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 each of S&P, Moody's and Fitch (if rated by Fitch) 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 will 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 will mature

prior to the immediately succeeding Payment Date. Each Eligible Investment will 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.

"Environmental Law": Any and all laws, rules, order, regulations, statutes, ordinances, guidelines, codes, decrees, agreements or other legally enforceable requirements (including 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.

"Equity Interest": Any (a) ownership, management or membership interests in any limited liability company or unlimited company, (b) general or limited partnership interest in any partnership, (c) common, preferred or other stock interest in any corporation, (d) share, participation, unit or other interest in the property or enterprise of an issuer that evidences ownership rights therein, (e) ownership or beneficial interest in any trust or (f) option, warrant or other right to convert into or otherwise receive any of the foregoing.

"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 Clearance System.

"Eurodollar Business Day": Any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London.

"Eurodollar Rate": For purposes of (a) the Series 2007-1 Class A-1 Notes, the meaning specified in the Series 2007-1 Class A-1 Note Purchase Agreement and (b) the Class A-1 Notes of any additional Series of Notes, the meaning specified in the related Class A-1 Note Purchase Agreement.

"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 5.3 of the Base Indenture.

"Excepted IP Assets" : (a) Non-U.S. Intellectual Property Rights (other than Non-U.S. Intellectual Property Rights in the POS System) arising after the Closing Date; (b) any right to use third party Intellectual Property pursuant to a license to the extent such rights are not able to be pledged; and (c) any application for registration of a Trademark that would be invalidated, canceled, voided or abandoned due to the grant and/or enforcement of an assignment or security interest, including intent-to-use applications filed with the PTO pursuant to 15 U.S.C. Section 1051(b) prior to the filing of a statement of use or amendment to allege use pursuant to 15 U.S.C. 1051(c) or (d); provided, that at such time as the grant and/or enforcement of the assignment or security interest would not cause such application to be invalidated, canceled, voided or abandoned, then such Trademark application will not be considered an Excepted IP Asset; provided, further, that with respect to licenses of third party Intellectual Property entered into after the Closing Date by the Co-Issuers (including, for the avoidance of doubt, the Servicer acting on behalf of the Co-Issuers, as applicable), the Co-Issuers will use commercially reasonable efforts to include terms permitting the grant by the Co-Issuers of a security interest therein to the Indenture Trustee for the benefit of the Secured Parties and to allow the Servicer (and any Successor Servicer) the right to use such Intellectual Property in the performance of its duties under the Servicing Agreement or, as applicable, the Back-Up Manager Agreement.

"Excepted Property": The meaning specified in the definition of "Collateral" in this Appendix A.

"Excess Gift Card Reserve Amount": An amount equal to the income recognized by the Master Issuer in respect of the preceding calendar year in accordance with U.S. GAAP following a determination by the Servicer on behalf of the Master Issuer that an ACMC Gift Card purchased at a Company-Owned U.S. Restaurant or Post-Closing U.S. Restaurant will not be redeemed, if any, as of the 5th day of May of each year or, if such day is not a Business Day, the immediately following Business Day.

"Exchange Act": The United States Securities Exchange Act of 1934, as amended.

"Excluded Amounts": The amounts received by the Securitization Entities that will not be included in Retained Collections, which will be (i) the initial franchise fees (including deposits representing initial franchise fees not yet due and payable), transfer fees, territory fees and renewal fees, if any, payable by Franchisees pursuant to Franchise Agreements and Development Agreements, (ii) Advertising Fees, (iii) the proceeds from the sale of ACMC Gift Cards at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants, (iv) the licensing fees and royalty fees and other similar amounts payable to third parties in connection with the sale or use of their products or services at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants, including, without limitation, the Weight Watchers Fees, (v) the revenues received with respect to Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants that are due and payable to the applicable Governmental Authorities as sales tax or other comparable tax and (vi) any other amounts received from Franchisees pursuant to Participation Agreements and other agreements that represent payments owed by Applebee's International and its Affiliates to third party licensors of Intellectual Property.

"Excluded IP Assets": (a) Non-U.S. Intellectual Property Rights (other than Non-U.S. Intellectual Property Rights in the POS System) existing as of the Closing Date; (b) any right to use third party Intellectual Property pursuant to a license to the extent such rights are not assignable; (c) any right to use third party Intellectual Property that has been licensed to the Servicer and sublicensed to Franchisees pursuant to Participation Agreements; (d) Intellectual Property owned by ACMC, Inc. and ACMC, Inc.'s rights under licenses of Intellectual Property to ACMC, Inc., in each case, that pertain exclusively to ACMC, Inc.'s Gift Card Business; and (e) Intellectual Property jointly owned with Weight Watchers International, Inc. to the extent non-assignable; and (f) any application for registration of a Trademark that would be invalidated, canceled, voided or abandoned due to the grant and/or enforcement of an assignment or security interest, including intent-to-use applications filed with the PTO pursuant to 15 U.S.C. Section 1051(b) prior to the filing of a statement of use or amendment to allege use pursuant to 15 U.S.C. 1051(c) or (d); provided, that at such time as the grant and/or enforcement of the assignment or security interest would not cause such application to be invalidated, canceled, voided or abandoned, then such Trademark application will not be considered an Excluded IP Asset.

"Excluded Property": The following property of Applebee's International and its Subsidiaries:

(a) the contract expiring on December 31, 2008 (the " Weight Watchers Agreement"), by and between Weight Watchers International, Inc. and Applebee's International, pursuant to which Applebee's International is a licensee of certain intellectual property of Weight Watchers International, Inc. and all Intellectual Property jointly owned with Weight Watchers International, Inc. to the extent non-assignable;

(b) the tangible and intangible property of Applebee's International relating to businesses, products, and services (including the franchising and operation of Applebee's Branded restaurants) located, sold or offered for sale outside the United States other than (i) IP Assets in the U.S. Territories, and (ii) worldwide Intellectual Property rights in the POS System;

(c) the ownership interest in the tangible and intangible property of the Predecessor Restaurant Holders relating to the Post-Closing U.S. Restaurants unless and until such property is conveyed to the applicable Restaurant Holder pursuant to the Post-Closing U.S. Restaurant Purchase Agreement; provided, that the rights and obligations of the Master Issuer under the Post-Closing U.S. Restaurant Purchase Agreement, including all amounts received on the assets relating to the Post-Closing U.S. Restaurants, will not be Excluded Property;

(d) the Franchise Agreements and all other assets relating to up to 6 Applebee's Restaurants that will not be contributed by Applebee's International and its Subsidiaries on or after the Closing Date because Applebee's International has determined that such Applebee's Restaurants will be permanently closed or otherwise cannot satisfy the applicable representations and warranties set forth in the related First-Tier Asset Contribution Agreement on or after the Closing Date and which will be identified in a schedule to the related First-Tier Asset Contribution Agreement (collectively, the " Excluded U.S. Restaurants");

(e) the U.S. Territories Business;

(f) with respect to the IP Holder and each of the other Co-Issuers, the Excluded IP Assets;

(g) the Participation Agreements entered into by the Servicer and Franchisees prior to the Closing Date, except for those pertaining to the POS System (which POS System, and the related Participation Agreements, will be assigned by the Servicer or Applebee's International, as applicable, to the IP Holder);

(h) Applebee's International's direct and indirect ownership interest in each of its Subsidiaries other than the Master Issuer and its Subsidiaries and the property owned by such Subsidiaries (other than the property owned by the Predecessor Restaurant Holders or any other Subsidiary of Applebee's International that is to be contributed to the Securitization Entities on the Closing Date in the manner described herein), which Subsidiaries and/or properties include but are not limited to (i) Applebee's Services, Inc. (which is the Servicer), (ii) Applebee's Holdings, (iii) Applebee's Holdings II (which holds a 1% ownership interest in Applebee's Holdings), (iv) the Predecessor Restaurant Holders, (v) the special purpose entities previously formed by Applebee's International to hold liquor licenses in compliance with applicable liquor license laws (the " Predecessor Liquor License Holders"), (vi) ACMC, Inc. ("ACMC, Inc."), a Virginia corporation that is a direct, wholly-owned Subsidiary of Applebee's International, which issues ACMC Gift Cards for use in Applebee's Restaurants; and (vii) Neighborhood Insurance, Inc. ("Neighborhood Insurance"), a Vermont corporation that is a direct, wholly-owned Subsidiary of Applebee's International that is Applebee's International's captive insurance company (which ceased writing new insurance policies in 2006);

(i) Applebee's International's current (and any future) headquarters and the tangible personal property located in the headquarters and any other real property owned or leased (and the tangible personal property located therein) by Applebee's International and its Subsidiaries that is not held in connection with the operation of the U.S. Restaurant Business (which will include all tangible personal and real property associated with Company-Owned U.S.

Restaurants that have permanently closed prior to the Closing Date), as set forth in a schedule to the related First-Tier Asset Contribution Agreement;

(j) Applebee's International's national marketing fund (referred to herein as the "National Advertising Fund"),

(k) the liquor licenses owned by the applicable Predecessor Restaurant Holders and Predecessor Liquor License Holders and the rights and obligations of any Predecessor Restaurant Holder under any interim operating agreement or similar contract that permits a Predecessor Restaurant Holder to sell alcoholic beverages at an Applebee's Restaurant;

(l) any employment agreements previously entered into by Applebee's International and its Subsidiaries (other than any employment agreements pursuant to which any Restaurant Holder employs the employees of a Company-Owned U.S. Restaurant in order to comply with applicable liquor license laws);

(m) any supply agreements previously entered into by Applebee's International and its Subsidiaries;

(n) real property owned or leased by Predecessor Restaurant Holders, which are intended to be developed as Applebee's Restaurants and which will be set forth in a schedule to the related First-Tier Asset Contribution Agreement;

(o) all other tangible and intangible assets of Applebee's International and its Subsidiaries set forth in a schedule to the related First-Tier Asset Contribution Agreement; and

(p) the proceeds of all of such property.

"Excluded U.S. Restaurants": The meaning specified in the definition of "Excluded Property" in this Appendix A.

"Existing Company-Owned U.S. Restaurants": The Applebee's Restaurants located in the United States that are owned and operated by the Predecessor Restaurant Holders as of the Business Day immediately preceding the Closing Date (other than the Retained U.S. Restaurants).

"Existing Franchise Assets": The meaning specified in paragraph (d) of the Granting Clauses of the Base Indenture.

"Existing Franchised U.S. Restaurants": The Applebee's Restaurants located in the United States that are owned and operated by Franchisees that are unaffiliated with Applebee's International and its Affiliates as of Closing Date.

"Existing U.S. Development Agreements": As of the Closing Date, all of Applebee's International rights and obligations under all existing development agreements for Applebee's Restaurants.

"Existing U.S. Franchise Agreements": Franchise agreements entered into by Applebee's International on or prior to the Closing Date in connection with Applebee's Restaurants, including all renewals or extensions of such franchise agreements.

"Existing U.S. Restaurant Business": The (i) franchising (and the ownership by Franchisees) of the Existing Franchised U.S. Restaurants and (ii) the ownership and operation of the Existing Company-Owned U.S. Restaurants.

"Federal Funds Rate": Solely for purposes of the Series 2007-1 Class A-1 Note Purchase Agreement, for any specified period, a fluctuating interest rate per annum equal for each Business Day during such period to the weighted average of the overnight federal funds rates as published in Federal Reserve Board Statistical Release H.15(519) or any successor or substitute publication selected by the Class A-1 Administrative Agent (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 reasonable opinion of the Class A-1 Administrative Agent, 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 time).

"Final Order": The meaning specified in the applicable Insurance Policy.

"Financial Assets": The meaning specified in Section 10.9(b)(i) of the Base Indenture.

"Financing Statements": Financing statements relating to the Indenture Collateral naming the Master Issuer or Co-Issuer (as applicable) as debtor and the Indenture Trustee on behalf of the Secured Parties as the secured party.

"First-Tier Asset Contribution Agreements": The Applebee's Holdings II First-Tier Asset Contribution Agreement and the Applebee's International First-Tier Asset Contribution Agreement.

"Fitch": Fitch, Inc., doing business as Fitch Ratings, or any successor thereto.

"Foreign Country": Any country which is not the United States or a U.S. Territory.

"Franchise Agreements": Collectively, the Existing U.S. Franchise Agreements and New U.S. Franchise Agreements.

"Franchise Asset Termination": The expiration of any Existing Franchise Asset in the ordinary course of business.

"Franchise Documents": Franchise Agreements, Development Agreements, Leases and other agreements to which Applebee's International or its Affiliates, the Master Issuer or the Franchise Holder, on the one hand, and a Franchisee, on the other hand, is a party in connection with the franchise system, together with any modifications, amendments, extensions or replacements of the foregoing.

"Franchise Holder": Applebee's Franchising LLC, a Delaware limited liability company, and its permitted successors and assigns.

"Franchise Holder Guaranty and Collateral Agreement": The Guaranty and Collateral Agreement, dated as of the Closing Date, by and among the Franchise Holder, the Master Issuer and the Indenture Trustee.

"Franchise Holder IP License Agreement": The Franchise Holder Intellectual Property License Agreement, dated as of the Closing Date, between the IP Holder, as the licensor, and the Franchise Holder, as the licensee.

"Franchise Payments": All amounts payable to the Master Issuer or the Franchise Holder by Franchisees (including Restaurant Holders) pursuant to the Franchise Agreements (including Participation Agreements pertaining to the POS System) other than Excluded Amounts.

"Franchised U.S. Restaurants": Collectively, the Existing Franchised U.S. Restaurants and the New Franchised U.S. Restaurants.

"Franchisee": Any Person (including a Restaurant Holder) that is a franchisee under a Franchise Agreement.

"Franchisee Insurance Policy": Any insurance policy maintained by a Franchisee for the benefit of the applicable Predecessor Restaurant Holder (prior to the Closing Date) or the applicable Restaurant Holder (following the Closing Date) or any of their respective Affiliates, whether direct or indirect and without regard to whether the applicable Predecessor Restaurant Holder (prior to the Closing Date) or the applicable Restaurant Holder (following the Closing Date) is an additional insured, pursuant to the applicable Franchise Agreement.

"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 Restoration Payment": Any payment 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 Sub-Leases": Sub-leases entered into between Restaurant Holders, as sub-lessors, and the Franchisees, as sub-lessees, in connection with (A) the Company-Owned Real Property, if any, that is sold to third parties in sale-leaseback transactions and then leased by the third party to the applicable Restaurant Holder for sub-lease to the Franchisee following the refranchising of the related Company-Owned U.S. Restaurant or (B) the real property on which a Company-Owned U.S. Restaurant is located that is leased by the applicable Restaurant Holder pursuant to a Company Lease and then sub-leased by the applicable Restaurant Holder to the Franchisee following the refranchising of the Company-Owned U.S. Restaurant.

"Franchisor": The Master Issuer (in respect of the Existing U.S. Franchise Agreements) or the Franchise Holder (in respect of the New U.S. Franchise Agreements), in its capacity as the franchisor under the Franchise Agreements.

"Franchisor Holding Account": The account, subject to the Account Control Agreement (Servicing Accounts), for the benefit of the Franchise Holder for the purposes of satisfying certain minimum net worth or other liquidity concerns raised by applicable Governmental Authorities.

"FTC": The Federal Trade Commission.

"GAAP": The generally accepted accounting principles promulgated or adopted by the Financial Accounting Standards Board and its predecessors and successors from time to time, as modified to reflect changes adopted by the Financial Accounting Standards Board that are made effective for purposes of the Transaction Documents in the manner provided in the Servicing Agreement.

"Gift Card": A gift card redeemable at an Applebee's Branded restaurant located in the United States or U.S. Territories.

"Gift Card Business": The manufacturing, marketing, issuance, sale and distribution of, and any other transactions in relation to, Gift Cards.

"Gift Card Reserve Account": The meaning specified in Section 10.2(b) of the Base Indenture.

"Global Notes": The meaning specified in Section 2.2(d) of the Base Indenture.

"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.

"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 Existing 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 the immediate continuing right to claim for, collect, receive and receipt for principal, interest and fee payments in respect of the Collateral (including the Existing 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.

"Guarantors": Collectively, Applebee's Holdings and the Franchise Holder.

"Guaranty and Collateral Agreements": The Franchise Holder Guaranty and Collateral Agreement and the Applebee's Holdings Guaranty and Collateral Agreement.

"Hedge Counterparty": An institution which enters into an agreement with the Master Issuer (or all of the Co-Issuers) to provide certain financial protections with respect to changes in interest rates applicable to a Series of Notes relating to such Notes if and as specified in the applicable Series Supplement.

"Hedge Counterparty Required Rating": The meaning specified in Section 13.3 of the Base Indenture.

"Hedge Payment Account": The meaning specified in Section 10.6(a) of the Base Indenture.

"Holder": A holder of notes.

"IFSRA": The Irish Financial Services Regulatory Authority.

"IHOP Certificate Release Request": A request by the Servicer, acting at the direction of the Master Issuer addressed to the Indenture Trustee, to terminate the security interest in the IHOP Residual Certificate and release the IHOP Residual Certificate from the Trust Estate.

"IHOP Corp.": IHOP Corp., a Delaware corporation.

"IHOP Corp. Consolidated Leverage Ratio": As of any date of determination, the following ratio determined as of the immediately preceding Accounting Date (or, if such date of determination is an Accounting Date, such Accounting Date):

(a) the sum of (i) aggregate Debt outstanding in respect of IHOP Corp. and all of its Affiliates as of the end of the immediately preceding fiscal calendar quarter plus (ii) the product of (x) 8 and (y) the amounts expensed by IHOP Corp. and all of its Affiliates under leases that are accounting for as operating leases in conformity with GAAP for the last twelve months ending as of the end of the last fiscal quarter; divided by

(b) EBITDAR for the last twelve months ending as of the end of the last fiscal quarter;

provided, that in calculating the ratio set forth above, any variable funding note Outstanding of IHOP Corp. and its Affiliates will be deemed to be fully drawn.

"IHOP Corp. Servicing Guaranty": IHOP Corp. Servicing Guaranty, dated as of the Closing Date, by IHOP Corp. for the benefit of the Co-Issuers pursuant to the Servicing Agreement.

"IHOP Indenture": The Base Indenture, dated as of March 16, 2007, among IHOP Franchising LLC, IHOP IP, LLC and Wells Fargo Bank, National Trustee (as amended, modified or supplemented from time to time).

"IHOP Residual Amount": Such residual amount, if any, remaining in the Collections Account (as defined in the IHOP Indenture) created pursuant to the IHOP Indenture in connection with the IHOP Securitization, which constitutes "Type 1 Cash Flow" and is distributable under Section 10.9 of the IHOP Indenture on a weekly basis after all property deposited and allocations specified in the Weekly Collections Account Allocation Priority (as defined in the IHOP Indenture) has been made.

"IHOP Residual Certificate": A non-voting certificate issued by IHOP Franchising, LLC representing the right of the holder thereof to receive the IHOP Residual Amount.

"IHOP Securitization": The securitization of assets in connection with the issuance of asset-backed notes by IHOP Franchising, LLC and IHOP IP, LLC pursuant to the IHOP Indenture.

"Important 3(c)(7) Notice": The meaning specified in Section 2.5(l) of the Base Indenture.

"Indemnification Amount": The amount payable by Applebee's International or the Servicer, as applicable, as of any date of determination (i) in respect of a breach of certain representations, warranties or covenants in any Transaction Document relating to a Company-Owned U.S. Restaurant, a Post-Closing U.S. Restaurant or a Franchised U.S. Restaurant (including in each case the related Franchise Agreement) that is not cured within the applicable cure period, if any, or (ii) as otherwise required under the terms of any applicable Transaction Document, which, in each case, will be an amount (not less than zero) equal to the Allocated Note Amount assigned to such Applebee's Restaurant on the Closing Date or such later date on which the applicable Restaurant Holder acquired the assets relating to such Applebee's Restaurant. For the avoidance of doubt, any Liquor License Related Indemnification Amount shall be deemed in all respects to constitute "Indemnification Amounts" under the Indenture.

"Indenture": Collectively, the Base Indenture and each Series Supplement executed pursuant to Section 2.3(c) of the Base Indenture, as amended, modified or supplemented from time to time.

"Indenture Collateral": The meaning specified in the first paragraph of the "Granting Clauses" to the Base Indenture.

"Indenture Collateral Release Event": The meaning specified in Section 14.1(a)(vi) of the Base Indenture.

"Indenture Trust Account": Individually, the Collection Account Administrative Accounts, the Collection Account, the Senior Notes Interest Reserve Account, the Cash Trap Reserve Account, the Hedge Payment Account and the applicable Series Distribution Accounts.

"Indenture Trustee": Wells Fargo Bank, National Association, a national banking association and its permitted successors and assigns in such capacity.

"Indenture Trustee Fee": Fees, expenses and costs payable to the Indenture Trustee pursuant to the letter agreement between the Master Issuer and the Indenture Trustee, dated October 3, 2007, and any amounts payable in accordance with the terms of the Transaction Documents.

"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.

"Independent Accountants": The firm of independent certified public accountants of recognized national reputation, appointed by the Master Issuer pursuant to the Servicing Agreement, that is reasonably acceptable to the Aggregate Controlling Party to serve as the independent accountants.

"Independent Manager" and "Independent Director": A manager or director, as applicable, who does not have and is not committed to acquire any material direct or any material indirect financial interest in the entity on whose Board such Person is a manager or a director, as applicable, or in any Affiliate of such entity, and is not connected with such entity or an Affiliate of such entity as an Officer, employee, promoter, underwriter, voting trustee, partner, director or Person performing similar functions.

"Initial IP Assets": All right, title and interest of Applebee's International and its direct and indirect Subsidiaries, in each case, as of the Closing Date in the following: (i) U.S. Intellectual Property Rights in: (A) the Applebee's Brand and (B) other U.S. Intellectual Property used in connection with Applebee's Restaurants, and with Applebee's Branded restaurants in the U.S. Territories, and (ii) worldwide Intellectual Property rights in the POS System, except, in each case, for Excluded IP Assets.

"Initial Payment Date": January 20, 2008 or, if such date is not a Business Day, the next Business Day.

"Initial Purchaser": Lehman Brothers, Inc.

"Initial Residual Deposit Amount": $2,800,000, to be deposited into the Concentration Account as of the Closing Date.

"Insolvency": Liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization or conservation; and when used as an adjective "Insolvent."

"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 or any sub-class thereof, the insurance agreement (if any) dated as of the execution date of the Series Supplement relating to such Series of Notes or sub-class, as applicable, among the Co-Issuers, the Insurer or the Insurers specified in the Series Supplement relating to such Series of Notes or sub-class, as applicable, the Indenture Trustee and such other parties as may execute and deliver such agreement, as amended, modified or supplemented from time to time.

"Insurance/Condemnation Proceeds": An amount equal to: (i) any cash payments or proceeds received by the Securitization Entities (a) by reason of theft, physical destruction or damage or any other similar event with respect to any properties or assets of the Securitization Entities under any policy of insurance required to be maintained (other than liability insurance) in respect of a covered loss thereunder or (b) as a result of any non-temporary condemnation, taking, seizing or similar event with respect to any properties or assets of the Securitization Entities by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, minus (ii) (a) any actual and reasonable documented costs incurred by the Securitization Entities in connection with the adjustment or settlement of any claims of the Securitization Entities in respect thereof and (b) any bona fide direct costs incurred in connection with any disposition of such assets as referred to in clause (i)(b) of this definition, including income taxes reasonably estimated to be actually payable by the Securitization Entities' consolidated group as a result of any gain recognized in connection therewith.

"Insurance Policy": With respect to any Series of Notes or any sub-class thereof, the financial guaranty insurance policy (if any), dated as of the execution date for the Series Supplement relating to such Series of Notes, or sub-class as applicable, issued by the Insurer specified in the Series Supplement relating to such Series of Notes or sub-class as applicable, for the benefit of the Indenture Trustee, on behalf of the Holders of outstanding Notes relating to such Series of Notes or sub-class, as applicable.

"Insurance Proceeds Account": The meaning specified in Section 10.2(d) of the Base Indenture.

"Insurance Proceeds Amount": The meaning specified in Section 14.3 of the Base Indenture.

"Insured Obligations": Those obligations of the Co-Issuers specified in the applicable Insurance Policy.

"Insurer": An insurer identified in a Series Supplement as insuring the timely payment of interest on the related Notes when due and the payment of principal of such Notes on their Legal Final Maturity Date (and such other amounts,

or exclusions from any such amounts, as are specified in such Series Supplement) pursuant to an Insurance Policy; provided, that with respect to any Series 2007-1 Class A-1 Notes or any Series 2007-1 Class A-2-II Notes, the Insurer shall be Assured Guaranty.

"Insurer Event of Default": With respect to any Class of Senior Notes insured by an Insurer (or, in the case of a Class of Senior Notes insured by more than one Insurer, the sub-class of such Class of Senior Notes insured by an Insurer), the occurrence and continuance of any of the following events:

(a) the Insurer relating to such Class or sub-class of Senior 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 business days (as defined in the related Insurance Policy);

(b) the Insurer relating to such Class or sub-class of Senior 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, 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, 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 Class or sub-class of Senior 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 Expense Amount": With respect to each Payment Date, an amount equal to the aggregate amount of Insurer Expenses due but unpaid as of such Payment Date.

"Insurer Expenses": With respect to any Class or sub-class of Senior Notes that is insured pursuant to an Insurance Policy, all expenses, cost, indemnification amounts and any other amounts payable to the Insurer relating to such Class or sub-class of Notes pursuant to the terms of the applicable Insurance Agreement.

"Insurer Premium": With respect to any Insurer, the aggregate amount of the premium payable to the Insurer calculated in the manner provided in the related Insurer Premium Letter.

"Insurer Premium Letter": A letter agreement among the Co-Issuers, the Franchise Holder and the applicable Insurer relating to any Insurer Premium and other applicable fees, if any, with respect to a Series of Notes.

"Insurer Premiums Account": The meaning specified in Section 10.8(a)(ii) of the Base Indenture.

"Insurer Reimbursement Amount": The aggregate amount of the reimbursements that an Insurer is entitled to receive pursuant to the related Insurance Agreement and the related Insurance Policy.

"Intellectual Property": (i) Trademarks; (ii) patents (including, during the term of a patent, the inventions claimed thereunder) and industrial designs (including any continuations, extensions, divisionals, continuations in part, provisionals, reissues, and re-examinations thereof) ("Patents"); (iii) rights in computer programs, including in both source code and object code therefor, together with related documentation and explanatory materials and databases, including any Copyrights, Patents and trade secrets therein ("Software"); (iv) copyrights (whether registered or unregistered) in unpublished and published works ("Copyrights"); (v) trade secrets and other confidential or proprietary information, including with respect to recipes, unpatented inventions, operating procedures, know how, procedures and formulas for preparing food and beverage products, specifications for certain food and beverage products, inventory methods, financial control methods, and training techniques; and (vi) any registrations, applications for registration or issuances, recordings, renewals and extensions relating to any of the foregoing.

"Interest Accrual Period": Solely with respect to (a) any Class A-1 Notes, a period commencing on and including the date that is two (2) Business Days prior to an Accounting Date and ending on but excluding the day that is two (2) Business Days (or as otherwise provided in the related Series Supplement) prior to the next succeeding Accounting Date; and with respect to (b) any other Class of Notes, a period commencing on and including a Payment Date (or as otherwise provided in the related Series Supplement) and ending on but excluding the next succeeding Payment Date; provided, that the initial Interest Accrual Period for any Class of Notes will commence on and include the related Series Closing Date and end on the date specified in the applicable Series Supplement; provided, further, that the Interest Accrual Period with respect to each Class of Notes that immediately precedes the Payment Date on which the last payment will be made on such Class of Notes will end on such Payment Date.

"Interest Payment Accounts": Collectively, the Subordinated Notes Monthly Interest Amount and the Senior Notes Interest Payment Account.

"Internet Domain Names": The unique addresses on the Internet consisting of at least a top level domain (generic top-level domain (gTLD) or country or region code top-level domain (ccTLD)) and a second level domain, regardless of whether there is any content on the website related thereto.

"Investment Company Act": The United States Investment Company Act of 1940, as amended.

"Investment Income": The investment income earned on a specified account during a specified period, in each case net of all losses and expenses allocable thereto.

"IP Assets": Collectively, the Initial IP Assets and the After-Acquired IP Assets, except that for purposes of the licenses granted under the IP License Agreements, "IP Assets" will not include any rights to use licensed third party Intellectual Property to the extent that such rights are not sublicensable.

"IP Holder": Applebee's IP LLC, a newly formed, special purpose Delaware limited liability company, and its permitted successors and assigns.

"IP License Agreements": The Master Issuer IP License Agreement, the Franchise Holder IP License Agreement, the Applebee's International Retained U.S. Restaurants IP License Agreement, the Applebee's International U.S. Territories/POS System IP License Agreement and the ACMC IP License Agreement.

"IP Lien Filings": Duly-executed instruments substantially in the form of Exhibit H to the Base Indenture, granting a lien in the Copyrights, Patents and Trademarks included in the Initial IP Assets and owned by the Master Issuer or any Co-Issuer, to the extent that any of the Co-Issuers own the related type of Intellectual Property registration or application, that 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 office, the Indenture Trustee's security interest granted under the Indenture in the Initial IP Assets.

"Irish Listing Agent": If and for so long as any Class of Notes are listed on the Irish Stock Exchange, Dillon Eustace in its capacity as such, and its permitted successors and assigns in such capacity.

"Irish Paying Agent": If and for so long as any Class of Notes are listed on the Irish Stock Exchange, Custom House Administration and Corporate Services in its capacity as such, and its permitted successors and assigns in such capacity.

"Irish Stock Exchange": The Irish Stock Exchange Limited.

"IRS": The U.S. Internal Revenue Service.

"Issuance Date": The Closing Date and any other date on which the Co-Issuers issue Notes pursuant to the Base Indenture and the related Series Supplement.

"Lead Insurer": With respect to any Series of Notes Outstanding as of any date of determination, the Insurer (without giving effect to any Insurer with respect to which an Insurer Event of Default has occurred and is continuing) for which the Policy Exposure is greater than 50% of the aggregate Policy Exposure with respect to such Series under the, or each, Insurance Policy issued by the, or any, Insurer (other than any Insurer with respect to which an Insurer Event of Default has occurred and is continuing); provided, that so long as any Series 2007-1 Class A-1-A Notes or any Series 2007-1 Class A-2-II-A Notes remain Outstanding, Assured Guaranty shall be deemed the Lead Insurer with respect to the Series 2007-1 Notes. The Lead Insurer with respect to any Notes that are insured by one or more Insurers will control the voting and consent rights and other rights of 100% of the Notes that are insured without giving effect to any Insurer with respect to which an Insurer Event of Default has occurred and is continuing.

"Leases": The meaning specified in the definition of "Collateral" in this Appendix A.

"Lease Payment": Any lease payment payable by (i) a Restaurant Holder as the lessee under a Company Lease or a Sale/Leaseback Lease or (ii) a Predecessor Restaurant Holder as the lessee under a lease relating to a Post-Closing U.S. Restaurant (unless and until such restaurant becomes a Reacquired U.S. Restaurant).

"Lease Payment Account": The meaning specified in Section 10.2(f) of the Base Indenture.

"Lease Receipt": Any lease payment payable to a Restaurant Holder as the lessor or the sub-lessor, as applicable, under a Refranchised Restaurant Lease, if any, or a Franchisee Sub-Lease, if any.

"Leased Property": Any real property on which an Applebee's Restaurant is located that is subject to a Lease.

"Legal Final Maturity Date": With respect to (i) the Series 2007-1 Notes, the Series 2007-1 Legal Final Maturity Date and (ii) any additional Series of Notes, the meaning specified in the related Series Supplement.

"Licensee-Developed IP": All of the following created, developed, authored or acquired by a licensee (other than ACMC, Inc.) under its respective IP License Agreement: (i) U.S. Intellectual Property Rights in: (A) the Applebee's Brand, (B) products or services sold or distributed under the Applebee's Brand, and (C) derivative works of, and other variations on or improvements to, the IP Assets, and (ii) worldwide Intellectual Property rights in new versions, updates, or other modifications to the POS System.

"Lien": All pledges, charges, encumbrances (including encumbrances and restrictions described in clause (d) of the definition of "Permitted Liens"), security interests or other similar rights.

"Liquor License Holders": The special purpose limited liability companies formed by the Master Issuer solely for the purpose of holding liquor licenses to serve alcoholic beverages in Company-Owned U.S. Restaurants in compliance with applicable liquor license laws.

"Liquor License Related Indemnification Amount": Any Indemnification Amount paid pursuant to the relevant Transaction Document in connection with (i) the repurchase of assets relating to any Company-Owned U.S. Restaurant or (ii) the repurchase of the rights to the proceeds generated by any Post-Closing U.S. Restaurant, in each case if such assets or rights to the proceeds, as the context requires, are conveyed to the applicable Restaurant Holder on the basis of a temporary liquor license (or other temporary arrangement to serve alcoholic beverages at such Applebee's Restaurant) that expires before a permanent liquor license (or other permanent arrangement) is procured.

"Lock-Box Account": An account established and maintained at the Lock-Box Provider designated as the "Lock-Box Account."

"Lock-Box Provider": a Qualified Institution designated by the Master Issuer and consented to by each applicable 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).

"Make-Whole Amount": With respect to (i) the Series 2007-1 Notes, the Series 2007-1 Make-Whole Amount and (ii) any additional Series of Notes, the meaning specified in the related Series Supplement.

"Majority": With respect to any Series of Notes, the Holders of more than 50% of the Aggregate Outstanding Principal Amount of such Series of Notes (for which purpose the Series 2007-1 Class A-1 Notes and any other variable funding Series of Notes will be deemed to be fully drawn).

"Majority Insurers": With respect to any Series of Notes Outstanding as of any date of determination, any one or more Insurers (without giving effect to any Insurer with respect to which an Insurer Event of Default has occurred and is continuing) for which the Policy Exposure is greater than 50% of the aggregate Policy Exposure with respect to such Series under each Insurance Policy issued by any Insurer (other than any Insurer with respect to which an Insurer Event of Default has occurred and is continuing). The Majority Insurers with respect to any Notes that are insured by such Insurers will control the voting and consent rights and other rights of 100% of the Notes that are insured without giving effect to any Insurer with respect to which an Insurer Event of Default has occurred and is continuing.

"Master Issuer": Applebee's Enterprises LLC, a newly formed, special purpose Delaware limited liability company, and its permitted successors and assigns.

"Master Issuer Assets": All property and assets of the Master Issuer other than Excepted Property.

"Master Issuer IP License Agreement": The Master Issuer Intellectual Property License Agreement, dated as of the Closing Date, between the IP Holder, as the licensor, and the Master Issuer, as the licensee.

"Master Issuer Trustee Accounts": The meaning specified in Section 10.9(a) of the Base Indenture.

"Material Adverse Effect": (a) With respect to the Servicer, a material adverse effect on (i) its condition, financial or otherwise, (ii) its assets, earnings or business affairs, (iii) 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, (iv) the Collateral, taken as a whole, or (v) the ability of the Master Issuer or any Co-Issuer to perform its obligations under the Transaction Documents;

(b) with respect to the Collateral, a material adverse effect with respect to (i) 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, or the security interest in

the rights thereto granted by the Co-Issuers under the terms of the Indenture, or (ii) the existing and reasonably anticipated future Existing 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) or the security interest in the rights thereto Granted under the Indenture by each of the Co-Issuers;

(c) with respect to any Securitization Entity, 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; provided, that for purposes of this clause (c), a material adverse effect on the Restaurant Holders means a material adverse effect on one or more Restaurant Holders that individually or in the aggregate represent more than 7.5% of the revenues earned over the most recent twelve consecutive Monthly Collection Periods; or

(d) 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;

provided, that where "Material Adverse Effect" is used in any Transaction Document without specific reference, such term will have the meaning specified in clauses (a) through (d), as the context may require; provided, further, the fact that the Three-Month Adjusted DSCR Test is then, or would remain, at any particular ratio will 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 $2,000,000 per incident or $5,000,000 in the aggregate over any twelve-month period, 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 Date": 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.

"Money": The meaning specified in Section 1 201(24) of the UCC.

"Monthly Aggregate Extension Prepayment Amount": With respect to (i) the Series 2007-1 Notes, the Series 2007-1 Monthly Aggregate Extension Prepayment Amount and (ii) any additional Series of Notes, the meaning, if any, specified in the related Series Supplement.

"Monthly Collection Period": Each monthly period commencing on the first calendar day of the first (1st), fifth (5th) and ninth (9th) Weekly Collections Allocation Periods and ending on the last calendar day of the fourth (4th), eighth (8th) and thirteenth (13th) Weekly Collections Allocation Periods, respectively, during each quarterly period (so that the first two "Monthly Collection Periods" in each quarterly period will be comprised of four Weekly Collections Allocation Periods and the third "Monthly Collection Period" in each quarterly period will be comprised of five Weekly Collections Allocation Periods); provided, that in any year in which there is a fourteenth (14th) week in the Co-Issuers' last fiscal quarter of the fiscal year, the final Monthly Collection Period will end on the last calendar day of the fourteenth (14th) Weekly Collections Allocation Period (so that such Monthly Collection Period will be comprised of six Weekly Collections Allocation Periods). The first Monthly Collection Period will be the period from and including the Cut-Off Date to but excluding December 31, 2007.

"Monthly Noteholders' Report": With respect to each Series of Notes, a monthly statement containing information relating to the distributions to be made to the holders of the Notes of that Series on the corresponding Payment Date, the allocations of Collections received during such monthly period and certain measures of the performance of the Collateral.

"Monthly Servicer's Certificate": The meaning specified in Section 12.1(b) of the Base Indenture.

"Monthly Servicer's Report": The meaning specified in Section 12.1(b) of the Base Indenture.

"Monthly Subordinated Notes Amortization Amount": (i) With respect to the Series 2007-1 Notes, the Series 2007-1 Monthly Subordinated Notes Amortization Amount (as defined in the Series 2007-1 Supplement), and (ii) with respect to any other Series of Notes, as specified in the applicable Series Supplement.

"Moody's": Moody's Investors Service, Inc., and its successors in interest.

"Moody's Second Trigger Event": The meaning specified in Section 13.3 of the Base Indenture.

"Mortgage Recordation Fees": The fees and expenses incurred by or on behalf of the Servicer in connection with recording and filing real

estate mortgages and other related instruments relating to Company-Owned Real Property.

"Multiemployer Plan": Any "multiemployer plan" as defined in Section 4001 of ERISA.

"National Advertising Fund": The meaning specified in the definition of "Excluded Property" in this Appendix A.

"Neighborhood Insurance": The meaning specified in the definition of "Excluded Property" in this Appendix A.

"Net Cash Flow": With respect to any Monthly Collection Period, the amount (not less than zero) equal to:

(a) the Retained Collections with respect to such Monthly Collection Period; minus

(b) the amount (without duplication) equal to the sum of (i) all amounts not constituting Excluded Amounts that were paid pursuant to the Weekly Collections Allocation Priority on each Weekly Allocations Date that occurs during such Monthly Collection Period, (ii) all amounts paid pursuant to clauses first and third of the Priority of Payments on the related Payment Date, (iii) the IHOP Residual Amount, if any, included in such Retained Collections and (iv) any Indemnification Amount, Insurance Proceeds Amount or Asset Disposition Prepayment Amount included in such Retained Collections; minus

(c) the amount, if any, by which the equity contributions included in such Retained Collections exceed the Retained Collections Contribution.

provided, that for purposes of calculating Net Cash Flow for purposes of calculating the Three-Month DSCR, Three-Month Adjusted DSCR, One-Year DSCR and One-Year Adjusted DSCR in order to determine if the conditions to a draw on the Series 2007-1 Class A-1 Commitments (as defined in the Series 2007-1 Supplement) or the conditions to prepayment of any Subordinated Notes or the conditions to a release of funds on deposit in the Senior Notes Interest Reserve Account are satisfied, any equity contribution to the Master Issuer will be excluded from Retained Collections; provided, further, that any portion of the initial deposit made to the Concentration Account and which the Servicer elects to deposit to the Collection Account in addition to other Collections will not be included in the Retained Collections for purposes of calculating the Three-Month DSCR, the Three-Month Adjusted DSCR, the One-Year DSCR or the One-Year Adjusted DSCR unless the Servicer elects to have such amounts treated as an equity contribution counting towards the Retained Collections Contribution.

"New Company-Owned U.S. Restaurants": Applebee's Restaurants opened after the Closing Date and owned and operated by a Restaurant Holder (if any).

"New Franchise Document": New U.S. Franchise Agreements and any other Franchise Document entered into pursuant to a New U.S. Franchise Agreement.

"New Franchised U.S. Restaurants": Applebee's Restaurants that are opened after the Closing Date and are owned and operated by Franchisees that are unaffiliated with Applebee's International and its Affiliates.

"New U.S. Development Agreements": Following the Closing Date, all additional development agreements entered into by the Franchise Holder, in its capacity as the Franchisor for Applebee's Restaurants.

"New U.S. Franchise Agreements": All additional franchise agreements for Applebee's Restaurants entered into following the Closing Date (including all substitute or replacement franchise agreements for existing Applebee's Restaurants).

"New U.S. Restaurant Business": The (i) franchising (and the ownership by Franchisees) of the New Franchised U.S. Restaurants and (ii) the ownership and operation of the New Company-Owned U.S. Restaurants

"New York UCC": The meaning specified in Section 10.9(b)(i) of the Base Indenture.

"Non-Refranchising Asset Disposition": The disposition of Collateral in connection with any circumstance other than a Refranchising Asset Disposition in which the Servicer, acting on behalf of the Securitization Entities in accordance with the Servicing Standard, elects to dispose of assets in accordance with the Servicing Standard including, without limitation, the sale of Company-Owned Real Property in sale/leaseback transactions.

"Non-U.S. Intellectual Property Rights": The (i) Intellectual Property rights that are established under any laws other than the laws of the United States (including U.S. Federal law and the laws of any state or political subdivision of the U.S.) and (ii) rights in Internet Domain Names that include a ccTLD for a country or region other than the United States.

"Non-U.S. IP Rights Agreement": The Non-U.S. Intellectual Property Rights Agreement, dated as of the Closing Date, entered into by and among the IP Holder, the Master Issuer, the Franchise Holder, ACMC, Inc. and Applebee's International.

"Non-U.S. Person": Any person who is not a "U.S. person" as such term is defined in Rule 902 under the Securities Act.

"Non-U.S. Resident": Any person who is not a "U.S. resident" within the meaning of the Investment Company Act.

"Note Interest Rate": The rate specified in the applicable Series Supplement at which interest on the Aggregate Outstanding Principal Amount of the Notes will accrue.

"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 holders the Book-Entry Note, or on the books of a Person holding an account with such Clearing Agency.

"Note Purchase Agreement": (i) With respect to the Series 2007-1 Notes, (a) the Series 2007-1 Class A-1 Note Purchase Agreement (as defined in the Series 2007-1 Supplement) and (b) the Series 2007-1 Term Note Purchase Agreement, in each case, as amended, modified or supplemented from time to time, and (ii) with respect to each other Series of Notes, such other note purchase agreements similar to the agreements described in the foregoing clause (i), as the applicable parties shall enter into from time to time.

"Note Register": A register in which, subject to such reasonable regulations as they may prescribe, the Co-Issuers will provide for the registration of Notes and the registration of transfers of Notes with respect to each Series.

"Note Registrar": The Indenture Trustee in its capacity of registering Notes and transfers of Notes.

"Noteholder": Any Holder of a Note.

"Notes": The asset-backed notes offered by the Co-Issuers from time to time in a Series pursuant to the Indenture.

"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.

"Obligations": With respect to (a) all principal, interest and premium, if any, at any time and from time to time, owing by the Co Issuers on the Notes or owing by the Guarantors pursuant to each Guaranty and Collateral Agreement, (b) the payment and performance of all other obligations, covenants and liabilities of the Co Issuers or the Guarantors arising under the Indenture, the Notes, any other Transaction Document or any Insurance Agreement, including, without limitation, the payment of Insurer Premiums, Insurer Reimbursement Amounts and Insurer Expenses, or of the Guarantors under each Agreement and (c) the obligation of the Co Issuers to pay all Indenture Trustee Fees to the Indenture Trustee when due and payable as provided in the Indenture.

"Obsolete Property Disposition": Any sale or other disposition of an interest in any of the Securitization Entities' inventory, equipment, furniture, fixtures and other assets (other than IP Assets) relating to the Company-Owned U.S. Restaurants deemed obsolete in the ordinary course of business in accordance with the Servicing Standard.

Offered Notes": The Series Class A-1 Notes, Series 2007-1 Class A-2 Notes and Series 2007-1 Class M-1 Notes.

"Offering Memorandum": In relation to any Series of Notes, the offering memorandum relating to such Series of Notes, if any.

"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 any Co-Issuer or other Securitization Entity 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": A certificate signed by an Authorized Officer of the party delivering such certificate.

"One-Year Adjusted DSCR": The One Year DSCR recalculated to add to the numerator thereof the IHOP Residual Amount, if any, received by the Servicer on behalf of the Master Issuer or Master Issuer or over the twelve immediately preceding Monthly Collection Periods. For the avoidance of doubt, One-Year Adjusted DSCR shall not be calculated for any purpose under the Indenture during the first twelve (12) Monthly Collection Periods.

"One Year DSCR": With respect to each Payment Date, the ratio calculated by dividing (i) the Net Cash Flow over the twelve immediately preceding Monthly Collection Periods by (ii) the Debt Service due on such Payment Date and the immediately preceding eleven Payment Dates. For the avoidance of doubt, One-Year DSCR shall not be calculated for any purpose under the Indenture during the first twelve (12) Monthly Collection Periods.

"Opinion of Counsel": A written opinion addressed to the Indenture Trustee, each Insurer 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), 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 the 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). Whenever an Opinion of Counsel is required under the Indenture, 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 and each Rating Agency or shall state that the Indenture Trustee, each Insurer and each Rating Agency shall be entitled to rely thereon.

"Optional Prepayment": Any Optional Prepayment of Notes effected by the Co Issuers pursuant to Section 4.7(e) of the Series Supplement.

"Optional Prepayment Date": The Payment Date specified for an Optional Prepayment pursuant to Section 4.7(e) of the Series Supplement.

"Other U.S. Franchise Business": The franchising and operation (by franchisees) of any restaurant located in the United States other than (i) Applebee's Restaurants and (ii) restaurants opened after the Closing Date that have or offer all of the following: (a) a varied menu; (b) table service; (c) beer, wine and/or liquor; and (d) a per person average guest check that is between 70% and 130% of the per person average guest check of the Applebee's Branded restaurants located in the United States that are owned and operated by the Restaurant Holders as of such date of determination.

"Other U.S. Products and Services": Any and all businesses, products, or services provided in the United States other than the franchising of any restaurants and the U.S. Restaurant Business.

"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 the 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 the Indenture; provided that, if such Notes or portions thereof are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefore 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 the 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 the Indenture;

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, or (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 a Co-Issuer 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 the Indenture until the Insurer relating to such Insurance Policy has been paid as subrogee under the Indenture 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.

"Outstanding Notes": All Notes that are Outstanding.

"Outstanding Series of Notes": A Series of Notes that is Outstanding.

"Partial Amortization Amount": With respect to (i) the Series 2007-1 Notes, a Series 2007-1 Partial Amortization Amount (as defined in the Series 2007-1 Supplement) and (ii) any Series of Notes, the meaning specified in the applicable Series Supplement.

"Partial Amortization Event": With respect to (i) the Series 2007-1 Notes, a Series 2007-1 Partial Amortization Event (as defined in the Series 2007-1 Supplement), and (ii) any additional Series of Notes, the meaning specified in the related Series Supplement.

“Partial Amortization Trigger”: With respect to (i) the Series 2007-1 Notes, a Series 2007-1 Partial Amortization Trigger (as defined in the Series 2007-1 Supplement), and (ii) any additional Series of Notes, the meaning specified in the related Series Supplement.

“Participation Agreement”: An agreement between a Franchisee (including any Restaurant Holder in its capacity as a Franchisee under such agreement), on the one hand, and the IP Holder, Servicer, and/or a third party licensor, on the other hand, which licenses or sublicenses to such Franchisee, the right to use in connection with the related Franchise Agreement certain Intellectual Property owned by, or licensed to, the IP Holder, Servicer, or third party licensor.

“Patents”: The meaning specified in the definition of “Intellectual Property” in this Appendix A.

“Paying Agent”: Any paying agent appointed by the Co-Issuers for the Notes pursuant to the Base Indenture.

“Payment Date”: The 20th day of each calendar month or, if such date is not a Business Day, the next Business Day, commencing in January 2008 (the “Initial Payment 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 (as described in clauses (d)(i) through (vi) above), 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) 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, (f) 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), (g) restrictions under federal, state or foreign securities laws on the transfer of securities, (h) any permitted cash

management liens, (i) any matter disclosed in the most recent title report obtained on each real property prior to the Closing Date and (j) the license and other rights granted to the licensee under the IP License Agreements.

"Person": An individual, corporation (including a business trust), partnership, limited liability 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.

"Physical Note": A certificated note 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.

"Placement Agent": The placement agent (or placement agents), if any, with respect to any Additional Notes.

"Plan": Any "employee benefit pension plan," as such term is defined in ERISA, which is subject to Title IV 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.

"Policy Exposure": As of any date of determination with respect to each Insurer, the insured amount with respect to the principal due on the Notes of the related Insurance Policy or Insurance Policies issued by such Insurer on such date.

"POS System": The suite of software programs heretofore known as "AppleOne POS" and "Apple-One Cards" which handles, among other functions, retail transaction collection, control, and management, the set up of menu items, pricing, taxing and employee information, customer order processing, basic timekeeping, and payment processing, control and reporting for credit and stored value transactions, with integration to the kitchen display system and back of house products, and all new versions, updates, and other modifications of such software programs.

"Post-ARD Contingent Additional Interest Amount": With respect to the (i) Series 2007-1 Notes, the Series 2007-1 Post-ARD Contingent Additional Interest, if any, and with respect to (ii) each other Series of Notes, the meaning specified in the related Series Supplement.

"Post-Closing Lease Consent Restaurants": Company-Owned U.S. Restaurants for which Applebee's International is unable to obtain the landlord consent necessary (i) for the assets to be transferred to the applicable Restaurant Holder on the Closing Date or (ii) due to the change in control of Applebee's International or any of its Subsidiaries (which landlord consent will be necessary solely for those Company-Owned U.S. Restaurants situated on real property leased from a third party pursuant to a Company Lease).

"Post-Closing Liquor License Restaurants": Company-Owned U.S. Restaurants for which Applebee's International is unable to arrange the temporary or permanent liquor licenses (or other alternative arrangements) necessary for the applicable Restaurant Holder to serve alcoholic beverages in such Company-Owned U.S. Restaurants on and after the Closing Date.

"Post-Closing U.S. Restaurant Purchase Agreement": The purchase agreement, dated as of the Closing Date, by and among the Master Issuer, the applicable Predecessor Restaurant Holders and the applicable Restaurant Holders.

"Post-Closing U.S. Restaurants": Collectively, the Post-Closing Lease Consent Restaurants and the Post-Closing Liquor License Restaurants.

"Potential Rapid Amortization Event": Any occurrence or event which, with the giving of notice, the passage of time or both, would constitute a Rapid Amortization Event.

"Predecessor Liquor License Holders": The meaning specified in the definition of "Excluded Property" in this Appendix A.

"Predecessor Restaurant Holders": The direct and indirect Subsidiaries of Applebee's International which owned and operated Applebee's Restaurants as of the Business Day immediately prior to the Closing Date.

"Preference Claim": The meaning specified in Section 2.13(e) of the Base Indenture.

"Principal Payment Accounts": An account for the deposit of the amounts allocable to the payment of principal of the Subordinated Notes (the "Subordinated Notes Principal Payment Account" and, together with the Senior Notes Principal Payment Accounts).

"Principal Terms": The meaning specified in Section 2.3(d)(xviii) of the Base Indenture.

"Priority of Payments": The meaning specified in Section 10.12 of the Base Indenture.

"Proceeding": Any suit in equity, action at law or other judicial or administrative proceeding.

"Protected Purchaser": The meaning specified in Section 8-303 of the UCC.

"PTO": The U.S. Patent and Trademark Office and any successor U.S. Federal office.

"QIB": A "qualified institutional buyer" as defined in Rule 144A.

"QP": A "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act.

"Qualified Institution" means a depository institution organized under the laws of the United States of America or any state thereof or incorporated under the laws of a foreign jurisdiction with a branch or agency located in the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities which at all times has the Required Rating and, in the case of any such institution organized under the laws of the United States of America, whose deposits are insured by the FDIC.

"Qualified Trust Institution" means an institution organized under the laws of the United States of America or any state thereof or incorporated under the laws of a foreign jurisdiction with a branch or agency located in the United States of America or any state thereof and subject to supervision and examination by Federal or state banking authorities which at all times (i) is authorized under such laws to act as a trustee or in any other fiduciary capacity, (ii) has capital, surplus and undivided profits of not less than $250,000,000 as set forth in its most recent published annual report of condition and (iii) has a long term deposits rating of not less than "A2" by Moody's and "A" by S&P.

"Rapid Amortization Cure Right": With respect to (i) the Series 2007-1 Notes, the Series 2007-1 Rapid Amortization Cure Right (as defined in the Series 2007-1 Supplement) and (ii) any additional Series of Notes, the meaning specified in the related Series Supplement.

"Rapid Amortization Event": The meaning specified in Section 5.1(a) of the Base Indenture.

"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": S&P and any successor or successors thereto, Moody's and any successor or successors thereto and Fitch and any successor or successors thereto. In the event that at any time the rating agencies rating the Notes do not include S&P, Moody's or Fitch, references to rating categories of S&P, Moody's or Fitch 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 S&P, Moody's or Fitch 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 then rating any Outstanding Notes (or, if so specified, the relevant Rating Agency) notifies the Indenture Trustee (and, with respect to any Series of Notes that is insured by an Insurer, such Insurer) in writing that such action or occurrence, as the case may be, will not result in a withdrawal or reduction of the ratings specified in the Base Indenture or the applicable Series Supplement, without giving effect to any Insurance Policy, by S&P, Moody's or Fitch, respectively, below certain specified thresholds.

“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.

“Reacquired U.S. Restaurants”: An Applebee’s Restaurant for which an Indemnification Amount, together with any other amount payable pursuant to a related Transaction Document, has been paid.

“Real Estate Assets”: Collectively, (i) the Company-Owned Real Property, (ii) the Company Leases, (iii) the Sale-Leaseback Leases, if any, (iv) the Refranchised Restaurant Leases, if any, and (v) the Franchisee Sub/Leases, if any.

“Recipient”: The meaning specified in Section 16.9 of the Base Indenture.

“Record Date”: With respect to any Payment Date for the Offered Notes the day that is (i) one Business Day prior to the applicable Payment Date or (ii) in the case of a Holder of a Physical Note, fifteen days (without regard to whether such day is a Business Day) prior to the applicable Payment Date.

“Refranchised Restaurant Leases”: Leases entered into between Restaurant Holders, as lessors, and Franchisees, as lessees, in connection with the conversion of Company-Owned U.S. Restaurants to Franchised U.S. Restaurants prior to the sale of the related Company-Owned Real Property to third parties in sale-leaseback transactions.

“Refranchising Asset Disposition”: The disposition of Collateral in connection with refranchising activities pursuant to which Company-Owned U.S. Restaurants will be converted to Franchised U.S. Restaurants.

“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 outside the United States to QP’s who are non-U.S. Persons, 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.

“Reinvested Amounts”: Any net after-tax cash proceeds received from Asset Dispositions that are not deposited to the Collection Account for application to pay principal of the Notes and that are reinvested, within 180 days following receipt of such proceeds, in any of the following: (a) the New U.S. Restaurant Business, (b) property on which the New U.S. Restaurant Business is proposed to be developed, and (c) improvements and equipment relating to the Existing U.S. Restaurant Business, including the restoration of property relating to the Existing U.S. Restaurant Business.

"Released Indenture Collateral Asset": The meaning specified in Section 14.1(a) of the Base Indenture.

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

"Replacement Residual Certificate": A certificate, issued by an Affiliate of IHOP Franchising, LLC pursuant to its Charter Documents, evidencing the right to receive all or a portion of the residual amount, if any, remaining in the applicable account (or accounts) maintained pursuant to an indenture, guaranty or other similar document to which such Affiliate is party, pursuant to which such Affiliate is an issuer or guarantor of indebtedness issued to refinance indebtedness previously outstanding under the IHOP Indenture, after giving effect to all other amounts payable from such account (or accounts) pursuant to the weekly or monthly priority of payments under such indenture, guaranty or other similar document; provided that no such certificate will constitute a "Replacement Residual Certificate" unless such certificate (or such certificate together with similar certificates issued by other Affiliates participating in such refinancing) is reasonably expected to receive cash flow during the immediately succeeding 12-month period that will be economically equivalent in all material respects to the cash flow, if any, that the IHOP Residual Certificate would have received during such 12-month period, based on financial projections reasonably acceptable to the Aggregate Controlling Party.

"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 of the Base Indenture.

"Requirements of Law": 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 usury laws, the Federal Truth in Lending Act, state franchise laws and retail installment sales acts).

"Residual Amount": The meaning specified in Section 10.12(xxiv) of the Base Indenture.

"Residual Threshold Amount": (i) With respect to the Series 2007-1 Notes, the Series 2007-1 Residual Threshold Amount (as defined in the Series 2007-1 Supplement), and (ii) with respect to any other Series of Notes, as specified in the applicable Series Supplement.

"Restaurant": All Franchised U.S. Restaurants and Company-Owned U.S. Restaurants.

"Restaurant Accounts": The accounts established at local banks in the name of the Master Issuer in connection with the collection of money by the Restaurant Holders.

"Restaurant Holder Assets": The meaning specified in Section 3.2(d) of the Base Indenture.

"Restaurant Holder Profits": With respect to each Monthly Collection Period, the amount (not less than zero) equal to:

(a) all cash revenues and credit card proceeds generated by the Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants over such period (excluding the proceeds from the sale of ACMC Gift Cards at such restaurants that are withdrawn from the Concentration Account for deposit to the Gift Card Reserve Account but including the amounts described in subclauses (A), (B) and (C) of clause (ii) of the definition of "Collections"); minus

(b) all operating expenses paid in cash out of funds in deposit in the Concentration Account in connection with the operation of the Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants over such period.

"Restaurant Holders": Applebee's Restaurants North LLC, a Delaware limited liability company, Applebee's Restaurants Mid-Atlantic LLC, a Delaware limited liability company, Applebee's Restaurants West LLC, a Delaware limited liability company, Applebee's Restaurants Vermont, Inc., a Vermont corporation, Applebee's Restaurants Texas LLC, a Texas limited liability company, Applebee's Restaurants Inc., a Kansas corporation and Applebee's Restaurants Kansas LLC, a Kansas limited liability company, together with any additional legal entity that becomes a party to the Indenture as a "Restaurant Holder" pursuant to a joinder to the Indenture in the form attached as an exhibit to the Indenture, each a " Restaurant Holder."

"Retained Collections": With respect to any specified period of time, the amount equal to (i) the Collections received over such period minus (ii) the Excluded Amounts included in the Collections over such period minus (iii) all operating expenses paid in cash out of funds in deposit in the Concentration Account in connection with the operation of the Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants over such period.

"Retained Collections Contribution": The equity contributions made to the Master Issuer over a Monthly Collection Period in an amount not to exceed $30 million that the Servicer on behalf of the Master Issuer may designate to include in the Net Cash Flow for purposes of calculating the Three-Month DSCR, Three-Month Adjusted DSCR, One-Year DSCR, and One-Year Adjusted DSCR, during up to five Monthly Collection Periods between the Closing Date and the Series 2007-1 Legal Final Maturity Date, but not during more than two Monthly Collection Periods that occur during any calendar year, beginning with the calendar year commencing on the Closing Date.

"Retained U.S. Restaurants": As of any date of determination, any (i) Excluded U.S. Restaurant, (ii) Post-Closing U.S. Restaurant for which the related assets have not been transferred to the applicable Restaurant Holder pursuant to the Post-Closing U.S. Restaurant Purchase Agreement and (iii) Reacquired U.S. Restaurant.

"Rule": The FTC's franchise rule, "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" (16 CFR 436).

"Rule 144A": Rule 144A promulgated under the Securities Act.

"Rule 144A Global Notes": The Offered Notes sold to Persons that are both Qualified Institutional Buyers and Qualified Purchasers in reliance on Rule 144A under the Securities Act will be represented by one or more Notes in registered, global form, deposited with the Indenture Trustee as custodian for, and registered in the name of a nominee of, DTC.

"S&P": Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors in interest.

"Sale-Leaseback Lease": Any lease entered into between a third party, as lessor, and a Restaurant Holder, as lessee, relating to any Company-Owned Real Property sold by the Restaurant Holder to the third party in a sale-leaseback transaction.

"Sales Tax Account": The meaning specified in Section 10.2(g) of the Base Indenture.

"Second-Tier Asset Contribution Agreement": The asset contribution agreement, dated as of the Closing Date, between Applebee's Holdings, as the contributor, and the Master Issuer, as the contributee.

"Secured Obligations": The (a) 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 any Co-Issuer to the Secured Parties under the Indenture, any Insurance Agreement and the other Transaction Documents to which any of the Co-Issuers is or is to be a party, and (c) all amounts due and payable by any 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 the Base Indenture.

"Securities Act": The United States Securities Act of 1933, as amended.

"Securities Intermediary": The meaning specified in Section 10.9(a) of the Base Indenture.

"Securitization Entities": Each of the Master Issuer, the Franchise Holder, the IP Holder, the Restaurant Holders, and Applebee's Holdings and any Additional Securitization Entities.

"Securitization Transaction": The transactions contemplated by the Transaction Documents including, without limitation, the contribution to the applicable Securitization

Entities of all of the assets of Applebee's International and its Subsidiaries in existence as of the Closing Date (other than the Excluded Property) and the proceeds thereof in the manner provided in the applicable Transaction Documents.

"Senior ABS Leverage Ratio": As of any date of determination, the ratio of:

(i) the Aggregate Outstanding Principal Amount of all Senior Notes Outstanding (assuming the Series 2007-1 Class A-1 Notes and all other variable funding notes of the Co-Issuers are fully drawn); over

(ii) EBITDA attributable to Applebee's International and its consolidated Subsidiaries, including the Securitization Entities, but excluding (A) EBITDA attributable to IHOP Corp. and its Affiliates (other than Applebee's International and its consolidated Subsidiaries) and (B) the IHOP Residual Amount (if and for so long as the IHOP Residual Amount would otherwise be included in calculating the EBITDA attributable to Applebee's International and its consolidated Subsidiaries).

"Senior Notes": The meaning specified in Section 11.5(b)(vi) of the Base Indenture.

"Senior Notes Available Reserve Account Amount": As of any date of determination, the amount equal to the sum of the amount on deposit in the Senior Notes Interest Reserve Account and the Cash Trap Reserve Account excluding in each case the Investment Income on such amounts.

"Senior Notes Excess Adjusted Interest Account": The meaning specified in Section 10.8(a)(ix) of the Base Indenture.

"Senior Notes Interest Payment Account": The meaning specified in Section 10.8(a)(i) of the Base Indenture.

"Senior Notes Interest Reserve Account": The meaning specified in Section 10.3(a) of the Base Indenture.

"Senior Notes Interest Reserve Deficit Amount": As of any date of determination, (i) with respect to the Series 2007-1 Notes, the Series 2007-1 Senior Notes Interest Reserve Deficit Amount (as defined in the Series 2007-1 Supplement), and (ii) with respect to each other Series of Notes outstanding, the meaning specified in the related Series Supplement.

"Senior Notes Interest Reserve Step-Down Date": As of any date of determination, (i) with respect to the Series 2007-1 Notes, the Series 2007-1 Senior Notes Interest Reserve Step-Down Date (as defined in the Series 2007-1 Supplement), and (ii) with respect to each other Series of Notes outstanding, the meaning specified in the related Series Supplement.

"Senior Notes Interest Reserve Step-Down Release Amount": As of any date of determination, (i) with respect to the Series 2007-1 Notes, the Series 2007-1 Senior Notes Interest Reserve Step-Down Release Amount (as defined in the Series 2007-1 Supplement), and

(ii) with respect to each other Series of Notes outstanding, the meaning specified in the related Series Supplement.

"Senior Notes Monthly Contingent Additional Interest Account": The meaning specified in Section 10.8(a)(vii) of the Base Indenture.

"Senior Notes Monthly Contingent Additional Interest Amount" means (i) with respect to the Series 2007-1 Notes, the Series 2007-1 Class A-1 Extension Contingent Additional Interest (as defined in the Series 2007-1 Supplement), if any, the Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Interest (as defined in the Series 2007-1 Supplement), if any, the Series 2007-1 Class A-1 Contingent Additional L/C Fees (as defined in the Series 2007-1 Supplement), if any, the Series 2007-1 Class A-2-II Contingent Additional Interest (as defined in the Series 2007-1 Supplement), if any, and the Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest (as defined in the Series 2007-1 Supplement), if any, and (ii) with respect to the Senior Notes of each other Series of Notes, the meaning specified in the applicable Series Supplement.

"Senior Notes Monthly Excess Adjusted Interest Amount": With respect to the (i) Series 2007-1 Notes, the Series 2007-1 Class A-2-I Note Excess Adjusted Interest Amount (as defined in the Series 2007-1 Supplement), if any, and (ii) with respect to each other Series of Notes Outstanding, the meaning specified in the related Series Supplement.

"Senior Notes Monthly Interest Amount": With respect to each Payment Date, (a) the aggregate amount of interest due and payable, with respect to such Interest Accrual Period, on such Senior Notes that is identified as "Senior Notes Monthly Interest Amount" in the applicable Series Supplement (other than the Additional Interest Amount, if any), plus (b) to the extent not otherwise included in clause (a), with respect to any variable funding Senior Notes Outstanding, the aggregate amount of any letter of credit fees (including fronting fees) due and payable on issued but undrawn letters of credit, with respect to such Interest Accrual Period, on such Senior Notes pursuant to the related note purchase agreement; provided, that if, on any Payment Date or other date of determination, the actual amount of any such interest or letter of credit fees cannot be ascertained, an estimate of such interest or letter of credit fees will be used to calculate the Senior Notes Monthly Interest Amount for such Payment Date or other date of determination in accordance with the terms and provisions of the applicable Series Supplement; provided, further, that any amount identified as "Senior Notes Monthly Contingent Additional Interest Amount," "Class A-1 Note Administrative Expenses," or "Class A-1 Commitment Fees Amount" in any Series Supplement shall under no circumstances be deemed to constitute part of the "Senior Notes Monthly Interest Amount."

"Senior Notes Principal Payment Account": The meaning specified in Section 10.8(a)(iv) of the Base Indenture.

"Series 2007-1 Additional Interest Amount": Collectively, the Series 2007-1 Contingent Additional Interest, if any, the Series 2007-1 Post-ARD Contingent Additional Interest, if any, the Series 2007-1 Class A-2-I Note Excess Adjusted Interest Amount (as defined in the Series 2007-1 Supplement), if any, and the Series 2007-1 Class A-1 Excess Interest Amount, if any.

"Series 2007-1 Adjusted Repayment Date": Shall be (i) unless and until the Series 2007-1 Extension Election is effective, the Series 2007-1 Anticipated Repayment Date and (ii) from and after the date that the Series 2007-1 Extension Election becomes effective, the Payment Date occurring in June 2013.

"Series 2007-1 Anticipated Life" means the period of time from and including the Series 2007-1 Make-Whole Amount Calculation Date to but excluding the Series 2007-1 Adjusted Repayment Date.

"Series 2007-1 Anticipated Repayment Date": With respect to the Series 2007-1 Class A-2-I Notes, (i) the Payment Date occurring in June 2008 (the "Series 2007-1 Class A-2-I Initial Anticipated Repayment Date"); or (ii) if the Aggregate Outstanding Principal Amount of the Series 2007-1 Class A-2-I Notes is not paid in full on or prior to the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date, the Payment Date occurring in December 2012 (the "Series 2007-1 Class A-2-I Extended Anticipated Repayment Date"); and with respect to each other Class of Series 2007-1 Notes, the Payment Date occurring in December 2012.

"Series 2007-1 Class A Insurer": Assured Guaranty, or any successor thereto.

"Series 2007-1 Class A-1 Commitment Fee Amount": With respect to the Series 2007-1 Class A-1 Notes for each Monthly Collection Period, the Class A-1 Commitment Fees Amount for the Series 2007-1 Class A-1 Notes for such Monthly Collection Period.

"Series 2007-1 Class A-1 Excess Interest Amount": The meaning set forth in the Series 2007-1 Supplement.

"Series 2007-1 Class A-1 Notes": The meaning set forth in "Designation" in the Series 2007-1 Supplement.

"Series 2007-1 Class A-2 Notes": The meaning set forth in "Designation" in the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-I Anticipated Life": The period of time from and including the Series 2007-1 Make-Whole Amount Calculation Date to but excluding the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date.

"Series 2007-1 Class A-2-I Extended Anticipated Repayment Date": The Payment Date occurring in December 2012.

"Series 2007-1 Class A-2-I Initial Anticipated Repayment Date": The Payment Date occurring in June 2008.

"Series 2007-1 Class A-2-I Notes": The meaning set forth in "Designation" in the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II Contingent Additional Interest": With respect to the Series 2007-1 Notes, the meaning specified in the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II-A Notes": The meaning set forth in "Designation" in the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II-X Notes": The meaning set forth in "Designation" in the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Contingent Additional Interest": With respect to the Series 2007-1 Notes, the meaning specified in the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest": With respect to the Series 2007-1 Notes, the meaning specified in the Series 2007-1 Supplement.

"Series 2007-1 Contingent Additional Interest": Series 2007-1 Class A-2-II Contingent Additional Interest or Series 2007-1 Class M-1 Contingent Additional Interest, as the context may require.

"Series 2007-1 Extension Election": The right of the Co-Issuers, acting in their sole discretion and subject to the conditions set forth in Section 4.7(b) of the Series 2007-1 Supplement, to elect to extend the Series 2007-1 Anticipated Repayment Date applicable to each Class of Series 2007-1 Notes (other than the Series 2007-1 Class A-2-I Notes) for a six month period from the Series 2007-1 Anticipated Repayment Date to the Series 2007-1 Adjusted Repayment Date (such period, the "Series 2007-1 Extension Period") by written notice to the Indenture Trustee on or prior to the date that is three months prior to the Series 2007-1 Anticipated Repayment Date occurring in December 2012 in accordance with the meaning specified in the Series 2007-1 Supplement.

"Series 2007-1 Extension Period": The meaning specified in the definition of "Series 2007-1 Extension Election" in this Appendix A.

"Series 2007-1 Make-Whole Amount": (a) With respect to the Series 2007-1 Class A-2-I Notes on any date of determination prior to the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date, the amount (not less than zero) equal to (i) the discounted present value as of the related Series 2007-1 Make-Whole Amount Calculation Date of all future installments of interest on and principal of the Series 2007-1 Class A-2-I Notes that the Co-Issuers would otherwise be required to pay on the Series 2007-1 Class A-2-I Notes (or such portion thereof to be prepaid) from the date of such prepayment to and including the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date assuming the entire unpaid principal amount (or such portion thereof to be prepaid) is required to be paid on such Payment Date, determined at a discount rate equal to the EDSF Rate with a tenor equal to the remaining Series 2007-1 Class A-2-I Anticipated Life as of the related Series 2007-1 Make-Whole Amount Calculation Date), such discount rate to be converted to a monthly equivalent rate; minus (ii) the aggregate amount of the principal being so prepaid;

(b) with respect to (i) the Series 2007-1 Class A-2-I Notes on any date of determination following the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date (if the Series 2007-1 Class A-2-I Notes are not paid in full on such date) and (ii) the Series 2007-1 Class A-2-II Notes on any date of determination, the amount (not less than zero) equal to (x) the discounted present value as of the related Series 2007-1 Make-Whole Amount Calculation Date

of all future installments of interest on and principal of such Series 2007-1 Class A-2 Notes (which with respect to the Series 2007-1 Class A-2-I Notes will include the Series 2007-1 Class A-2-I Note Excess Adjusted Interest Amount, if any) that the Co-Issuers would otherwise be required to pay on such Series 2007-1 Class A-2 Notes (or such portion thereof to be prepaid) from the date of such prepayment to and including the Series 2007-1 Adjusted Repayment Date assuming the entire unpaid principal amount (or such portion thereof to be prepaid) is required to be paid on such Payment Date, determined at a discount rate equal to the Swap Rate with a tenor that is equal to the remaining Series 2007-1 Anticipated Life as of the related Series 2007-1 Make-Whole Amount Calculation Date (or, if such tenor is less than two years, the EDSF Rate), such discount rate to be converted to a monthly equivalent rate; minus (y) the aggregate amount of the principal being so prepaid; and

(c) with respect to the Series 2007-1 Class M-1 Notes on any date of determination, the amount (not less than zero) equal to (i) the discounted present value as of the related Series 2007-1 Make-Whole Amount Calculation Date of all future installments of interest on and principal of such Series 2007-1 Class M-1 Notes that the Co-Issuers would otherwise be required to pay on such Series 2007-1 Class M-1 Notes (or such portion thereof to be prepaid) from the date of such prepayment to and including the Series 2007-1 Anticipated Repayment Date assuming the entire unpaid principal amount (or such portion thereof to be prepaid) is required to be paid on such Payment Date, determined at a discount rate equal to the Swap Rate with a tenor that is equal to the remaining Series 2007-1 Anticipated Life as of the related Series 2007-1 Make-Whole Amount Calculation Date (or, if such tenor is less than two years, the EDSF Rate), such discount rate to be converted to a monthly equivalent rate; minus (ii) the aggregate amount of the principal being so prepaid; provided, that for purposes of calculating the Series 2007-1 Make-Whole Amount in the manner described above, (i) any reference to the Swap Rate or the EDSF Rate, as applicable, will be determined, if necessary, by interpolating linearly between yields reported for such other maturities that are less than and longer than the remaining period until the Series 2007-1 Adjusted Repayment Date if no maturity corresponds to the remaining period until the Series 2007-1 Anticipated Repayment Date; and (ii) the Series 2007-1 Anticipated Repayment Date will be based on the period of time between such Make-Whole Amount Calculation Date and the Payment Date occurring three months prior to such date.

"Series 2007-1 Make-Whole Amount Calculation Date": The date as of which the Series 2007-1 Make-Whole Amount, if any, payable in connection with a prepayment of principal of the Offered Notes is calculated, which will be a Business Day selected by the Indenture Trustee that is no more than five (5) Business Days prior to the Payment Date on which the prepayment of principal is made.

"Series 2007-1 Notes": Collectively, the Series 2007-1 Senior Notes and the Series 2007-1 Subordinated Notes.

"Series 2007-1 Post-ARD Contingent Additional Interest": Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest (as defined in the Series 2007-1 Supplement) or Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest (as defined in the Series 2007-1 Supplement), as the context may require.

"Series 2007-1 Rapid Amortization Events": With respect to the Series 2007-1 Notes:

(a) the failure to maintain a Three-Month Adjusted DSCR of at least 1.50x as of any Payment Date; or

(b) the twelve-month U.S. system-wide sales of Applebee's Restaurants as of the last day of the immediately preceding twelve-month period ending on the last day of each fiscal month having dropped to below $3.75 billion.

"Series 2007-1 Senior Notes": Collectively, the Series 2007-1 Class A-1 Notes and the Series 2007-1 Class A-2 Notes.

"Series 2007-1 Senior Notes Interest Reserve Amount": With respect to the Series 2007-1 Notes, the meaning specified in the Series 2007-1 Supplement.

"Series 2007-1 Subordinated Notes": With respect to the Series 2007-1 Notes, the meaning specified in "Designation" in the Series 2007-1 Supplement.

"Series 2007-1 Supplement": The Series 2007-1 Supplement, dated as of the Closing Date by and among the Co-Issuers and the Indenture Trustee, as amended, supplemented or otherwise modified from time to time.

"Series 2007-1 Term Note Purchase Agreement": The Purchase Agreement, dated as of the Closing Date, among the Co-Issuers, the Guarantors, CHLC Corp., IHOP Corp., Applebee's Holdings II Corp., Applebee's Services, Inc., Applebee's International, Inc. and Lehman Brothers, Inc, as initial purchaser.

"Series" or "Series of Notes": The Notes issued pursuant to a particular Series Supplement.

"Series Account": With respect to any Series of Notes, the series accounts, if any, established in accordance with the provisions of the applicable Series Supplement by the Indenture Trustee, subject to the provisions of Section 10.10 of the Base Indenture.

"Series Anticipated Repayment Date": With respect to any Series of Notes or, within such Series of Notes, with respect to each Class of Notes, as specified in the applicable Series Supplement.

"Series Contingent Additional Interest Amount": With respect to any Series of Notes or, within such Series of Notes, with respect to each Class of Notes, as specified in the applicable Series Supplement.

"Series Controlling Party": With respect to any Series of Notes Outstanding, the Majority Insurers, if any, with respect to such Series of Notes unless such Series of Notes is uninsured or an Insurer Event of Default has occurred and is continuing with respect to all of the Insurers of such Series, in which event the Series Controlling Party will be a Majority of the Senior Notes or, if the Senior Notes of such Series are paid in full, a Majority of the

Subordinated Notes; provided, that for the Series 2007-1 Class A-1 Notes and any other variable funding Series of Notes, the Aggregate Outstanding Principal Amount, for purposes of the definitions of Series Controlling Party and Aggregate Controlling Party, will include the maximum possible Aggregate Outstanding Principal Amount under such variable funding series of notes; provided, further, that so long as any Series 2007-1 Class A-1-A Notes or any Series 2007-1 Class A-2-II-A Notes remain Outstanding, Assured Guaranty shall be deemed to be the Series Controlling Party with respect to the Series 2007-1 Notes (except in circumstances in which an Insurer Event of Default has occurred and is continuing in respect of Assured Guaranty, in which case the "Series Controlling Party" for the Series 2007-1 Notes shall be determined as otherwise set forth in this definition).

"Series Distribution Account": With respect to any Series of Notes or any Class of any Series of Notes, an account established to receive distributions to be paid to the Noteholders of such Class or such Series of Notes pursuant to 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 Hedge Agreement": With respect to any Series of Notes, the hedge agreement, if any, described in the applicable Series Supplement.

"Series Hedge Counterparty": With respect to any Series of Notes, the Person specified in the applicable Series Supplement, if any.

"Series Hedge Payment Amount": All amounts payable by the Master Issuer under a Series Hedge Agreement including any termination payment payable by the Master Issuer.

"Series Hedge Receipt": All amounts received by the Master Issuer under a Series Hedge Agreement.

"Series Insurer Premiums": With respect to any Series of Notes, the amount specified in the applicable Series Supplement, if any.

"Series Interest Payment Amount": With respect to each Series of Notes, the amount specified in the applicable Series Supplement, if any.

"Series Legal Final Maturity Date": With respect to (i) the Series 2007-1 Notes, the Series 2007-1 Legal Final Maturity Date (as defined in the Series 2007-1 Supplement) and (ii) any additional Series of Notes, the meaning specified in the related Series Supplement.

"Series Make Whole Amount": With respect to each Series of Notes and each Class of Notes, the amount specified in the applicable Series Supplement, if any.

"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 Outstanding Principal Amount": With respect to any Series of Notes, the Outstanding principal amount of such Series of Notes.

"Series Rapid Amortization Event": With respect to (i) the Series 2007-1 Notes, the Series 2007-1 Rapid Amortization Events, and (ii) any additional Series of Notes, the meaning, if any, specified in the related Series Supplement.

"Series Supplement": A supplemental indenture to the Base Indenture, with respect to each Series of Notes.

"Servicer": Applebee's Services, Inc. (formerly known as AII Services, Inc.), a Kansas corporation and a wholly-owned subsidiary of Applebee's International, unless a successor Person shall have become the Servicer pursuant to the applicable provisions of the Indenture and the Servicing Agreement, and thereafter "Servicer" shall mean such successor Person.

"Servicer Certificate": The meaning specified in the Servicing Agreement.

"Servicer-Developed IP": All of the following created, developed, authored or acquired by the Servicer: (i) U.S. Intellectual Property Rights in: (A) the Applebee's Brand, (B) products or services sold or distributed under the Applebee's Brand, and (C) derivative works of, and other variations on or improvements to the IP Assets, and (ii) worldwide Intellectual Property rights in new versions, updates or other modifications to the POS System.

"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 Accounts": Collectively, the Advertising Fees Account, the Capital Expenditure Reserve Account, the Franchisor Holding Account, the Gift Card Reserve Account, the Insurance Proceeds Account, the Lease Payment Account, the Sales Tax Account, the SPE Operating Expense Account and the Third Party Licensing Fee Account and such other accounts as may be established by the Servicer from time to time pursuant to the Servicing Agreement that the Servicer designates as a "Servicing Account" for purposes of the Servicing Agreement.

"Servicing Agreement": The Servicing Agreement, dated as of the Closing Date, by and among Applebee's International, as guarantor, the Servicer, the Securitization Entities (other than Applebee's Holdings), the Series 2007-1 Class A Insurer and the Indenture Trustee.

"Servicing Standard": The meaning set forth in the Servicing Agreement.

"Single Employer Plan": Any Plan that is covered by Title IV of ERISA, but that is not a Multiemployer Plan.

"Software": The meaning specified in the definition of "Intellectual Property" in this Appendix A.

"SPE Operating Expenses": All expenses incurred by the Securitization Entities and payable to third parties in connection with the maintenance and operation of the Securitization Entities and the transactions contemplated by the Transaction Documents to which they are a party, including (i) accrued and unpaid government taxes (other than federal, state and local income taxes), filing fees and registration fees payable by the Securitization Entities to any federal, state or local government entities; (ii) the fees and expenses payable to (A) the Indenture Trustee, Wells Fargo Bank, National Association in any other capacity under the Indenture or the other Transaction Documents to which it is a party, (B) the Back-Up Manager, (C) the Irish Listing Agent, (D) the Irish Paying Agent, (E) the Irish Stock Exchange, (F) any other stock exchange on which the Offered Notes may be listed in lieu of the Irish Stock Exchange, (G) the Rating Agencies and (H) any independent certified public accountants or external legal counsel, (iii) the liquor license fees payable by the Restaurant Holders and Liquor License Holders, (iv) Securitization Indemnities, (v) Mortgage Recordation Fees, and (vi) fees incurred by the Co-Issuers in connection with the replacement of the Servicer following any resignation or removal of the Servicer.

"SPE Operating Expense Account": The account established and specified as such pursuant to Section 10.2(e) of the Base Indenture.

"Specified Person": The meaning specified in Section 2.6 of the Base Indenture.

"STAMP": The meaning specified in Section 2.5(a) of the Base Indenture.

"Subordinated Notes": The meaning as specified in Section 11.5(b)(vi) of the Base Indenture.

"Subordinated Notes Interest": For any Interest Accrual Period, with respect to any Class of Subordinated Notes Outstanding, the aggregate amount of interest due and payable, with respect to such Interest Accrual Period, on such Class of Subordinated Notes that is identified as "Subordinated Notes Interest" in the applicable Series Supplement; provided, that if, on any Monthly Allocation Date or other date of determination, the actual amount of any such interest, fees or expenses cannot be ascertained, an estimate of such interest, fees or expenses shall be used to calculate the Subordinated Notes Monthly Interest for such Weekly Allocation Date or other date of determination in accordance with the terms and provisions of the applicable Series Supplement; provided, further, that any amount identified as "Subordinated Notes Contingent Additional Interest" in any Series Supplement shall under no circumstances be deemed to constitute "Subordinated Notes Interest."

"Subordinated Notes Interest Payment Account": The meaning specified in Section 10.8(a)(v) of the Base Indenture.

"Subordinated Notes Monthly Interest Amount": With respect to each Payment Date, the aggregate amount of interest due and payable, with respect to such Interest Accrual Period, on the Subordinated Notes Outstanding (other than the Additional Interest Amount, if any).

"Subordinated Notes Monthly Contingent Additional Interest Amount": With respect to (i) the Series 2007-1 Notes, the Series 2007-1 Class M-I Contingent Additional Interest (as defined in the Series 2007-1 Supplement), if any, and the Series 2007-1 Class M-I Post-ARD Contingent Additional Interest (as defined in the Series 2007-1 Supplement), if any, and (ii) with respect to the Subordinated Notes of each other Series of Notes, the meaning specified in the related Series Supplement.

"Subordinated Notes Outstanding": With respect to any Subordinated Series of Notes, the Aggregate Outstanding Principal Amount.

"Subordinated Notes Principal Amortization Amount": The meaning given thereto in clause (xxiv) of the Priority of Payments.

"Subordinated Notes Principal Payment Account": The meaning specified in Section 10.8(a)(vi) of the Base Indenture.

"Subsidiary": 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": The meaning specified in the Servicing Agreement.

"Supplemental Grant of Security Interest in Copyrights": A duly-executed instrument substantially in the form of Exhibit H to the Base Indenture, granting a lien in the Copyrights included in the After-Acquired IP Assets owned by the Master Issuer or any Co-Issuer.

"Supplemental Grant of Security Interest in Patents": A duly-executed instrument substantially in the form of Exhibit H to the Base Indenture, granting a lien in the Patents included in the After-Acquired IP Assets owned by the Master Issuer or any Co-Issuer.

"Supplemental Grant of Security Interest in Trademarks": A duly-executed instrument substantially in the form of Exhibit H to the Base Indenture, granting a lien in the Trademarks included in the After-Acquired IP Assets owned by the Master Issuer or any Co-Issuer.

"Supplemental Servicing Fee": The meaning specified in the Servicing Agreement.

"Swap Rate": When used with respect to any Business Day for any tenor, the mid-market swap rate for such tenor appearing on page 19901 of the Telerate Service (or any successor service or, if such service or successor service is not available, a substitute rate, which will be the median of three quoted rates determined by the Indenture Trustee requesting at the expense of the Co-Issuers substitute rate quotes from three broker dealers of nationally recognized standing) on such Business Day, adjusted for monthly compounding.

"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 Licensing Fee Account": The meaning specified in Section 10.2(c) of the Base Indenture.

"Third Party Licensing Fees": The royalties, licensing fees or other similar amounts payable to third parties in connection with the sale and use of their products in Franchised U.S. Restaurants, Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants.

"Third-Tier Asset Contribution Agreement": The various contribution agreements, dated as of the closing Date between the Master Issuer, as the contributor, and each of the other Securitization Entities (other than Applebee's Holdings), as the contributees, pursuant to which the Master Issuer will contribute to such other Securitization Entities the assets to be owned by such other Securitization Entities as described below

"Three-Month Adjusted DSCR": The Three-Month DSCR recalculated to add to the numerator thereof the IHOP Residual Amount, if any, received by the Master Issuer or the Servicer on behalf of the Master Issuer over the three immediately preceding Monthly Collection Periods. For the avoidance of doubt, Three-Month Adjusted DSCR shall not be calculated for any purpose under the Indenture during the first three (3) Monthly Collection Periods.

"Three-Month DSCR": With respect to each Payment Date, the ratio calculated by dividing (i) the Net Cash Flow received over the three immediately preceding Monthly Collection Periods by (ii) the Debt Service due on such Payment Date and on the immediately preceding two (2) Payment Dates. For the avoidance of doubt, Three-Month DSCR shall not be calculated for any purpose under the Indenture during the first three (3) Monthly Collection Periods.

"Total Redemption Amount": An amount equal to the sum (without duplication) of (a) the aggregate amount of accrued and unpaid interest and the Aggregate Outstanding Principal Amount of all Series of Notes Outstanding plus (b) the amounts set forth in clauses (i), (iii) through (vii), (ix), (xiii) through (xvi) and (xix) through (xxiii) of the Priority of Payments.

"Trademarks": All trademarks, service marks, trade names, trade dress, Internet Domain Names, logos, slogans, and other similar source identifiers (whether registered or

unregistered), together with all registrations and applications for any of the foregoing and the goodwill of any business connected with the use of and symbolized by the foregoing.

"Transaction Documents": The Indenture, the Notes, each Account Control Agreement, the Guaranty and Collateral Agreements, the Servicing Agreement, the Back-Up Manager Agreement, the Post-Closing U.S. Restaurant Purchase Agreements, the IHOP Corp. Servicing Guaranty, any Series Hedge Agreement, any Insurance Policy, any Insurance Agreement, any Insurer Premium Letter, the Asset Contribution Agreements, any Note Purchase Agreement, the IP License Agreements, the Non-U.S. IP Rights Agreement, the Sale/Leaseback Leases, if any, the Franchisee Sub-Leases, if any, the Refranchised Restaurant Leases, if any, the Participation Agreements entered into between Applebee's International and the Restaurant Holders and any additional document identified as a "Transaction Document" in the Series Supplement for any Series of Notes Outstanding.

"Transfer Agent": The Person or Persons, which may be the Issuer, authorized by the Issuer to exchange or register the transfer of Notes.

"Trigger Event": Either of the following events: (i) the Three-Month Adjusted DSCR is less than 1.85x as of any Payment Date; or (ii) the occurrence of a Rapid Amortization Event or a Potential Rapid Amortization Event.

"Trust Estate": The Collateral and all rights of the Indenture Trustee under any Insurance Policy, and including all other money, instruments, and other property and rights subject or intended to be subject to the Lien of the 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.

"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 (i) the Series 2007-1 Notes, $150,000,000 and (ii) each other Series of Notes Outstanding, the meaning set forth in the related Series Supplement.

"United States" or "U.S.": The 50 states of the United States and the District of Columbia.

"U.S. Dollar": The symbol "$" mean the lawful currency of the United States.

"U.S. Intellectual Property Rights": (i) Intellectual Property rights that are established under the laws of the United States (including U.S. Federal law and the laws of any

state or political subdivision thereof) and (ii) rights in Internet Domain Names except for those including a ccTLD that designates a country or region other than the United States.

"U.S. Person": A "U.S. person" as such term is defined in Regulation S under the Securities Act.

"U.S. Restaurant Business": Collectively, the Existing U.S. Restaurant Business and the New U.S. Restaurant Business.

"U.S. Resident": The meaning specified in the Investment Company Act.

"U.S. Territories": Any and all territories, possessions, protectorates, commonwealths (including Guam, the U.S. Virgin Islands, and Puerto Rico) and U.S. military bases, in each case which are located outside the United States, to the extent that U.S. Federal intellectual property laws apply thereto.

"U.S. Territories Business": The ownership, franchising and operation of Applebee's Branded restaurants, and the ownership, operation, manufacturing, distribution, sale, offering to sell, marketing, promoting, licensing and/or franchising of any and all other businesses, products, or services, in the U.S. Territories.

"Weekly Allocation Date": The meaning specified in Section 10.1(b)(iii) of the Base Indenture.

"Weekly Collections Allocation Period": The weekly period commencing on 12:00 a.m. (New York time) on each Monday and ending on 11:59 p.m. (New York time) on each Sunday except that the first such period will be from and including the Cut-Off Date to and including December 9, 2007.

"Weekly Collections Allocation Priority": The meaning specified in Section 10.1(b)(iii) of the Base Indenture.

"Weekly Debt Service Allocation Amount": (i) With respect to each Weekly Allocation Date during the first five (5) Weekly Collections Allocation Periods following the Closing Date, a prorated amount obtained by dividing the Debt Service with respect to the Payment Date occurring in January 2008 divided by five and (ii) with respect to each Weekly Allocation Date during the sixth and seventh Weekly Collection Allocation Periods following the Closing Date the Debt Service with respect to the Payment Date in February 2008 divided by four.

"Weekly Residual Amount": With respect to each Weekly Allocation Date during the first seven (7) Weekly Collections Allocation Periods, an amount equal to $1,000,000.

"Weekly Servicer's Report": The meaning specified in Section 12.1(a) of the Base Indenture.

"Weekly Servicing Fee": The meaning specified in the Servicing Agreement.

"Weight Watchers Agreement": The meaning specified in the definition of "Excluded Property" in this Appendix A.

"Weight Watchers Fees": The meaning specified in Section 10.2(c) of the Base Indenture.

SCHEDULE 7.12(d)

LITIGATION

1. Gerald A. Fast, Talisha Cheshire and Brady Gehrling, on behalf of themselves and as class representative for all other similarly situated, Plaintiffs v. Applebee's International, Inc. d/b/a Applebee's Neighborhood Grill & Bar, Defendant (Case No. 06-4146-CV-C-NKL).

2. New Jersey Building Laborers Pension and Annuity Funds, Plaintiff v. Applebee's International, Inc., Lloyd L. Hill, Erline Belton, Gina R. Boswell, Richard C. Breeden, Douglas R. Conant, D. Patrick Curran, David L. Goebel, Eric L. Hansen, Laurence E. Harris, Jack P. Helms, Steven K. Lumpkin, Rogelio Rebolledo, Burton M. Sack, Michael A. Volkema and IHOP Corp., Defendants (Case No. 3124-CC).

SCHEDULE 7.12(u)

INDEBTEDNESS

Capital Leases for Stores As of September 2007

Store #	Store Name & State	Principal
5214	St. Charles, MO	287,554
5217	Crestwood, MO	598,048
5221	Mt. Vernon, IL	845,846
5222	N. Lindberg, MO	998,964
5223	Ballwin, MO	1,050,637
Total		**3,781,048**

SCHEDULE 7.12(v)

INSURANCE COVERAGE

Coverage	Insurance Carrier	Policy Term	Comment
Aircraft	USAIG	6/26/07 - 6/26/08	3rd party and property insurance for aircraft.
Automobile Liability – Owned/Hire & Non-owned	ACE	1/01/07 - 1/01/08	Coverage for "hired & non-owned autos. Insures associates while renting autos on company business. Insures the company against claims made for incidents when associates are driving their own vehicle.
Crime—Employee Dishonesty	St. Paul	1/01/07 - 1/01/08	Employee theft and/or forgery of money, securities, or other property.
D&O Liability	National Union, Chubb, Liberty, St. Paul	12/15/06 - 12/15/07	Traditional and broad form Side-A coverage for Directors and Officers.
Fiduciary	Chubb & St. Paul	12/31/06 - 12/31/07	Insures against wrongful acts committed, attempted, or allegedly committed by employees with respect to sponsored employee benefit plans.
Foreign Package	ACE	1/01/07 - 1/01/08	Independent insurance program covering associates while traveling internationally.
General Liability	ACE	1/01/07 - 1/01/08	Covers injury or illness to guests. Also covers damage to loss of guests' property.
Kidnap Ransom	Liberty Mutual	12/15/06 - 12/15/07	Insurance and investigative protocols for kidnap, ransom, extortion, detention, etc.
Property (Includes Earth Movement)	Lloyds of London	1/01/07 - 1/01/08	Covers loss or damage to property owned or leased by the company.
Property DIC/Earth Movement	United Fire & Casualty	1/01/07 - 1/01/08	
Property DIC/Earthquake	AXIS	1/01/07 - 1/01/08	
Trade Name Restoration	Lloyds of London	1/01/07 - 1/01/08	Protects the company as a 1st party insured for loss of business income and restoration of the trade name in the event of a food borne illness, accidental contamination,

Coverage	Insurance Carrier	Policy Term	Comment
			and/or malicious contamination.
Umbrella & Excess Umbrella	ACE, Fireman's Fund, Liberty	1/01/07 - 1/01/08	Umbrella & excess umbrella above the company's General Liability, Auto, Employer's Liability, Foreign Package.
Workers' Compensation AOS (*Deductible*)	ACE	1/01/07 - 1/01/08	State statutory & employer's liability for injury/illness to associates.
Workers' Compensation - Wisconsin	ACE	1/1/07 – 1/1/08	

SCHEDULE 7.12(x)

INTELLECTUAL PROPERTY REGISTRATIONS AND APPLICATIONS

(i) The IP Holder owns the following Trademark registrations and applications in the United States:

Mark	Serial No.	Reg. No.
"A" IS FOR APPLEBEE'S	78/684,004	3,186,126
ALL YOU CAN EAT NIGHTS and Design*	78/215,701	2,860,138
AMERICA'S FAVORITE NEIGHBOR*	73/833,532	1,601,596
APPLEBEE BURGER*	75/308,681	2,167,623
APPLEBEE'S	75/204,357	2,174,392
APPLEBEE'S	78/776,156	3,126,987
APPLEBEE'S	74/488,449	1,927,107
APPLEBEE'S and Design	74/155,247	1,695,071
APPLEBEE'S and Design (Apple)	77/287,079	
APPLEBEE'S ANYWHERE	78/661,607	3,116,854
APPLEBEE'S CORE NEWS	78/219,267	2,924,966
APPLEBEE'S GRILL	78/776,167	3,126,988
APPLEBEE'S LEADERSHIP INSTITUTE	78/691,618	3,126,430
APPLEBEE'S NEIGHBORHOOD GRILL & BAR	73/576,958	1,477,153

* Registrations that are subsisting, but potentially abandoned.

Mark	Serial No.	Reg. No.
APPLEBEE'S NEIGHBORHOOD GRILL & BAR and Design (with Balloon)	73/576,708	1,480,107
APPLEBEE'S NEIGHBORHOOD GRILL and Design	74/387,188	1,926,020
APPLEBEE'S RIBLETS ORIGINAL and Design*	78/501,630	3,028,404
APPLEBEE'S TOGETHER IS GOOD [Class 35]	77/297,395	
APPLEBEE'S TOGETHER IS GOOD [Class 43]	77/975,176	
APPLEBEE'S TOGETHER IS GOOD and Design [Class 35]	77/287,137	
APPLEBEE'S TOGETHER IS GOOD and Design [Class 43]	77/975,177	
BIG FUN TRIP	78/691,628	3,123,514
BREWTUS	74/255,218	1,783,594

Mark	Serial No.	Reg. No.
CARSIDE TO GO and Design	78/272,304	2,969,882
CARSIDE TO GO and Design (Cart Logo)	78/636,155	3,116,745
CHICKEN TANGLERS	78/319,841	2,893,600
EATIN' GOOD IN THE NEIGHBORHOOD	76/229,557	2,510,402
FIESTA LIME CHICKEN	76/419,001	3,188,439
FIRE GRILLED FAVORITES*	78/654,021	3,188,875
HONEY OF A DEAL and Design*	76/369,432	2,720,794
IRRESIST-A-BOWLS	78/684,016	3,138,570
IT'S GOT TO BE APPLEBEE'S*	76/343,652	2,690,341
IT'S NOT FAST FOOD - IT'S APPLEBEE'S FOOD FAST	78/225,314	2,840,241
MAIN STREET RITA	78/739,169	3,148,559
Miscellaneous Design (Apple)	76/261,734	2,552,524
Miscellaneous Design (New Apple)	77/289,412	

Mark	Serial No.	Reg. No.
MUCHO BLUE SKIES and Design*	76/312,000	2,588,337
MUCHO CRANRITA	76/148,302	2,729,844
MUCHO MAMA and Design	76/311,973	2,588,336
MUCHO MARGARITA	75/802,937	2,379,470
MUCHO MUDSLIDE and Design	76/312,222	2,662,409
NEIGHBORHOOD NIGHTS and Design	76/487,531	2,794,399
SALAD DAYS OF SUMMER and Design*	75/733,194	2,538,912
SIMPLY IRRESISTI-BOWL*	76/166,414	2,538,010
SKILLET SENSATIONS	75/751,396	3,069,596
SKILLET SSSENSATIONS! (Stylized)*	75/308,648	3,047,168

* Registrations that are subsisting, but potentially abandoned.

Mark	Serial No.	Reg. No.
SUMMER SQUEEZE	75/121,295	2,073,776
T. J. APPLEBEE'S RX FOR EDIBLES & ELIXIRS and Design*	73/292,397	1,223,740
THEY KNOW ME AT APPLEBEE'S (Stylized)*	73/576,706	1,481,120
TO GO and Design (Apple Logo)	76/414,888	2,695,523
TO GO and Design (Cart Logo)	78/262,287	2,984,968
TOGETHER IS GOOD [Class 35]	77/287,257	
TOGETHER IS GOOD [Class 43]	77/975,156	
TRIPLE CHOCOLATE MELTDOWN	78/225,340	3,119,040
YOU BELONG AT APPLEBEE'S (Stylized)*	75/267,604	2,142,752
YOU CALL IT IN. WE BRING IT OUT.	78/319,845	2,895,850

U.S. State and Territory Trademark Applications and Registrations

Jurisdiction	Mark	Reg. No.
Arizona	APPLEBEE'S and Design	30334
Arizona	APPLEBEE'S NEIGHBORHOOD GRILL & BAR and Design	30335
Arizona	T. J. APPLEBEE'S RX FOR EDIBLES & ELIXIRS and Design*	30336
California	APPLEBEE'S NEIGHBORHOOD GRILL & BAR and Design	052975
Colorado	APPLEBEE'S and Design	19931056557
Colorado	APPLEBEE'S NEIGHBORHOOD GRILL & BAR and Design	19931056555
Colorado	T. J. APPLEBEE'S RX FOR EDIBLES & ELIXIRS and Design*	19931056562
Delaware	APPLEBEE'S NEIGHBORHOOD GRILL & BAR and Design	200017462
Georgia	T. J. APPLEBEE'S EDIBLES AND ELIXERS and Design*	S-3410
Idaho	APPLEBEE'S NEIGHBORHOOD GRILL & BAR and Design	16595
Maine	APPLEBEE'S NEIGHBORHOOD GRILL & BAR and Design	20000226M
Maryland	APPLEBEE'S NEIGHBORHOOD GRILL & BAR and Design	2000/00915
Massachusetts	APPLEBEE'S	46443
Massachusetts	APPLEBEE'S NEIGHBORHOOD GRILL & BAR and Design	46444
Massachusetts	T.J. APPLEBEE'S RX FOR EDIBLES & ELIXIRS and Design*	46445
Michigan	APPLEBEE'S NEIGHBORHOOD GRILL & BAR and Design	MO2-417
Montana	APPLEBEE'S NEIGHBORHOOD GRILL & BAR	T020749-194-18
Nebraska	APPLEBEE'S NEIGHBORHOOD GRILL & BAR and Design	10010748
Nevada	APPLEBEE'S	27163
Nevada	APPLEBEE'S NEIGHBORHOOD GRILL & BAR	27164
Nevada	T.J. APPLEBEE'S RX FOR EDIBLES & ELIXIRS*	27165
New Hampshire	APPLEBEE'S	85145
New Hampshire	APPLEBEE'S NEIGHBORHOOD GRILL & BAR and Design*	85143
New Hampshire	T.J. APPLEBEE'S RX FOR EDIBLES & ELIXIRS*	85144

* Registrations that are subsisting, but potentially abandoned.

Jurisdiction	Mark	Reg. No.
New Mexico	APPLEBEE’S and Design	TK92042007
New Mexico	APPLEBEE’S NEIGHBORHOOD GRILL & BAR and Design	TK92042009
New Mexico	T.J. APPLEBEE’S RX FOR EDIBLES & ELIXIRS and Design*	TK92042008
New York	APPLEBEE’S	12956
New York	APPLEBEE’S NEIGHBORHOOD GRILL & BAR	12957
New York	T.J. APPLEBEE’S RX FOR EDIBLES & ELIXIRS*	12958
North Carolina	APPLEBEE’S	T-10,634
North Carolina	APPLEBEE’S and Design	T-10,636
North Carolina	APPLEBEE’S NEIGHBORHOOD GRILL & BAR	T-10,635
North Dakota	APPLEBEE’S	7797000
North Dakota	APPLEBEE’S NEIGHBORHOOD GRILL & BAR and Design	007797600
North Dakota	T.J. APPLEBEE’S RX FOR EDIBLES & ELIXIRS*	007797500
Ohio	APPLEBEE’S	67467
Ohio	APPLEBEE’S NEIGHBORHOOD GRILL & BAR	67634
Ohio	T.J. APPLEBEE’S RX FOR EDIBLES & ELIXIRS*	67468
Oklahoma	APPLEBEE’S NEIGHBORHOOD GRILL & BAR and Design	30720
Rhode Island	APPLEBEE’S	920113
Rhode Island	APPLEBEE’S NEIGHBORHOOD GRILL & BAR	920111
Rhode Island	T.J. APPLEBEE’S RX FOR EDIBLES & ELIXIRS*	920112
South Dakota	APPLEBEE’S NEIGHBORHOOD GRILL & BAR and Design	SD005113
Utah	APPLEBEE’S NEIGHBORHOOD GRILL & BAR and Design	4765126
West Virginia	APPLEBEE’S NEIGHBORHOOD GRILL & BAR and Design	1006448
Puerto Rico	APPLEBEE’S and Design	8362
Virgin Islands	APPLEBEE’S and Design	6885

(ii) The IP Holder owns no Copyright registrations or applications in the United States.

(iii) The IP Holder owns no Patents or Patent applications in the United States.

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* Registrations that are subsisting, but potentially abandoned.

SCHEDULE 7.12(y)

INTELLECTUAL PROPERTY PROCEEDINGS

None.

SCHEDULE 7.12(z)

TAXES

None.

SCHEDULE 7.17

LIENS

None.

EXHIBIT A

FORM OF SERIES SUPPLEMENT

[Attached]

EXHIBIT B

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]

[•]

Attn: Corporate Trust Services/Asset Backed Administration

Re: Series 20[ ]-[ ] Notes due [ ] of
[•] (the "Notes")

Reference is hereby made to the Base Indenture, dated as of November 29, 2007 (the " Base Indenture"), among Applebee's Enterprises LLC, Applebee's IP LLC and the entities referred to therein as the "Restaurant Holders" (the "Co-Issuers") 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, the Transferor hereby certifies that 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.

In case of an exchange, the transferor hereby certifies that it's a QIB (who is also a QP).

This certificate and the statements contained herein are made for your benefit and the benefit of the Co-Issuers and the Initial Purchaser of the Notes being transferred or exchanged.

[Insert Name of Transferor]
By:
Name:
Title:
Dated:
cc: Applebee's Enterprises LLC

EXHIBIT C

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]

[•]

Attn: Corporate Trust Services/Asset Backed Administration

Re: Series 20[ ]-[ ] Notes due [ ] of
[•] (the "Notes")

Reference is hereby made to the Base Indenture, dated as of November 29, 2007 (the " Base Indenture"), among Applebee's Enterprises LLC, Applebee's IP LLC and the entities referred to therein as the "Restaurant Holders" (the "Co-Issuers") 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.

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 Co-Issuers and the Initial Purchaser of the Notes being transferred or exchanged.

[Insert Name of Transferor]
By:
Name:
Title:
Dated: ____________________________

cc: Applebee's Enterprises LLC

EXHIBIT D

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]

[•]

Attn: Corporate Trust Services/Asset Backed Administration

Re: Series 20[ ]-[ ] Notes due [ ] of
[•] (the "Notes")

Reference is hereby made to the Base Indenture, dated as of November 29, 2007 (the " Base Indenture"), among Applebee's Enterprises LLC, Applebee's IP LLC and the entities referred to therein as the "Restaurant Holders" (the "Co-Issuers") 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.

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 Co-Issuers 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: Applebee's Enterprises LLC

EXHIBIT E

**FORM OF TRANSFER/EXCHANGE CERTIFICATE
FOR TRANSFER/EXCHANGE FROM DEFINITIVE
NOTE TO DEFINITIVE NOTE OTHER THAN A CLASS A-1 NOTE**

(Transfers and exchanges pursuant to § 2.5(e)(ii) of the Base Indenture)
[Transferee Certificate]

[•]

Attn: Corporate Trust Services/Asset Backed Administration

Re: Series 20[ ]-[ ] Notes due [ ] of
[•] (the "Notes")

Reference is hereby made to the Base Indenture, dated as of November 29, 2007 (the " Base Indenture"), among Applebee's Enterprises LLC, Applebee's IP LLC and the entities referred to therein as the "Restaurant Holders" (the "Co-Issuers") 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 (a) if such Note is being offered, sold or delivered within the United States, or to, or for the benefit of, a U.S. Person, the Transferee and each account is a QIB and a QP or (b) if such Note is being offered or sold in reliance on Regulation S, such transferee and each account is a QP that is not a U.S. Person or a U.S. Resident and is located outside of the United States.

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 Co-Issuers 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: Applebee's Enterprises LLC

EXHIBIT F

FORM OF TRANSFER/EXCHANGE CERTIFICATE FOR TRANSFERS OF SERIES 2007-1 CLASS A-1 NOTES(1)

Wells Fargo Bank, National Association
as Indenture Trustee
Sixth & Marquette
MAC N9311-161
Minneapolis, MN 55479
Attention: Corporate Trust Services /Asset Backed Administration

Re: Applebee's Enterprise LLC; Applebee's IP LLC; Applebee's Restaurants North LLC; Applebee's Restaurants Mid-Atlantic LLC; Applebee's Restaurants West LLC; Applebee's Restaurants Vermont, Inc.; Applebee's Restaurants Texas LLC; Applebee's Restaurants Inc.; Applebee's Restaurants Kansas LLC; Series 2007-1 Variable Funding Senior Notes, Class A-1 Sub-Class: Series 207-1 Class A-1 [Advance] [Swingline] [L/C] Notes (the "Notes")

Reference is hereby made to (i) the Base Indenture, dated as of November 29, 2007 (the " Base Indenture"), among Applebee's Enterprises LLC, Applebee's IP LLC and the entities referred to therein as the "Restaurant Holders" (the "Co-Issuers") and Wells Fargo Bank, National Association, as indenture trustee (the "Indenture Trustee"), and (ii) the Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (the "Series Supplement" and, together with the Base Indenture, the " Indenture"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Indenture or the Series 2007-1 Class A-1 Note Purchase Agreement, as applicable.

This certificate relates to U.S. $ aggregate principal amount of Notes registered in the name of [name of transferor] (the "Transferor"), who wishes to effect the transfer of such Notes in exchange for an equivalent principal amount of Notes of the same Sub-Class in the name of [name of transferee] (the " Transferee").

In connection with such request, and in respect of such Notes, the Transferee does hereby certify that such Notes are being transferred (i) in accordance with the transfer restrictions set forth in the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement and (ii) pursuant to an exemption from registration under the Securities Act of 1933, as amended (the " Securities Act"), and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

(1) With respect to the Class A-1 Notes of any Series other than the Series 2007-1 Notes, the specific references in this exhibit to the Series 2007-1 Notes and related transaction documents will be revised accordingly.

In addition, the Transferee hereby represents, warrants and covenants for the benefit of the Co-Issuers and the Indenture Trustee that:

1. 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;

2. 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 a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company 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 2007-1 Class A-1 Notes;

3. it is purchasing the Series 2007-1 Class A-1 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 and "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act that meet the criteria described in paragraph (2) above 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, and neither it nor its Affiliates has engaged in any general solicitation or general advertising within the meaning of the Securities Act with respect to the Series 2007-1 Class A-1 Notes;

4. it understands that (i) the Series 2007-1 Class A-1 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 are 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, (ii) the Co-Issuers are not required to register the Series 2007-1 Class A-1 Notes, (iii) any transferee must be a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act and (iv) any transfer must comply with the provisions of Section 2.5 of the Base Indenture and Section 9.03 or 9.17, as applicable, of the Series 2007-1 Class A-1 Note Purchase Agreement;

5. it will comply with the requirements of paragraph (4) above in connection with any transfer by it of the Series 2007-1 Class A-1 Notes;

6. it understands that the Series 2007-1 Class A-1 Notes will bear the legend set out in the applicable form of Series 2007-1 Class A-1 Notes attached to the Series 2007-1 Supplement and be subject to the restrictions on transfer described in such legend;

7. it will obtain for the benefit of the Co-Issuers from any purchaser of the Series 2007-1 Class A-1 Notes substantially the same representations and warranties contained in the foregoing paragraphs;

8. (i) it is not acquiring or holding the Notes (or any interest therein) for or on behalf of, or with the assets of, any Plan, account or other arrangement that is subject to Title IV of ERISA, Section 4975 of the Code or provisions under any Similar Law or (ii) its purchase and holding of the Notes (or any interest therein) will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental or other plan, a non-exempt violation of any applicable Similar Law; and

9. it is:

☐ (check if applicable) a "United States Person" within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "Code") and a properly completed and signed Internal Revenue Service (" IRS") Form W-9 (or applicable successor form) is attached hereto; or

☐ (check if applicable) not a "United States Person" within the meaning of Section 7701(a)(30) of the Code and a properly completed and signed IRS Form W-8 (or applicable successor form) is attached hereto.

The Transferee understands that the Co-Issuers, the Indenture Trustee and their respective counsel will rely upon the accuracy and truth of the foregoing representations, and are irrevocably authorized to produce this certificate or a copy thereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby, and the Transferee hereby consents to such reliance and authorization.

[Name of Transferee]

By: ______________________________
Name:
Title:

Dated: ______________________

Taxpayer Identification Number:
Wire Instructions for Payments:
Bank: ______________________
Address: ______________________
Bank ABA #: ______________________
Account No.: ______________________
FAO: ______________________
Attention: ______________________

Address for Notices:

Tel: ______________________
Fax: ______________________
Attn.: ______________________

Registered Name (if Nominee):

cc: Applebee's Enterprise LLC;
Applebee's IP LLC;
Applebee's Restaurants North LLC;
Applebee's Restaurants Mid-Atlantic LLC;
Applebee's Restaurants West LLC;
Applebee's Restaurants Vermont, Inc.;
Applebee's Restaurants Texas LLC;
Applebee's Restaurants Inc.;
Applebee's Restaurants Kansas LLC

EXHIBIT G

[CLEARING AGENCY]

IMPORTANT

B#:	[number]
DATE:	[date]
TO:	ALL PARTICIPANTS
FROM:	[name], [title], Underwriting Department
ATTENTION:	[Managing Partner/Officer; Cashier, Operations, Data Processing and Underwriting Managers]
SUBJECT:	Section 3(c)(7) restrictions for Applebee's Enterprises LLC, Applebee's IP LLC and the Restaurant Holders (as defined in the Base Indenture, dated as of November 29, 2007, each as Co-Issuer [$350,000,000 7.2836% Fixed Rate Series 2007-1 Senior Notes, Class A-2-I] [$675,000,000 6.4267% Fixed Rate Series 2007-1 Senior Notes, Class A-2-II-A] [$650,000,000 7.0588% Fixed Rate Series 2007-1 Senior Notes, Class A-2-II-X] [$119,000,000 8.4044% Fixed Rate Series 2007-1 Subordinated Notes, Class M-1]
(A)CUSIP Numbers:	Fixed Rate Series 2007-1 Senior Notes, Class A-2-I CUSIP (144A): 037898 AA1 ISIN (144A): US037898AA13 CUSIP (Reg S): U00540 AA9 ISIN (Reg S): USU00540AA99 Fixed Rate Series 2007-1 Senior Notes, Class A-2-II-A CUSIP (144A): 037898 AB9 ISIN (144A): US037898AB95 CUSIP (Reg S): U00540 AB7 ISIN (Reg S): USU00540AB72 Fixed Rate Series 2007-1 Senior Notes, Class A-2-II-X CUSIP (144A): 037898 AD5 ISIN (144A): US037898AD51 CUSIP (Reg S): U00540 AD3 ISIN (Reg S): USU00540AD39 Fixed Rate Series 2007-1 Senior Notes, Class M-1 CUSIP (144A): 037898 AC7 ISIN (144A): US037898AC78 CUSIP (Reg S): U00540 AC5 ISIN (Reg S): USU00540AC55

(B)Security Description:	Applebee's Enterprises LLC, Applebee's IP LLC and the Restaurant Holders (as defined in the Base Indenture, dated as of November 29, 2007, each as Co-Issuer [$350,000,000 7.2836% Fixed Rate Series 2007-1 Senior Notes, Class A-2-I] [$675,000,000 6.4267% Fixed Rate Series 2007-1 Senior Notes, Class A-2-II-A] [$650,000,000 7.0588% Fixed Rate Series 2007-1 Senior Notes, Class A-2-II-X] [$119,000,000 8.4044% Fixed Rate Series 2007-1 Subordinated Notes, Class M-1]
(C)Offer Amount:	[$350,000,000] [$675,000,000] [$650,000,000] [$119,000,000]
(D)Managing Underwriter	Lehman Brothers Inc.
(E)Paying Agent:	[name of paying agent]
(F)Closing Date:	November 29, 2007

<u>Special Instructions:</u>

See Attached Important Instructions from the Co-Issuers.
[CO-ISSUERS LETTERHEAD]

[$350,000,000 7.2836% Fixed Rate Series 2007-1 Senior Notes, Class A-2-I] [$675,000,000 6.4267% Fixed Rate Series 2007-1 Senior Notes, Class A-2-II-A] [$650,000,000 7.0588% Fixed Rate Series 2007-1 Senior Notes, Class A-2-II-X] [$119,000,000 8.4044% Fixed Rate Series 2007-1 Subordinated Notes, Class M-1]]

[CUSIP No. of Security]

The Co-Issuers and the Initial Purchaser are putting Participants on notice that they are required to follow these purchase and transfer restrictions with regard to the above-referenced security.

In order to qualify for the exemption provided by Section 3(c)(7) under the Investment Company Act of 1940, as amended (the "<u>Investment Company Act</u>"), and the exemption provided by Rule 144A under the Securities Act of 1933, as amended (the "<u>Securities Act</u>"), offers, sales and resales of the [$350,000,000 7.2836% Fixed Rate Series 2007-1 Senior Notes, Class A-2-I] [$675,000,000 6.4267% Fixed Rate Series 2007-1 Senior Notes, Class A-2-II-A] [$650,000,000 7.0588% Fixed Rate Series 2007-1 Senior Notes, Class A-2-II-X] [$119,000,000 8.4044% Fixed Rate Series 2007-1 Subordinated Notes, Class M-1] (the "<u>Securities</u>") may only be made in minimum denominations of $200,000 to "qualified institutional buyers" ("<u>QIBs</u>") within the meaning of Rule 144A that are also "qualified purchasers" ("<u>QPs</u>") within the meaning of Section 2(a)(51)(A) of the Investment Company Act. Each purchaser of Securities (1) represents to and agrees with the Co-Issuers and the Initial

Purchaser that (i) the purchaser is a QIB who is a QP (a "QIB/QP"); (ii) the purchaser is not a broker-dealer who owns and invests on a discretionary basis less than $25 million in securities of unaffiliated issuers; (iii) the purchaser is not a participant-directed employee plan, such as a 401(k) plan; (iv) the QIB/QP is acting for its own account, or the account of another QIB/QP; (v) the purchaser is not formed for the purpose of investing in the Co-Issuers; (vi) the purchaser, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of Securities; (vii) the purchaser understands that the Co-Issuers may receive a list of participants holding positions in its securities from one or more book-entry depositaries; (viii) the purchaser will provide notice of the transfer restrictions to any subsequent transferees; and (ix) the purchaser is not a Competitor and (2) acknowledges that the Co-Issuers have not been registered under Investment Company Act and the Securities have not been registered under the Securities Act and represents to and agrees with the Co-Issuers and the Initial Purchaser that, for so long as securities are outstanding, it will not offer, resell, pledge or otherwise transfer the Securities except to a QIB that is also a QP in a transaction meeting the requirements of Rule 144A. Each purchaser further understands that the Securities will bear a legend with respect to such transfer restrictions.

The charter, bylaws, organizational documents or securities issuance documents of the Co-Issuers provide that the Co-Issuers will have the right to (i) require any holder of Securities who is determined not to be both a QIB and a QP to sell the Securities to a QIB that is also a QP or (ii) redeem any Securities held by such a holder on specified terms. In addition, the Co-Issuers have the right to refuse to register or otherwise honor a transfer of Securities to a proposed transferee that is not both a QIB and a QP.

The restrictions on transfer required by the Co-Issuers (outlined above) will be reflected [under the notation "3c7" in DTC's User Manuals and DTC's Reference Directory] [Annex 3(c)(7) of Euroclear's New Issues Acceptance Guide] [Chapter 7 ("Custody Business Operations – New Issues"), Section 7.3 ("General Procedure for the admission and distribution of new issues of syndicated international instruments") in Clearstream Banking's Directory].

Any questions or comments regarding this subject may be directed to [Co-Issuers contact person] (   )   -   .

EXHIBIT H

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]

[•]

Attn: Corporate Trust Services/Asset Backed Administration

Re: Series 20[ ]-[ ] Notes due [ ] of
[•] (the "Notes")

Reference is hereby made to the Base Indenture, dated as of November 29, 2007 (the " Base Indenture"), among Applebee's Enterprises LLC, Applebee's IP LLC and the entities referred to therein as the "Restaurant Holders" (the "Co-Issuers") 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) if such Note is being offered, sold or delivered within the United States, or to, or for the benefit of, a U.S. Person, the Transferee and each account is a QIB and a QP or (b) if such Note is being offered or sold in reliance on Regulation S, such transferee and each account is a QP that is not a U.S. Person or a U.S. Resident and is located outside of the United States

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 Co-Issuers 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: Applebee's Enterprises LLC

EXHIBIT I

FORM OF IP SECURITY AGREEMENTS

Form of Notice of Grant of Security Interest in Trademarks

NOTICE OF GRANT OF SECURITY INTEREST IN TRADEMARKS (the "Notice"), dated as of , 20 , made by Applebee's IP LLC (the "Grantor") in favor of Wells Fargo Bank, National Association, as trustee (the "Trustee"), pursuant to the Indenture (as defined hereafter).

WHEREAS, Grantor owns the trademarks and service marks set forth on Schedule 1 attached hereto, including the associated registrations and applications for registration set forth in Schedule 1 attached hereto (collectively, the "Trademarks") and all goodwill of any business connected with the use of and symbolized thereby;

WHEREAS, Grantor is party to the Base Indenture, dated as of November 29, 2007 (as amended, amended and restated or otherwise modified from time to time, the "Indenture") in favor of the Trustee pursuant to which the Grantor is required to execute and deliver this Notice. Capitalized terms used in this Notice but not defined shall have the meanings set forth in Appendix A to the Indenture;

WHEREAS, pursuant to the Indenture, Grantor Granted to the Trustee, for its own benefit and security and for the benefit and security of the other Secured Parties, certain intellectual property owned or hereafter acquired by the Grantor, including the Trademarks and the goodwill of the business connected with the use of and symbolized by the Trademarks, the right to bring an action at law or in equity for any infringement, misappropriation, dilution, or violations thereof occurring prior to, on or after the Closing Date, and to collect all damages, settlements, and proceeds relating thereto, and all payments, proceeds, and accrued or future rights to payment with respect to the foregoing, but in any event excluding any Excepted IP Assets (collectively, the "Trademark Collateral"); and

WHEREAS, pursuant to the Indenture, Grantor agreed to execute and deliver to the Trustee this Notice for purposes of filing the same with the United States Patent and Trademark Office (the "PTO") to confirm, evidence and perfect the security interest in the Trademark Collateral granted pursuant to the Indenture.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions of the Indenture, the Grantor hereby Grants to the Trustee, for its own benefit and security and for the benefit and security of the other Secured Parties, a security interest in, and lien on, the Trademark Collateral, whether now owned or existing or hereafter acquired or arising (but excluding any Non-U.S. Intellectual Property Rights (except Non-U.S. IP Rights in the POS System) therein and any application for registration of a Trademark that would be invalidated, canceled, voided or abandoned due to the grant and/or enforcement of an assignment or security interest, including intent-to-use applications filed with the PTO pursuant to 15 U.S.C. Section 1051(b) prior to the filing of a statement of use or amendment to allege use pursuant to 15 U.S.C.

1051(c) or (d); provided, that at such time as the grant and/or enforcement of the assignment or security interest would not cause such application to be invalidated, canceled, voided or abandoned, then such grant and/or enforcement of the assignment or security interest shall be deemed effective under this Grant).

The Grantor hereby requests the PTO to file and record the same together with the annexed Schedule 1.

The Grantor and the Trustee hereby acknowledge and agree that the security interest in the Trademark Collateral may only be terminated in accordance with the terms of the Indenture.

THIS NOTICE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW)

IN WITNESS WHEREOF, the undersigned has caused this Notice of Grant of Security Interest in Trademarks to be duly executed and delivered as of the date first above written.

APPLEBEE’S IP LLC

By: ______________________________
Name:
Title:

STATE OF)
) ss.:
COUNTY OF)

On this day of , 20 , before me personally came , to me known to be the person who signed the foregoing instrument and who being duly sworn by me did depose and state that he/she is the of ; he/she signed the instrument in the name of ; and he/she had the authority to sign the instrument on behalf of .

____
Notary Public

Schedule 1 to Notice of Grant of Security Interest in Trademarks

U.S. FEDERAL TRADEMARK APPLICATIONS AND REGISTRATIONS

Mark	Serial No.	Reg. No.
“A” IS FOR APPLEBEE’S	78/684,004	3,186,126
ALL YOU CAN EAT NIGHTS and Design	78/215,701	2,860,138
AMERICA’S FAVORITE NEIGHBOR	73/833,532	1,601,596
APPLEBEE BURGER	75/308,681	2,167,623
APPLEBEE’S	75/204,357	2,174,392
APPLEBEE’S	78/776,156	3,126,987
APPLEBEE’S	74/488,449	1,927,107
APPLEBEE’S and Design	74/155,247	1,695,071
APPLEBEE’S and Design (Apple)	77/287,079	
APPLEBEE’S ANYWHERE	78/661,607	3,116,854
APPLEBEE’S CORE NEWS	78/219,267	2,924,966
APPLEBEE’S GRILL	78/776,167	3,126,988
APPLEBEE’S LEADERSHIP INSTITUTE	78/691,618	3,126,430
APPLEBEE’S NEIGHBORHOOD GRILL & BAR	73/576,958	1,477,153
APPLEBEE’S NEIGHBORHOOD GRILL & BAR and Design (with Balloon)	73/576,708	1,480,107
APPLEBEE’S NEIGHBORHOOD GRILL and Design	74/387,188	1,926,020
APPLEBEE’S RIBLETS ORIGINAL and Design	78/501,630	3,028,404
APPLEBEE’S TOGETHER IS GOOD [Class 35]	77/297,395	
APPLEBEE’S TOGETHER IS GOOD [Class 43]	77/975,176	
APPLEBEE’S TOGETHER IS GOOD and Design [Class 35]	77/287,137	
APPLEBEE’S TOGETHER IS GOOD and Design [Class 43]	77/975,177	
BIG FUN TRIP	78/691,628	3,123,514
BREWTUS	74/255,218	1,783,594
CARSIDE TO GO and Design	78/272,304	2,969,882
CARSIDE TO GO and Design (Cart Logo)	78/636,155	3,116,745
CHICKEN TANGLERS	78/319,841	2,893,600
EATIN’ GOOD IN THE NEIGHBORHOOD	76/229,557	2,510,402
FIESTA LIME CHICKEN	76/419,001	3,188,439
FIRE GRILLED FAVORITES	78/654,021	3,188,875
HONEY OF A DEAL and Design	76/369,432	2,720,794
IRRESIST-A-BOWLS	78/684,016	3,138,570
IT’S GOT TO BE APPLEBEE’S	76/343,652	2,690,341
IT’S NOT FAST FOOD - IT’S APPLEBEE’S FOOD FAST	78/225,314	2,840,241
MAIN STREET RITA	78/739,169	3,148,559
Miscellaneous Design (Apple)	76/261,734	2,552,524
Miscellaneous Design (New Apple)	77/289,412	
MUCHO BLUE SKIES and Design	76/312,000	2,588,337

Mark	Serial No.	Reg. No.
MUCHO CRANRITA	76/148,302	2,729,844
MUCHO MAMA and Design	76/311,973	2,588,336
MUCHO MARGARITA	75/802,937	2,379,470
MUCHO MUDSLIDE and Design	76/312,222	2,662,409
NEIGHBORHOOD NIGHTS and Design	76/487,531	2,794,399
SALAD DAYS OF SUMMER and Design	75/733,194	2,538,912
SIMPLY IRRESISTI-BOWL	76/166,414	2,538,010
SKILLET SENSATIONS	75/751,396	3,069,596
SKILLET SSSENSATIONS! (Stylized)	75/308,648	3,047,168
SUMMER SQUEEZE	75/121,295	2,073,776
T. J. APPLEBEE'S RX FOR EDIBLES & ELIXIRS and Design	73/292,397	1,223,740
THEY KNOW ME AT APPLEBEE'S (Stylized)	73/576,706	1,481,120
TO GO and Design (Apple Logo)	76/414,888	2,695,523
TO GO and Design (Cart Logo)	78/262,287	2,984,968
TOGETHER IS GOOD [Class 35]	77/287,257	
TOGETHER IS GOOD [Class 43]	77/975,156	
TRIPLE CHOCOLATE MELTDOWN	78/225,340	3,119,040
YOU BELONG AT APPLEBEE'S (Stylized)	75/267,604	2,142,752
YOU CALL IT IN. WE BRING IT OUT.	78/319,845	2,895,850

Form of Grant of Security Interest in Patents

GRANT OF SECURITY INTEREST IN PATENTS (the "Grant"), dated as of , 20 , made by Applebee's IP LLC (the "Grantor") in favor of Wells Fargo Bank, National Association, as trustee (the "Trustee"), pursuant to the Indenture (as defined hereafter).

WHEREAS, Grantor owns the issued patents and patent applications set forth on Schedule 1 attached hereto (collectively, the "Patents");

WHEREAS, Grantor is party to the Base Indenture, dated as of November 29, 2007 (as amended, amended and restated or otherwise modified from time to time, the "Indenture") in favor of the Trustee pursuant to which the Grantor is required to execute and deliver this Grant. Capitalized terms used in this Grant but not defined shall have the meanings set forth in Appendix A to the Indenture;

WHEREAS, pursuant to the Indenture, Grantor Granted to the Trustee, for its own benefit and security and for the benefit and security of the other Secured Parties, certain intellectual property owned or hereafter acquired by the Grantor, including the Patents, the right to bring an action at law or in equity for any infringement, misappropriation, dilution, or violations thereof occurring prior to, on or after the Closing Date, and to collect all damages, settlements, and proceeds relating thereto, and all payments, proceeds, and accrued or future rights to payment with respect to the foregoing, but in any event excluding any Excepted IP Assets (collectively, the "Patent Collateral"); and

WHEREAS, pursuant to the Indenture, Grantor agreed to execute and deliver to the Trustee this Grant for purposes of filing the same with the United States Patent and Trademark Office (the "PTO") to confirm, evidence and perfect the security interest in the Patent Collateral granted pursuant to the Indenture.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions of the Indenture, the Grantor hereby Grants to the Trustee, for its own benefit and security and for the benefit and security of the other Secured Parties, a security interest in, and lien on, the Patent Collateral, whether now owned or existing or hereafter acquired or arising (but excluding any Non-U.S. Intellectual Property Rights (except Non-U.S. IP Rights in the POS System) therein).

The Grantor hereby requests the PTO to file and record the same together with the annexed Schedule 1.

The Grantor and the Trustee hereby acknowledge and agree that the security interest in the Patent Collateral may only be terminated in accordance with the terms of the Indenture.

THIS NOTICE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW)

IN WITNESS WHEREOF, the undersigned has caused this Grant of Security Interest in Patents to be duly executed and delivered as of the date first above written.

APPLEBEE'S IP LLC

By: ______________________________

Name:

Title:

STATE OF)
) ss.:
COUNTY OF)

On this day of , 20 , before me personally came , to me known to be the person who signed the foregoing instrument and who being duly sworn by me did depose and state that he/she is the of ; he/she signed the instrument in the name of ; and he/she had the authority to sign the instrument on behalf of .

Notary Public

Form of Notice of Grant of Security Interest in Copyrights

NOTICE OF GRANT OF SECURITY INTEREST IN COPYRIGHTS (the "Notice"), dated as of , 20 , made by Applebee's IP LLC (the "Grantor") in favor of Wells Fargo Bank, National Association, as trustee (the "Trustee"), pursuant to the Indenture (as defined hereafter).

WHEREAS, Grantor owns the copyrights set forth on Schedule 1 attached hereto, including the associated registrations and applications for registration set forth on Schedule 1 attached hereto (collectively, the "Copyrights");

WHEREAS, Grantor is party to the Base Indenture, dated as of November 29, 2007 (as amended, amended and restated or otherwise modified from time to time, the "Indenture") in favor of the Trustee pursuant to which the Grantor is required to execute and deliver this Notice. Capitalized terms used in this Notice but not defined shall have the meanings set forth in Appendix A to the Indenture;

WHEREAS, pursuant to the Indenture, Grantor Granted to the Trustee, for its own benefit and security and for the benefit and security of the other Secured Parties, certain intellectual property owned or hereafter acquired by the Grantor, including the Copyrights, the right to bring an action at law or in equity for any infringement, misappropriation, dilution, or violations thereof occurring prior to, on or after the Closing Date, and to collect all damages, settlements, and proceeds relating thereto, and all payments, proceeds, and accrued or future rights to payment with respect to the foregoing, but in any event excluding any Excepted IP Assets (collectively, the "Copyright Collateral"); and

WHEREAS, pursuant to the Indenture, Grantor agreed to execute and deliver to the Trustee this Notice for purposes of filing the same with the United States Copyright Office (the "Copyright Office") to confirm, evidence and perfect the security interest in the Copyright Collateral granted pursuant to the Indenture.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions of the Indenture, the Grantor hereby Grants to the Trustee, for its own benefit and security and for the benefit and security of the other Secured Parties, a security interest in, and lien on, the Copyright Collateral, whether now owned or existing or hereafter acquired or arising (but excluding any Non-U.S. Intellectual Property Rights (except Non-U.S. IP Rights in the POS System) therein).

The Grantor hereby requests the Copyright Office to file and record the same together with the annexed Schedule 1.

The Grantor and the Trustee hereby acknowledge and agree that the security interest in the Copyright Collateral may only be terminated in accordance with the terms of the Indenture.

THIS NOTICE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CHOICE OF LAW RULES (OTHER

THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW)

IN WITNESS WHEREOF, the undersigned has caused this Notice of Grant of Security Interest in Copyrights to be duly executed and delivered as of the date first above written.

APPLEBEE'S IP LLC

By: ______________________________

Name:
Title:

STATE OF)
) ss.:
COUNTY OF)

On this day of , 20 , before me personally came , to me known to be the person who signed the foregoing instrument and who being duly sworn by me did depose and state that he/she is the of ; he/she signed the instrument in the name of ; and he/she had the authority to sign the instrument on behalf of .

Notary Public

EXHIBIT J

FORM OF WEEKLY SERVICER'S REPORT

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 hereby made to the Base Indenture, dated as of November 29, 2007 (the " Base Indenture"), among Applebee's Enterprises LLC, Applebee's IP LLC and the entities referred to therein as the "Restaurant Holders" (the "Co-Issuers") 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") and the Servicing Agreement, dated as of [•], 2007, among [•] (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 Base 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, Default, Rapid Amortization Event or Potential Rapid Amortization Event has occurred or is continuing.

(C) No trademark registrations are within three (3) months of lapsing except with respect to such trademark registrations that the Servicer has determined to allow to lapse within such time period pursuant to the Servicing Standard.

By: ______________________________
Name:
Title:

[ATTACH MONTHLY SERVICER'S REPORT]

EXHIBIT L

FORM OF MONTHLY SERVICER'S REPORT

EXHIBIT M

FORM OF MONTHLY NOTEHOLDERS' REPORT

[DATE]

Series 20[ ]-[ ] Notes
Monthly Collection Period: [MM/DD/YY] – [MM/DD/YY]
Payment Date: [MM/DD/YY]

Reference is hereby made to the Base Indenture, dated as of November 29, 2007 (the " Base Indenture"), among Applebee's Enterprises LLC, Applebee's IP LLC and the entities referred to therein as the "Restaurant Holders" (the "Co-Issuers") 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") and the Servicing Agreement, dated as of November 29, 2007, among the Co-Issuers, Applebee's Franchising LLC, Applebee's Services, Inc., Applebee's International, Inc., Assured Guaranty Corp., and the Indenture Trustee (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' Report is delivered pursuant to Section 12.1(c) of the Base Indenture and Section 3.1(b) of the Servicing Agreement. The undersigned, on behalf of the Servicer and the Master 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' Report.

By:
Name:
Title:

[ATTACH MONTHLY SERVICER'S REPORT]

Exhibit 4.22

EXECUTION COPY

APPLEBEE'S ENTERPRISES LLC,
THE ENTITIES REFERRED TO HEREIN AS THE "RESTAURANT HOLDERS" and
APPLEBEE'S IP LLC

each as a Co-Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Indenture Trustee and a Series 2007-1 Securities Intermediary

SERIES 2007-1 SUPPLEMENT

dated as of November 29, 2007

to

BASE INDENTURE

dated as of November 29, 2007

$30,000,000 Series 2007-1 Advance Notes, Class A-1-A
$70,000,000 Series 2007-1 Advance Notes, Class A-1-X
$7,500,000 Series 2007-1 Swingline Notes, Class A-1-A
$17,500,000 Series 2007-1 Swingline Notes, Class A-1-X
$15,000,000 Series 2007-1 Class L/C Notes, Class A-1-A
$35,000,000 Series 2007-1 Class L/C Notes, Class A-1-X

$350,000,000 Series 2007-1 7.2836% Fixed Rate Term Senior Notes, Class A-2-I-X
$675,000,000 Series 2007-1 6.4267% Fixed Rate Term Senior Notes, Class A-2-II-A
$650,000,000 Series 2007-1 7.0588% Fixed Rate Term Senior Notes, Class A-2-II-X
$119,000,000 Series 2007-1 8.4044% Fixed Rate Term Subordinated Notes, Class M-1

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SERIES 2007-1 SUPPLEMENT, dated as of November 29, 2007 (this "Series 2007-1 Supplement"), by and among APPLEBEE'S ENTERPRISES LLC, a Delaware limited liability company (the "Master Issuer"), each of the entities appearing in the definition of "RESTAURANT HOLDERS" in Appendix A to the Base Indenture (together with any additional Restaurant Holders that become a party to the Indenture (as defined herein) following the date hereof in the manner provided in Section 7.14 of the Base Indenture, the "Restaurant Holders"), APPLEBEE'S IP LLC, a Delaware limited liability company, (the "IP Holder" and, together with the Master Issuer and the Restaurant Holders, collectively, the "Co-Issuers" and each, a "Co-Issuer"), each as a Co-Issuer, and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as indenture trustee (in such capacity, the "Indenture Trustee") and as Series 2007-1 Securities Intermediary (as defined herein), to the Base Indenture, dated as of the date hereof, by and among the Co-Issuers and the Indenture Trustee (as amended, modified or supplemented from time to time, exclusive of Series Supplements (as defined in Appendix A thereto), the "Base Indenture" and together with this Series 2007-1 Supplement and any other Series Supplements, the "Indenture").

PRELIMINARY STATEMENT

WHEREAS, Sections 2.1, 2.3 and 3.3 of the Base Indenture provide, among other things, that the Co-Issuers and the Indenture Trustee may at any time and from time to time enter into a Series Supplement to the Base Indenture for the purpose of authorizing the issuance of one or more Series of Notes (as defined in Annex A of the Base Indenture) upon satisfaction of the conditions set forth therein; and

WHEREAS, all such conditions have been met for the issuance of the Series of Notes authorized hereunder.

NOW, THEREFORE, the parties hereto agree as follows:

DESIGNATION

There is hereby created a Series of Notes to be issued pursuant to the Base Indenture and this Series 2007-1 Supplement, and such Series of Notes shall be designated as Series 2007-1 Notes. On the Series 2007-1 Closing Date, the following four Classes of Notes of such Series shall be issued:

(a) Series 2007-1 Variable Funding Senior Notes, Class A-1 (as referred to herein, the "Series 2007-1 Class A-1 Notes") which shall be issued in six sub-classes (each, a "Series 2007-1 Class A-1 Sub-Class"): (i) two sub-classes representing Advances (each, an "Advance Sub-Class") which shall be designated as follows: (x) Series 2007-1 Class A-1-A Advance Notes and (y) Series 2007-1 Class A-1-X Advance Notes (as collectively referred to herein, the "Series 2007-1 Class A-1 Advance Notes"); (ii) two sub-classes representing Swingline Loans (each, a "Swingline Sub-Class") which shall be designated as follows: (x) Series 2007-1 Class A-1-A Swingline Notes and (y) Series 2007-1 Class A-1-X Swingline Notes (as collectively referred to herein, the "Series 2007-1 Class A-1 Swingline Notes"); and (iii) two sub-classes

representing L/C Obligations (each, an "L/C Sub-Class") which shall be designated as follows: (x) Series 2007-1 Class A-1-A L/C Notes and (y) Series 2007-1 Class A-1-X L/C Notes (as collectively referred to herein, the "Series 2007-1 Class A-1 L/C Notes");

(b) Series 2007-1 7.2836% Fixed Rate Term Senior Notes, Class A-2-I-X (as referred to herein, the "Series 2007-1 Class A-2-I Notes");

(c) Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-II (as referred to herein, the "Series 2007-1 Class A-2-II Notes," and together with the Series 2007-1 Class A-2-I Notes, the "Series 2007-1 Class A-2 Notes") which shall be issued in two sub-classes (each a "Series Class A-2-II Sub-Class"): (i) Series 2007-1 6.4267% Fixed Rate Term Senior Notes, Class A-2-II-A (the "Series 2007-1 Class A-2-II-A Notes") and (ii) Series 2007-1 7.0588% Fixed Rate Term Senior Notes, Class A-2-II-X (the "Series 2007-1 Class A-2-II-X Notes");

(d) Series 2007-1 8.4044% Fixed Rate Term Subordinated Notes, Class M-1 (as referred to herein, the " Series 2007-1 Class M-1 Notes") and together with the Series 2007-1 Class A-2 Notes, (the "Series 2007-1 Fixed Rate Notes"). For purposes of the Indenture, the Series 2007-1 Class A-1 Notes and the Series 2007-1 Class A-2 Notes shall be deemed to be "Senior Notes" or "Series 2007-1 Senior Notes" and the Series 2007-1 Class M-1 Notes shall be deemed to be "Subordinated Notes" or "Series 2007-1 Subordinated Notes."

ARTICLE I

DEFINITIONS

All capitalized terms used herein (including in the preamble and the recitals hereto) shall have the meanings assigned to such terms or incorporated by reference in the Series 2007-1 Supplemental Definitions List attached hereto as Annex A (the "Series 2007-1 Supplemental Definitions List") as such Series 2007-1 Supplemental Definitions List may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof. All capitalized terms not otherwise defined therein shall have the meanings assigned thereto or incorporated by reference in the Base Indenture Definitions List attached to the Base Indenture as Appendix A thereto, as such Base Indenture Definitions List may be amended, supplemented or otherwise modified from time to time in accordance with the terms of the Base Indenture. Unless otherwise specified herein, all Article, Exhibit, Section or Subsection references herein shall refer to Articles, Exhibits, Sections or Subsections of the Base Indenture or this Series 2007-1 Supplement (as indicated herein). Unless otherwise stated herein, as the context otherwise requires or if such term is otherwise defined in the Base Indenture, each capitalized term used or defined herein shall relate only to the Series 2007-1 Notes and not to any other Series of Notes issued by the Co-Issuers.

ARTICLE II

SERIES 2007-1 RAPID AMORTIZATION EVENTS AND REMEDIES; SUBORDINATED NOTES SCHEDULED PRINCIPAL AMORTIZATION; SERIES EVENT OF DEFAULT

Section 2.1 Series 2007-1 Rapid Amortization Event. Upon the occurrence of any one of the following events (whatever the reason for such event 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):

(a) the failure to maintain a Three-Month Adjusted DSCR of at least 1.50x as of any Payment Date; or

(b) the twelve-month U.S. system-wide sales of Applebee's Restaurants as of the last day of the immediately preceding twelve-month period ending on the last day of each fiscal month is less than $3.75 billion;

a "Series 2007-1 Rapid Amortization Event" shall be deemed to have occurred, but without the giving of further notice or any other action on the part of the Indenture Trustee or any Holder of Notes.

Section 2.2 Series 2007-1 Rapid Amortization Cure Right.

The Co-Issuers may cure the occurrence of a Series 2007-1 Rapid Amortization Event described in Section 2.1(a) above on a one-time basis (the "Series 2007-1 Rapid Amortization Cure Right"). In order for the Co-Issuers to exercise the Series 2007-1 Rapid Amortization Cure Right, the Co-Issuers must maintain a Three-Month Adjusted DSCR of at least 1.50x as of any three consecutive Payment Dates following the Payment Date on which such Series 2007-1 Rapid Amortization Event occurred, in which case such Series 2007-1 Rapid Amortization Event shall be automatically deemed to be cured as of the third such Payment Date. In connection therewith, if a Series 2007-1 Rapid Amortization Event occurs because the Three-Month Adjusted DSCR is reduced to below 1.50x on any Payment Date, the Indenture Trustee shall, the first time such event occurs, establish a segregated trust account under the Base Indenture and shall deposit to such trust account the amount that otherwise would be applied, in accordance with the Priority of Payments, to the applicable Principal Payment Accounts to pay principal of the Series 2007-1 Notes on such Payment Date solely as a result of such Series 2007-1 Rapid Amortization Event. So long as the Three Month-Adjusted DSCR is at least 1.50x on each of the next two Payment Dates succeeding the Payment Date on which such Series 2007-1 Rapid Amortization Event first occurred, the Indenture Trustee shall make the same deposit to the trust account on each such succeeding Payment Date, and if the Three-Month Adjusted DSCR is at least 1.50x on the third succeeding Payment Date after the Payment Date on which such Series 2007-1 Rapid Amortization Event first occurred, such Series 2007-1 Rapid Amortization Event shall be deemed to be cured for such three Payment Dates and the Indenture Trustee shall

release the amounts deposited to such trust account on the three preceding Payment Dates for deposit to the Collection Account for application in accordance with the Priority of Payments. If the Three-Month Adjusted DSCR is below 1.50x on the first, second or third consecutive Payment Date following the Series 2007-1 Rapid Amortization Event, the amount previously deposited to such trust account shall be released for deposit to the applicable Principal Payment Accounts to pay principal of the Series 2007-1 Notes in accordance with the Priority of Payments.

If the Co-Issuers fail to cure the occurrence of a Series 2007-1 Rapid Amortization Event described in Section 2.1(a) above within the first three months following such Series 2007-1 Rapid Amortization Event (which failure shall not prevent the Co-Issuers from thereafter exercising the Series 2007-1 Rapid Amortization Cure Right on a one-time basis), the Indenture Trustee (in accordance with the provisions of Articles X and XI of the Base Indenture) shall apply funds in the Collection Account to pay the principal of the Series 2007-1 Notes in accordance with the Priority of Payments, unless and until (i) such Series 2007-1 Rapid Amortization Event has been cured or (ii) either the Series 2007-1 Controlling Party or the Aggregate Controlling Party, as applicable, waives the occurrence of such Series 2007-1 Rapid Amortization Event in the manner described in Section 2.3 below.

Section 2.3 Waiver of Rapid Amortization Events.

The Series 2007-1 Controlling Party shall be entitled to waive (i) a Rapid Amortization Event resulting from the occurrence of an event described in Section 5.1(a)(i) of the Base Indenture, to the extent such Rapid Amortization Event is triggered with respect to the Series 2007-1 Notes, and (ii) a Series 2007-1 Rapid Amortization Event with respect to the Series 2007-1 Notes (but not with respect to any other Series of Notes with respect to which the same Series Rapid Amortization Event has occurred pursuant to the related Series Supplement) in which case such Rapid Amortization triggered by the Series Rapid Amortization shall cease; provided, that a waiver of any Rapid Amortization Event set forth in Section 5.1(a)(i) of the Base Indenture with respect to the Series 2007-1 Notes will also require the written consent of the Holders of 100% of the Aggregate Outstanding Principal Amount of the Series 2007-1 Notes. The Aggregate Controlling Party will be entitled to waive for purposes of all Series of Notes Outstanding (x) any Rapid Amortization Event described in Sections 5.1(a)(iii) and 5.1(a)(iv) of the Base Indenture and (y) any Series 2007-1 Rapid Amortization Event.

Section 2.4 Subordinated Notes Scheduled Principal Amortization. On each Payment Date following the Series 2007-1 Closing Date to but excluding the Payment Date occurring in January 2013, the Indenture Trustee shall apply an amount equal to the lesser of (i) the applicable Series 2007-1 Monthly Subordinated Notes Amortization Amount, if any (together with any accrued but unpaid Series 2007-1 Monthly Subordinated Notes Amortization Amount), and (ii) the amount, if any, by which the remaining amount of funds on deposit in the Collection Account after giving effect to clause (xxiii) of the Priority of Payments exceeds the Series 2007-1 Residual Threshold Amount (such lesser amount, the " Series 2007-1 Subordinated Notes Principal

Amortization Amount"), to the Subordinated Notes Principal Payment Account, in accordance with the Priority of Payments.

Section 2.5 Series Event of Default. Pursuant to Section 5.3(a)(viii) of the Base Indenture, if, as of any Payment Date, the Three-Month Adjusted DSCR is less than 1.2x, an Event of Default with respect to the Series 2007-1 Notes shall be deemed to have occurred.

ARTICLE III

INITIAL ISSUANCE, INCREASES AND DECREASES OF
SERIES 2007-1 CLASS A-1 OUTSTANDING PRINCIPAL AMOUNT

Section 3.1 Procedures for Issuing and Increasing the Series 2007-1 Class A-1 Outstanding Principal Amount.

(a) Subject to satisfaction of the conditions precedent to the making of Series 2007-1 Class A-1 Advances set forth in the Series 2007-1 Class A-1 Note Purchase Agreement, (i) on the Series 2007-1 Closing Date, the Co-Issuers may cause the Series 2007-1 Class A-1 Initial Advance Principal Amount to become outstanding by drawing ratably, at par, the initial principal amounts of the Series 2007-1 Class A-1 Advance Notes corresponding to the aggregate amount of the Series 2007-1 Class A-1 Advances made on the Series 2007-1 Closing Date (the " Series 2007-1 Class A-1 Initial Advance") and (ii) on any Business Day during the Series 2007-1 Class A-1 Commitment Term, the Co-Issuers may increase the aggregate amount of the Series 2007-1 Class A-1 Outstanding Principal Amount (such aggregate increase referred to as an " Increase"), by drawing ratably, at par, additional principal amounts on the Series 2007-1 Class A-1 Advance Notes corresponding to the aggregate amount of the Series 2007-1 Class A-1 Advances made on such Business Day; provided, that at no time may the Series 2007-1 Class A-1 Outstanding Principal Amount exceed the Series 2007-1 Class A-1 Maximum Principal Amount. The Series 2007-1 Class A-1 Initial Advance and each Increase shall be made in accordance with the provisions of Sections 2.02 and 2.03 of the Series 2007-1 Class A-1 Note Purchase Agreement and shall be ratably allocated among the Series 2007-1 Class A-1 Noteholders (other than the Series 2007-1 Class A-1 Subfacility Noteholders in their capacity as such) as provided therein. Proceeds from the Series 2007-1 Class A-1 Initial Advance and each Increase shall be paid as directed by the Co-Issuers in the applicable Series 2007-1 Class A-1 Advance Request or as otherwise set forth in the Series 2007-1 Class A-1 Note Purchase Agreement. Upon receipt of written notice from the Co-Issuers or the Series 2007-1 Class A-1 Administrative Agent of the Series 2007-1 Class A-1 Initial Advance and any Increase, the Indenture Trustee shall indicate in its books and records the amount of the Series 2007-1 Class A-1 Initial Advance or such Increase, as applicable.

(b) Subject to satisfaction of the applicable conditions precedent set forth in the Series 2007-1 Class A-1 Note Purchase Agreement, on the Series 2007-1 Closing Date, the Co-Issuers may cause (i) the Series 2007-1 Class A-1 Initial Swingline Principal Amount to become outstanding by drawing, ratably at par, the initial principal

amounts of the Series 2007-1 Class A-1 Swingline Notes corresponding to the aggregate amount of the Series 2007-1 Class A-1 Swingline Loans made on the Series 2007-1 Closing Date pursuant to Section 2.06 of the Series 2007-1 Class A-1 Note Purchase Agreement (the "Series 2007-1 Class A-1 Initial Swingline Loan") and (ii) the Series 2007-1 Class A-1 Initial Aggregate Undrawn L/C Face Amount to become outstanding by drawing, ratably at par, the initial principal amounts of the Series 2007-1 Class A-1 L/C Notes corresponding to the aggregate Undrawn L/C Face Amount of the Letters of Credit issued on the Series 2007-1 Closing Date pursuant to Section 2.07 of the Series 2007-1 Class A-1 Note Purchase Agreement; provided, that at no time may the Series 2007-1 Class A-1 Outstanding Principal Amount exceed the Series 2007-1 Class A-1 Maximum Principal Amount. The procedures relating to increases in the Series 2007-1 Class A-1 Outstanding Subfacility Amount (each such increase referred to as a "Subfacility Increase") through borrowings of Series 2007-1 Class A-1 Swingline Loans and issuance or incurrence of Series 2007-1 Class A-1 L/C Obligations are set forth in the Series 2007-1 Class A-1 Note Purchase Agreement. Upon receipt of written notice from the Co-Issuers or the Series 2007-1 Class A-1 Administrative Agent of the issuance of the Series 2007-1 Class A-1 Initial Swingline Principal Amount and the Series 2007-1 Class A-1 Initial Aggregate Undrawn L/C Face Amount and any Subfacility Increase, the Indenture Trustee shall indicate in its books and records the amount of each such issuance and Subfacility Increase.

Section 3.2 Procedures for Decreasing the Series 2007-1 Class A-1 Outstanding Principal Amount.

(a) Mandatory Decrease. Whenever a Series 2007-1 Class A-1 Excess Principal Event shall have occurred, then, on or before the third Business Day immediately following written notice from the Indenture Trustee or the Series 2007-1 Class A-1 Administrative Agent to the Servicer or discovery by a Responsible Officer of the Servicer of such Series 2007-1 Class A-1 Excess Principal Event, the Co-Issuers shall, and the Servicer shall cause the Co-Issuers to, deposit in the Series 2007-1 Class A-1 Distribution Account the amount of funds referred to in the next sentence and direct the Indenture Trustee in writing to distribute such funds in accordance with Section 4.02 of the Series 2007-1 Class A-1 Note Purchase Agreement. Such written direction shall include a report that will provide for the distribution of (i) funds sufficient to decrease the Series 2007-1 Class A-1 Outstanding Principal Amount by the lesser of (x) the amount necessary, so that after giving effect to such decrease of the Series 2007-1 Class A-1 Outstanding Principal Amount on such date, no such Series 2007-1 Class A-1 Excess Principal Event shall exist and (y) the amount that would decrease the Series 2007-1 Class A-1 Outstanding Principal Amount to zero (each decrease of the Series 2007-1 Class A-1 Outstanding Principal Amount pursuant to this Section 3.2(a), or any other required payment of principal in respect of the Series 2007-1 Class A-1 Notes pursuant to Section 4.7 of this Series 2007-1 Supplement, a "Mandatory Decrease"), plus (ii) any associated Series 2007-1 Class A-1 Breakage Amounts incurred as a result of such decrease (calculated in accordance with the Series 2007-1 Class A-1 Note Purchase Agreement). Such Mandatory Decrease shall be allocated among the Series 2007-1 Class A-1 Noteholders in accordance with the order of distribution of principal payments set forth in Section 4.02 of the Series 2007-1 Class A-1 Note Purchase Agreement. Upon

discovery of such a Series 2007-1 Class A-1 Excess Principal Event, the Co-Issuers promptly, but in any event within one (1) Business Day, shall deliver written notice (by facsimile with original to follow by mail) of the need for any such Mandatory Decreases to the Indenture Trustee, the Series 2007-1 Class A Insurer and the Series 2007-1 Class A-1 Administrative Agent.

(b) Voluntary Decrease. On any Business Day, upon at least three (3) Business Day's prior written notice in the form of a Voluntary Decrease Request to the Series 2007-1 Class A-1 Administrative Agent (for notice by the Series 2007-1 Class A-1 Administrative Agent to each Series 2007-1 Class A-1 Investor), the Indenture Trustee and the Series 2007-1 Class A Insurer, the Co-Issuers may decrease the Series 2007-1 Class A-1 Outstanding Principal Amount (each such decrease of the Series 2007-1 Class A-1 Outstanding Principal Amount pursuant to this Section 3.2(b), a "Voluntary Decrease") by depositing in the Series 2007-1 Class A-1 Distribution 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 in accordance with the order of distribution of principal payments set forth in Section 4.02 of the Series 2007-1 Class A-1 Note Purchase Agreement (i) an amount (subject to the last sentence of this Section 3.2(b)) up to the Series 2007-1 Class A-1 Outstanding Principal Amount equal to the amount of such Voluntary Decrease, plus (ii) any associated Series 2007-1 Class A-1 Breakage Amounts incurred as a result of such decrease (calculated in accordance with the Series 2007-1 Class A-1 Note Purchase Agreement). Each such Voluntary Decrease shall be in a minimum principal amount as provided in the Series 2007-1 Class A-1 Note Purchase Agreement.

(c) Upon distribution to the Series 2007-1 Class A-1 Noteholders of principal of the Series 2007-1 Class A-1 Advance Notes in connection with each Decrease, the Indenture Trustee shall indicate in its books and records such Decrease.

(d) The Series 2007-1 Class A-1 Note Purchase Agreement sets forth additional procedures relating to decreases in the Series 2007-1 Class A-1 Outstanding Subfacility Amount (each such decrease, together with any Voluntary Decrease or Mandatory Decrease allocated to the Series 2007-1 Class A-1 Subfacility Noteholders, referred to as a "Subfacility Decrease") through (i) borrowings of Series 2007-1 Class A-1 Advances to repay, on a ratable basis among the various sub-classes of the applicable Series 2007-1 Class A-1 Notes, Series 2007-1 Class A-1 Swingline Loans and Series 2007-1 Class A-1 L/C Obligations or (ii) optional prepayments, on a ratable basis among the various sub-classes of the applicable Series 2007-1 Class A-1 Notes, of Series 2007-1 Class A-1 Swingline Loans on same day notice. Upon receipt of written notice from the Co-Issuers or the Series 2007-1 Class A-1 Administrative Agent of any Subfacility Decrease, the Indenture Trustee shall indicate in its books and records the amount of such Subfacility Decrease.

ARTICLE IV

SERIES 2007-1 ALLOCATIONS; PAYMENTS

With respect to the Series 2007-1 Notes only, the following shall apply:

Section 4.1 Allocations with Respect to the Series 2007-1 Notes. On the Series 2007-1 Closing Date,

(a) $2,800,000 of the net proceeds from the initial sale of the Series 2007-1 Notes will be deposited into the Concentration Account;

(b) $4,000,000 of the net proceeds from the initial sale of the Series 2007-1 Notes will be deposited into the Advertising Fees Account;

(c) $6,100,000 of the net proceeds from the initial sale of the Series 2007-1 Notes will be deposited into the Gift Card Reserve Account;

(d) $400,000 of the net proceeds from the initial sale of the Series 2007-1 Notes will be deposited into the Third Party Licensing Fee Account;

(e) $5,800,000 of the net proceeds from the initial sale of the Series 2007-1 Notes will be deposited into the Sales Tax Account;

(f) $31,942,506.25 of the net proceeds from the initial sale of the Series 2007-1 Notes will be deposited into the Senior Notes Interest Reserve Account (the "Series 2007-1 Initial Senior Notes Interest Reserve Deposit");

and the remainder of the net proceeds from the sale of the Series 2007-1 Notes will be paid to, or at the direction of, the Master Issuer; provided that the Co-Issuers will also be permitted to fund each of the accounts mentioned in clauses (a) through (f) above with funds available to the Co-Issuers from sources other than from the net proceeds from the initial sale of the Series 2007-1 Notes.

Section 4.2 Application of Monthly Collections on Payment Dates to the Series 2007-1 Notes; Payment Date Applications. On each Payment Date, the Indenture Trustee shall upon receipt of a Servicer Order and based solely on the information contained in the Monthly Servicer's Report (subject to the Indenture) withdraw any and all funds on deposit in the Collection Account in respect of the preceding Monthly Collection Period for allocation or payment of all amounts relating to the Series 2007-1 Notes and the Series 2007-1 Class A Policy pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments, including the following:

(a) Series 2007-1 Senior Notes Monthly Interest. On each Payment Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account the Series 2007-1 Class A-1 Senior Interest Amount and the Series 2007-1 Class A-2 Senior Interest Amount (which is

deemed to be part of the "Senior Notes Monthly Interest Amounts" for the purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(b) Series 2007-1 Insurer Premiums. On each Payment Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account the Series 2007-1 Accrued Insurer Premium Amount (which is deemed to be part of the "Accrued Insurer Premium Amounts" for the purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(c) Series 2007-1 Class A-1 Monthly Commitment Fees. On each Payment Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account the Series 2007-1 Class A-1 Commitment Fees Amount (which is deemed to be part of the "Class A-1 Commitment Fees Amounts" for the purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(d) Series 2007-1 Insurer Expenses. On each Payment Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall pay to the Series 2007-1 Class A Insurer from the Collection Account the Series 2007-1 Insurer Expense Amounts owed to the Series 2007-1 Class A Insurer (which are deemed to be "Insurer Expense Amounts" for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(e) Series 2007-1 Insurer Reimbursements. On each Payment Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall pay to the Series 2007-1 Class A Insurer from the Collection Account the Series 2007-1 Insurer Reimbursement Amounts owed to the Series 2007-1 Class A Insurer (which are deemed to be "Insurer Reimbursement Amounts" for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(f) Series 2007-1 Class A-1 Administrative Expenses. On each Payment Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall pay to the Series 2007-1 Class A-1 Administrative Agent from the Collection Account the Series 2007-1 Class A-1 Note Administrative Expenses (which are deemed to be part of the "Class A-1 Note Administrative Expenses" for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(g) Series 2007-1 Senior Notes Interest Reserve Amount.

(i) The Co-Issuers shall maintain an amount on deposit in the Senior Note Interest Reserve Account equal to (x) so long as no

other Series of Notes is outstanding, the Series 2007-1 Senior Notes Interest Reserve Amount and (y) if any other Series of Notes is outstanding, the aggregate of the Senior Notes Interest Reserve Amounts for all Series then outstanding.

(ii) If on any Payment Date there is a Series 2007-1 Senior Notes Interest Reserve Shortfall, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall deposit into the Senior Note Interest Reserve Account an amount equal to the Series 2007-1 Senior Note Interest Reserve Deficit Amount (which is deemed to be a "Senior Note Interest Reserve Deficit Amount" for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(iii) On each Accounting Date preceding any Payment Date that is a Series 2007-1 Senior Notes Interest Reserve Step-Down Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall withdraw the Series 2007-1 Senior Notes Interest Reserve Step-Down Release Amount from the Senior Notes Interest Reserve Account in accordance with Section 11.1(l)(i) of the Base Indenture.

(h) Series 2007-1 Partial Amortization Amounts. On any Payment Date following the occurrence and continuation of a Series 2007-1 Partial Amortization Event, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account for payment of principal on the Series 2007-1 Senior Notes the Series 2007-1 Partial Amortization Amount (which is deemed to be a "Partial Amortization Amount" for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(i) Series 2007-1 Cash Trap Reserve Amount.

(i) During a Cash Trap Reserve Event, upon receipt of a Servicer Order as described in the Indenture, the Indenture Trustee shall allocate to the Cash Trap Reserve Account an amount equal to the Series 2007-1 Cash Trap Reserve Amount (which is deemed to be a "Cash Trap Reserve Amount" for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(ii) On each Accounting Date preceding any Payment Date on which a Series 2007-1 Cash Trap Reserve Cure Date will occur, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee will withdraw on such Payment Date any amounts then on deposit in the Cash Trap Reserve Account and deposit such funds into

the Collection Account in accordance with Section 11.1(m) of the Base Indenture; provided, that such Payment Date constitutes a Series 2007-1 Cash Trap Reserve Cure Date.

(j) Series 2007-1 Senior Notes Rapid Amortization Amounts. If on such Payment Date a Rapid Amortization Event has occurred and is continuing (other than a Rapid Amortization Event that has been waived or cured pursuant to a Series 2007-1 Rapid Amortization Cure Right), upon receipt of a Servicer Order as described in the Indenture, the Indenture Trustee shall allocate from the Collection Account for payment of principal on the Series 2007-1 Senior Notes the amounts contemplated by the Priority of Payments.

(k) Series 2007-1 Class A-1 Other Amounts. On each Payment Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account the accrued and unpaid amounts due under the related Class A-1 Note Purchase Agreement pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(l) Series 2007-1 Class M-1 Monthly Interest. On each Payment Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account the Series 2007-1 Class M-1 Monthly Interest Amount (which is deemed to be a "Subordinated Notes Monthly Interest Amount" for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(m) Series 2007-1 Subordinated Partial Amortization Amounts. If on any Payment Date a Series 2007-1 Partial Amortization Event has occurred and is continuing, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account for payment of principal on the Series 2007-1 Class M-1 Notes the Series 2007-1 Partial Amortization Amount (after giving effect to any deposit of the Series 2007-1 Partial Amortization Amount pursuant to clause (h) above) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(n) Series 2007-1 Class M-1 Rapid Amortization Amounts. If on any Payment Date a Rapid Amortization Event has occurred and is continuing (other than a Rapid Amortization Event that has been waived or cured pursuant to a Series 2007-1 Rapid Amortization Cure Right), upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account for payment of principal on the Series 2007-1 Class M-1 Notes the amounts contemplated by the Priority of Payments.

(o) Series 2007-1 Class A-1 Excess Interest Amount. On each Payment Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account the Series 2007-1 Class A-1 Excess Interest Amount (which is deemed to be a "Class A-1 Excess Interest Amount"

for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(p) Series 2007-1 Class A-2-I Excess Adjusted Interest Amount. On each Payment Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account the Series 2007-1 Class A-2-I Excess Adjusted Interest Amount (which is deemed to be a "Senior Notes Monthly Excess Adjusted Interest Amount" for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(q) Series 2007-1 Senior Notes Monthly Contingent Additional Interest Amount. On each Payment Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account (i) the Series 2007-1 Class A-1 Extension Contingent Additional Interest, (ii) the Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Interest, (iii) the Series 2007-1 Class A-2-II Contingent Additional Interest, and (iv) the Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest (each of which are deemed to be "Senior Notes Monthly Contingent Additional Interest Amounts" for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(r) Series 2007-1 Class A-1 Contingent Additional L/C Fees. On each Payment Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account the Series 2007-1 Class A-1 Contingent Additional L/C Fees (which is deemed to be "Senior Notes Monthly Contingent Additional Interest Amounts" for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(s) Series 2007-1 Subordinated Notes Monthly Contingent Additional Interest Amount. On each Payment Date, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account the Series 2007-1 Class M-1 Contingent Additional Interest and the Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest (each of which are deemed to be "Subordinated Notes Monthly Contingent Additional Interest Amounts" for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(t) Series 2007-1 Monthly Aggregate Extension Prepayment Amount. Series 2007-1 Monthly Aggregate Extension Prepayment Amount. If such Payment Date occurs during a Series 2007-1 Extension Period, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account the Series 2007-1 Monthly Aggregate Extension Prepayment Amounts (which are deemed to be "Monthly Aggregate Extension Prepayment Amounts" for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(u) Series 2007-1 Subordinated Notes Principal Amortization Amount. On each Payment Date following the Series 2007-1 Closing Date to but excluding the Payment Date occurring in January 2013, upon receipt of a Servicer Order as described in the Base Indenture, the Indenture Trustee shall allocate from the Collection Account the Series 2007-1 Subordinated Notes Principal Amortization Amounts (which are deemed to be "Subordinated Notes Principal Amortization Amounts" for purposes of the Base Indenture) pursuant to, and to the extent that funds are available therefor in accordance with the provisions of, the Priority of Payments.

(v) Application Instructions. The Series Controlling Party is hereby authorized (but shall not be obligated) to deliver any instruction contemplated in this Section 4.2 that is not timely delivered by the Servicer on behalf of the Master Issuer.

Section 4.3 Certain Distributions from Series 2007-1 Distribution Accounts.

(a) On each Payment Date, based solely upon the most recent Monthly Servicer's Report, the Indenture Trustee shall, in accordance with Section 11.5 of the Base Indenture remit (i) to the Series 2007-1 Class A-1 Noteholders from the Series 2007-1 Class A-1 Distribution Account the amount deposited in the Series 2007-1 Class A-1 Distribution Account for the payment of interest and fees and, to the extent applicable, principal, (ii) to the Series 2007-1 Class A-2-I Noteholders from the Series 2007-1 Class A-2-I Distribution Account the amount deposited in the Series 2007-1 Class A-2-I Distribution Account for the payment of interest and, to the extent applicable, principal, (iii) to the Series 2007-1 Class A-2-II Noteholders from the applicable Series 2007-1 Class A-2-II Distribution Account the amount deposited in the Series 2007-1 Class A-2-II Distribution Account for the payment of interest and, to the extent applicable, principal and (iv) to the Series 2007-1 Class M-1 Noteholders from the Series 2007-1 Class M-1 Distribution Account the amount deposited in the Series 2007-1 Class M-1 Distribution Account for the payment of interest and, to the extent applicable, principal.

(b) Insured Amounts Distributions.

(i) Promptly upon deposit of each payment of an Insured Amount paid pursuant to the Series 2007-1 Class A Policy in respect of the Series 2007-1 Class A-1-A Notes into the Series 2007-1 Class A-1 Distribution Account (pursuant to the application of funds set forth in Section 5.6 and Articles X and XI of the Base Indenture), the Indenture Trustee shall, based upon the records of the Indenture Trustee, wire transfer the amount so deposited to (x) in the case of Deficiency Amounts, the Series 2007-1 Class A-1-A Noteholders to which such Deficiency Amounts are owed on a pro rata basis, in the case of interest, on a pro rata basis based on entitlement or, in the case of principal, in accordance with the order of distribution of principal payments set forth in Section 4.02 of the Series 2007-1 Class A-1 Note Purchase Agreement, as the case may be, and (y) in the case of Preference Amounts, the

Series 2007-1 Class A-1-A Noteholders to which such Preference Amounts are owed.

(ii) Promptly upon deposit of each payment of an Insured Amount paid pursuant to the Series 2007-1 Class A Policy in respect of the Series 2007-1 Class A-2-II-A Notes into the Series 2007-1 Class A-2-II Distribution Account (pursuant to the application of funds set forth in Section 5.6 and Articles X and XI of the Base Indenture), the Indenture Trustee shall, based upon the records of the Indenture Trustee, wire transfer the amount so deposited (x) in the case of Deficiency Amounts, to the Series 2007-1 Class A-2-II-A Noteholders to which such Deficiency Amounts are owed on a pro rata basis, in the case of interest, based upon the amount of interest owed to each such Noteholder or, in the case of principal, based on their respective portion of the Series 2007-1 Class A-2-II-A Outstanding Principal Amount, as the case may be, and (y) in the case of Preference Amounts, to the Series 2007-1 Class A-2-II-A Noteholders to which such Preference Amounts are owed.

Section 4.4 Series 2007-1 Class A-1 Interest and Certain Fees.

(a) Series 2007-1 Class A-1 Note Interest Rate and L/C Fees. From and after the Series 2007-1 Closing Date, the applicable portions of the Series 2007-1 Class A-1 Outstanding Principal Amount will accrue (i) interest at the Series 2007-1 Class A-1 Note Interest Rate and (ii) Series 2007-1 Class A-1 L/C Fees at the applicable rates provided therefor in the Series 2007-1 Class A-1 Note Purchase Agreement. Such accrued interest and fees will be due and payable in arrears on each Payment Date, commencing on the Payment Date occurring in January 2008; provided, that any such interest and/or fees not constituting Series 2007-1 Class A-1 Senior Interest Amount will not be insured by the Series 2007-1 Class A Policy and will be due and payable solely to the extent of available funds therefor in accordance with the Priority of Payments and any Series 2007-1 Class A-1 Senior Interest Amount owing with respect to any Series 2007-1 Class A-1-X Notes will not be insured by the Series 2007-1 Class A Policy); provided, further, that in any event all accrued but unpaid interest and fees shall be paid in full (i) on the Series 2007-1 Legal Final Maturity Date, (ii) on any Series 2007-1 Prepayment Date with respect to a prepayment in full of the Series 2007-1 Class A-1 Notes, or (iii) subject to the terms of the Priority of Payments, on any day when the Commitments are terminated in full or on any other day on which all of the Series 2007-1 Class A-1 Outstanding Principal Amount is required to be paid in full. To the extent any such amount is not paid when due, such unpaid amount will accrue interest at the Series 2007-1 Class A-1 Note Interest Rate (and any such additional interest owed on the Series 2007-1 Class A-1-A Notes will not be insured pursuant to the Series 2007-1 Class A-1 Insurance Policy).

(b) Undrawn Commitment Fees. From and after the Series 2007-1 Closing Date, Undrawn Commitment Fees will accrue as provided in the Series 2007-1 Class A-1 Note Purchase Agreement. Such accrued fees will be due and payable in arrears on each Payment Date, commencing on the Payment Date occurring in January 2008.

To the extent any such amount is not paid when due, such unpaid amount will accrue interest at the Series 2007-1 Class A-1 Note Interest Rate.

(c) Series 2007-1 Class A-1 Extension and Post-ARD Contingent Additional Interest. During the Series 2007-1 Extension Period, contingent additional interest (the "Series 2007-1 Class A-1 Extension Contingent Additional Interest") will accrue on the Series 2007-1 Class A-1 Outstanding Principal Amount (excluding any Undrawn L/C Face Amounts included therein) at an annual rate equal to 0.50% for such Series 2007-1 Extension Period (the "Series 2007-1 Class A-1 Extension Contingent Additional Rate"). From and after the applicable Series 2007-1 Adjusted Repayment Date, if the Series 2007-1 Final Payment has not been made, contingent additional interest (the "Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Interest") will accrue on the Series 2007-1 Class A-1 Outstanding Principal Amount (excluding any Undrawn L/C Face Amounts included therein) at an annual rate equal to 1.00% (the "Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Rate"). Any Series 2007-1 Class A-1 Contingent Additional Interest will be due and payable on any Payment Date on a subordinated basis only to the extent that funds are available for such purpose in accordance with the Priority of Payments. The failure to pay Series 2007-1 Class A-1 Contingent Additional Interest on any Payment Date will not be an Event of Default; provided, that to the extent that such interest is not paid when due, such unpaid amount will accrue interest to the extent legally permissible at the Series 2007-1 Class A-1 Extension Contingent Additional Rate or Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Rate, as applicable (but any such additional interest owed on the Series 2007-1 Class A-1 Notes will not be insured pursuant to the Series 2007-1 Class A Policy); provided, further, that in any event all accrued but unpaid Series 2007-1 Class A-1 Contingent Additional Interest shall be paid in full (i) on the Series 2007-1 Legal Final Maturity Date, (ii) on any Series 2007-1 Prepayment Date with respect to a prepayment in full of the Series 2007-1 Class A-1 Notes, or (iii) subject to the terms of the Priority of Payments, on any day when the Commitments are terminated in full or on any other day on which all of the Series 2007-1 Class A-1 Outstanding Principal Amount is required to be paid in full.

(d) Series 2007-1 Class A-1 Contingent Additional L/C Fees. During the Series 2007-1 Extension Period, contingent additional fees will accrue on any Undrawn L/C Face Amounts at an annual rate equal to the Series 2007-1 Class A -1 Extension Contingent Additional Rate. Any Series 2007-1 Class A-1 Contingent Additional L/C Fees will be due and payable as and when amounts are made available for payment thereof in accordance with Sections 10.12 and 11.1 of the Base Indenture in the amount so made available. Failure to pay any Series 2007-1 Class A-1 Contingent Additional L/C Fees will not be an Event of Default and interest will not accrue on any unpaid portion thereof; provided, that in any event all accrued but unpaid Series 2007-1 Class A-1 Contingent Additional L/C Fees shall be paid in full (i) on the Series 2007-1 Legal Final Maturity Date, (ii) on any Series 2007-1 Prepayment Date with respect to a prepayment in full of the Series 2007-1 Class A-1 Notes, or (iii) subject to the terms of the Priority of Payments, on any day when the Commitments are terminated in full or on any other day on which all of the Series 2007-1 Class A-1 Outstanding Principal Amount is required to be paid in full.

(e) Series 2007-1 Class A-1 Initial Interest Accrual Period. The initial Interest Accrual Period for the Series 2007-1 Class A-1 Notes shall commence on the Series 2007-1 Closing Date and end on January 14, 2008.

(f) Series 2007-1 Class A-1 Coverage under the Series 2007-1 Class A Policy. No accrued and unpaid interest, fees or other amounts owed with respect to the Series 2007-1 Class A-1-X Notes will be insured by the Series 2007-1 Class A Policy, and interest, fees or other amounts owed with respect to the Series 2007-1 Class A-1-A Notes will be insured under the Series 2007-1 Class A Policy only to the extent such amounts are included in the calculation of the Series 2007-1 Class A-1 Senior Interest Amount.

Section 4.5 Series 2007-1 Class A-2 Interest.

(a) Series 2007-1 Class A-2-I Note Interest Rate. The Series 2007-1 Class A-2-I Outstanding Principal Amount, as of the first day of each Interest Accrual Period, shall accrue interest at a fixed rate equal to:

(i) 7.2836% per annum (the "Series 2007-1 Class A-2-I Note Initial Interest Rate"), from and after the Series 2007-1 Closing Date to but excluding the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date; and

(ii) if the Series 2007-1 Class A-2-I Notes remain Outstanding following the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date, the greater of (i) the Series 2007-1 Class A-2-I Note Initial Interest Rate and (ii) a fixed rate per annum equal to the sum of the then current Swap Rate for a tenor of 4.50 years (determined two (2) Business Days prior to the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date) plus 2.855% per annum (the "Series 2007-1 Class A-2-I Initial Spread") *plus* 0.50% per annum (the "Series 2007-1 Class A-2-I Extension Spread") (such rate being referred to herein as the "Series 2007-1 Class A-2-I Note Adjusted Interest Rate" and, together with the Series 2007-1 Class A-2-I Note Initial Interest Rate, the "Series 2007-1 Class A-2-I Note Interest Rate") on and after the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date.

Such accrued interest shall be due and payable in arrears on each Payment Date, commencing on the Payment Date occurring in January 2008. No such accrued and unpaid interest will be insured by the Series 2007-1 Class A Policy. To the extent that such interest is not paid when due, such unpaid amount shall accrue interest to the extent legally permissible at the Series 2007-1 Class A-2-I Note Interest Rate; provided, that in any event all accrued but unpaid interest shall be paid in full on the Series 2007-1 Legal Final Maturity Date, on any Series 2007-1 Prepayment Date with respect to a prepayment in full of the Series 2007-1 Class A-2-I Notes or on any other day on which all of the Series 2007-1 Class A-2-I Outstanding Principal Amount is required to be paid in full.

All computations of interest at the Series 2007-1 Class A-2-I Note Interest Rate shall be made on the basis of a year of 360 days and twelve 30-day months.

The accrued and unpaid interest on the Series 2007-1 Class A-2-I Notes that is attributable to the excess, if any, of the Series 2007-1 Class A-2-I Note Adjusted Interest Rate over the Series 2007-1 Class A-2-II-X Note Initial Interest Rate (such excess being referred to herein as the "Series 2007-1 Class A-2-I Note Excess Adjusted Interest Amount") will be payable on a subordinated basis to the extent of available funds for such purpose in accordance with the Priority of Payments on each Payment Date. To the extent that the accrued and unpaid Series 2007-1 Class A-2-I Note Excess Adjusted Interest Amount is not paid when due, such unpaid amount will accrue interest to the extent legally permissible at the Series 2007-1 Class A-2-I Adjusted Interest Rate.

(b) Series 2007-1 Class A-2-II Note Interest Rate. From and after the Series 2007-1 Closing Date, (i) the Series 2007-1 Class A-2-II-A Outstanding Principal Amount, as of the first day of each Interest Accrual Period, will accrue interest at a fixed rate equal to 6.4267% per annum (the "Series 2007-1 Class A-2-II-A Note Initial Interest Rate") and (ii) the Series 2007-1 Class A-2-II-X Outstanding Principal Amount, as of the first day of each Interest Accrual Period, will accrue interest at a fixed rate equal to 7.0588% per annum (the "Series 2007-1 Class A-2-II-X Note Initial Interest Rate," and together with the Series 2007-1 Class A-2-II-A Note Initial Interest Rate, the "Series 2007-1 Class A-2-II Note Initial Interest Rates") for such Interest Accrual Period (the applicable Series 2007-1 Class A-2-II Note Initial Interest Rates and the Series 2007-1 Class A-2-I Note Interest Rate shall each be referred to as a "Series 2007-1 Class A-2 Note Interest Rate"). Such accrued interest will be due and payable in arrears on each Payment Date, commencing on the Payment Date occurring in January 2008. To the extent that such interest is not paid when due, such unpaid amount will accrue interest to the extent legally permissible at the applicable Series 2007-1 Class A-2-II Note Initial Interest Rate (but any such additional interest owed on the Series 2007-1 Class A-2-II-A Notes will not be insured pursuant to the Series 2007-1 Class A Policy); provided, that in any event all accrued but unpaid interest shall be paid in full on the Series 2007-1 Legal Final Maturity Date, on any Series 2007-1 Prepayment Date with respect to a prepayment in full of the Series 2007-1 Class A-2-II Notes or on any other day on which all of the Series 2007-1 Class A-2-II Outstanding Principal Amount is required to be paid in full. All computations of interest at the applicable Series 2007-1 Class A-2 Note Interest Rate shall be made on the basis of a year of 360 days and twelve 30-day months.

(c) Series 2007-1 Class A-2-II Contingent Additional Interest.

(i) Extension Period Contingent Additional Interest. If on the Series 2007-1 Anticipated Repayment Date, the Aggregate Outstanding Principal Amount of the Series 2007-1 Class A-2-II Notes is not paid in full and if the Series 2007-1 Extension Election has been made and becomes effective, then contingent additional interest (the "Series 2007-1 Class A-2-II Contingent Additional Interest") may accrue on the Aggregate Outstanding Principal Amount of the Series 2007-1 Class A-2-II Notes during each Interest Accrual Period from such date to

and including the Series 2007-1 Adjusted Repayment Date at an annual interest rate equal to the Series 2007-1 Class A-2-II Contingent Additional Interest Rate (such contingent additional interest, the "Series 2007-1 Class A-2-II Contingent Additional Interest Amount"). The "Series 2007-1 Class A-2-II Contingent Additional Interest Rate," means the excess, if any, of (A) the amount equal to (I) One Month LIBOR, plus (II) 2.205% per annum, with respect to the Series 2007-1 Class A-2-II-A Notes, and 2.855% per annum, with respect to the Series 2007-1 Class A-2-II-X Notes (each, a "Series 2007-1 Class A-2-II Original Spread"), plus (III) 0.50% per annum (the "Series 2007-1 Class A-2-II Extension Spread") (such aggregate amount in this clause (A), the "Series 2007-1 Class A-2-II Extension Period Stepped Up Interest Rate") over (B) the applicable Series 2007-1 Class A-2-II Note Initial Interest Rate;

Any Series 2007-1 Class A-2-II Contingent Additional Interest will be calculated on the basis of a 360 day year and the actual number of days elapsed and will be due and payable on a subordinated basis in accordance with the Priority of Payments on any Payment Date and any such Contingent Additional Interest with respect to the Series 2007-1 Class A-2-II-A Notes will not be insured pursuant to any Series 2007-1 Class A Policy. The failure to pay any Series 2007-1 Class A-2-II Contingent Additional Interest on any Payment Date will not be an Event of Default under the Base Indenture. All accrued but unpaid Series 2007-1 Class A-2-II Contingent Additional Interest will be payable in full on the Series 2007-1 Legal Final Maturity Date or on any other date on which the Series 2007-1 Class A-2-II Notes are required to be paid in full.

To the extent that any Series 2007-1 Class A-2-II Contingent Additional Interest Amount is not paid when due, such unpaid amount will accrue interest to the extent legally permissible at the Series 2007-1 Class A-2-II Extension Period Stepped-Up Interest Rate. Any such additional interest with respect to the Series 2007-1 Class A-2-II-A Notes will not be insured pursuant to the Series 2007-1 Class A Policy. If the Series 2007-1 Class A-2-II Notes are not paid in full on the Series 2007-1 Adjusted Repayment Date, the Series 2007-1 Class A-2-II Notes will cease to accrue Series 2007-1 Class A-2-II Contingent Additional Interest, if any, but may accrue Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest as described in Section 4.5(c)(ii) below.

(ii) Post-ARD Contingent Additional Interest. If by the Series 2007-1 Adjusted Repayment Date, the Aggregate Outstanding Principal Amount of the Series 2007-1 Class A-2 Notes is not paid in full, then contingent additional interest (such contingent additional interest, the "Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest") will accrue on the Aggregate Outstanding Principal Amount of the Series 2007-1 Class A-2 Notes during each such Interest Accrual Period from and after such date at an annual interest rate equal to the excess, if

any, of (A) the sum of (I) One Month LIBOR, *plus* (II) (x) in the case of the Series 2007-1 Class A-2-I Notes, the sum of (1) the Series 2007-1 Class A-2-I Initial Spread *plus* (2) the Series 2007-1 Class A-2-I Extension Spread and (y) in the case of the Series 2007-1 Class A-2-II Notes, the Series 2007-1 Class A-2-II Original Spread, *plus* (III) 100 basis points (the "Series 2007-1 Class A-2 Post-ARD Spread") (such aggregate amount in this clause (A), the "Series 2007-1 Class A-2 Post-ARD Stepped-Up Interest Rate") *over* (B) the applicable Series 2007-1 Class A-2 Note Interest Rate (such excess, if any, as converted to a monthly equivalent rate, the "Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest Rate").

Any Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest will be calculated on the basis of a 360 day year and the actual number of days elapsed and will be due and payable in arrears on any Payment Date on a subordinated basis in accordance with the Priority of Payments. The failure to pay any Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest on any Payment Date will not be an Event of Default. Interest will accrue on such unpaid Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest to the extent legally permissible at the Series 2007-1 Class A-2 Post-ARD Stepped-Up Interest Rate. All accrued but unpaid Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest will be payable in full on the Series 2007-1 Legal Final Maturity Date or on any other date on which the Series 2007-1 Class A-2 Notes are required to be paid in full. The Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest will not be insured by the Series 2007-1 Class A Insurer or by any other Person.

(d) Series 2007-1 Class A-2 Initial Interest Accrual Period. The initial Interest Accrual Period for the Series 2007-1 Class A-2 Notes will be the period from and including the Series 2007-1 Closing Date to but excluding the Payment Date occurring in January 2008 (which pursuant to Section 7.16 shall be January 22, 2008).

Section 4.6 Series 2007-1 Class M-1 Interest.

(a) Series 2007-1 Class M-1 Interest Rate. From and after the Series 2007-1 Closing Date, the Outstanding Principal Amount of the Series 2007-1 Class M-1 Notes, as of the first day of each Interest Accrual Period, will accrue interest at a fixed rate equal to 8.4044% per annum (the "Series 2007-1 Class M-1 Note Initial Interest Rate") for such Interest Accrual Period. Such accrued interest will be due and payable in arrears in accordance with the Priority of Payments on each Payment Date, commencing on the Payment Date occurring in January 2008; provided, that in any event all accrued but unpaid interest shall be paid in full on the Series 2007-1 Legal Final Maturity Date, on any Series 2007-1 Prepayment Date with respect to a prepayment in full of the related Class of the Series 2007-1 Class M-1 Notes or on any other day on which the Outstanding Principal Amount of the Series 2007-1 Class M-1 Notes is required to be paid in full; provided, further, that to the extent that any such amount is not paid when due on any such date, such unpaid amount will accrue interest to the extent legally permissible at the Series 2007-1 Class M-1 Note Initial Interest Rate, but failure

to pay such accrued interest on any Payment Date shall not be an Event of Default. The accrued and unpaid interest on the Series 2007-1 Class M-1 Notes will not be insured by the Series 2007-1 Class A Policy. All computations of interest at the Series 2007-1 Class M-1 Note Initial Interest Rate applicable to the related Class of Series 2007-1 Class M-1 Notes shall be made on the basis of a year of 360 days and twelve 30-day months.

(b) Series 2007-1 Class M-1 Contingent Additional Interest.

(i) Extension Period Contingent Additional Interest. If on the Series 2007-1 Anticipated Repayment Date, the Aggregate Outstanding Principal Amount of the Series 2007-1 Class M-1 Notes is not paid in full and if the Series 2007-1 Extension Election has been made and becomes effective, then contingent additional interest (the "Series 2007-1 Class M-1 Contingent Additional Interest") may accrue on the Aggregate Outstanding Principal Amount of the Series 2007-1 Class M-1 Notes during each Interest Accrual Period from such date to and including the Series 2007-1 Adjusted Repayment Date at an annual interest rate equal to the Series 2007 Class M-1 Contingent Additional Interest Rate (such contingent additional interest, the "Series 2007-1 Class M-1 Contingent Additional Interest Amount"). The "Series 2007-1 Class M-1 Contingent Additional Interest Rate," means the excess, if any, of (A) the amount equal to (I) One-Month LIBOR, plus (II) 4.40% per annum (the "Series 2007-1 Class M-1 Original Spread"), plus (III) 1.50% per annum (the "Series 2007-1 Class M-1 Extension Spread") (such aggregate amount in this clause (A), the "Series 2007-1 Class M-1 Extension Period Stepped Up Interest Rate") over (B) the Series 2007-1 Class M-1 Note Initial Interest Rate;

Any Series 2007-1 Class M-1 Contingent Additional Interest will be calculated on the basis of a 360 day year and the actual number of days elapsed and will be due and payable on a subordinated basis in accordance with the Priority of Payments on any Payment Date and will not be insured pursuant to the Series 2007-1 Class A Policy. The failure to pay any Series 2007-1 Class M-1 Contingent Additional Interest on any Payment Date will not be an Event of Default under the Base Indenture. All accrued but unpaid Series 2007-1 Class M-1 Contingent Additional Interest will be payable in full on the Series 2007-1 Legal Final Maturity Date or on any other date on which the Series 2007-1 Class M-1 Notes are required to be paid in full.

To the extent that any Series 2007-1 Class M-1 Contingent Additional Interest Amount is not paid when due, such unpaid amount will accrue interest to the extent legally permissible at the Series 2007-1 Class M-1 Extension Period Stepped-Up Interest Rate. Such additional interest will not be insured pursuant to the Series 2007-1 Class A Policy. If the Series 2007-1 Class M-1 Notes are not paid in full on the Series 2007-1

Adjusted Repayment Date, the Series 2007-1 Class M-1 Notes will cease to accrue Series 2007-1 Class M-1 Contingent Additional Interest, if any, but may accrue Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest as described in Section 4.6(b)(ii) below.

(ii) Post-ARD Contingent Additional Interest. If by the Series 2007-1 Adjusted Repayment Date the Aggregate Outstanding Principal Amount of the Series 2007-1 Class M-1 Notes is not paid in full, then contingent additional interest (such contingent additional interest, the "Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest") will accrue on the Aggregate Outstanding Principal Amount of the Series 2007-1 Class M-1 Notes from and after such date at the Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest Rate. The "Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest Rate" will mean the interest rate equal to the excess, if any, of (A) the sum of (I) One-Month LIBOR, plus (II) the Series 2007-1 Class M-1 Original Spread, plus (III) 300 basis points (such aggregate amount in this clause (A), the "Series 2007-1 Class M-1 Post-ARD Stepped-Up Interest Rate") *over* (B) the Series 2007-1 Class M-1 Note Initial Interest Rate.

Any Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest will be calculated on the basis of a 360 day year and the actual number of days elapsed and will be due and payable in arrears on any Payment Date on a subordinated basis in accordance with the Priority of Payments. The failure to pay any Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest on any Payment Date will not be an Event of Default. Interest will accrue on such unpaid Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest to the extent legally permissible at the Series 2007-1 Class M-1 Post-ARD Stepped-Up Interest Rate. All accrued but unpaid Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest will be payable in full on the Series 2007-1 Legal Final Maturity Date or on any other date on which the Series 2007-1 Class M-1 Notes are required to be paid in full. The Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest will not be insured by the Series 2007-1 Class A Insurer or by any other Person.

(c) Series 2007-1 Class M-1 Initial Interest Accrual Period. The initial Interest Accrual Period applicable to the related Class of Series 2007-1 Class M-1 Notes will be the period from and including the Series 2007-1 Closing Date to but excluding the Payment Date occurring in January 2008 (which pursuant to Section 7.16 shall be January 22, 2008).

Section 4.7 Payment of Series 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 is not prepayable, in whole or in part, except as set forth in this Section 4.7 and,

in respect of the Series 2007-1 Class A-1 Outstanding Principal Amount, Section 3.2 of this Series 2007-1 Supplement.

(b) Series 2007-1 Anticipated Repayment. The "Series 2007-1 Anticipated Repayment Date" will mean: (A) with respect to the Series 2007-1 Class A-2-I Notes, (i) the Payment Date occurring in June 2008 (the "Series 2007-1 Class A-2-I Initial Anticipated Repayment Date") or (ii) if the Aggregate Outstanding Principal Amount of the Series 2007-1 Class A-2-I Notes is not paid in full on the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date, the Payment Date occurring in December 2012 (the "Series 2007-1 Class A-2-I Extended Anticipated Repayment Date"); and (B) with respect to the Series 2007-1 Class A-2-II Notes, the Series 2007-1 Class M-1 Notes, and the Series 2007-1 Class A-1 Notes, the Payment Date occurring in December 2012.

The initial Series 2007-1 Adjusted Repayment Date will be the Series 2007-1 Anticipated Repayment Date, unless extended as provided below in this Section 4.7(b).

If the interest on and principal of the Series 2007-1 Class A-2-I Notes are not paid in full on the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date, the Adjusted Repayment Date of the Series 2007-1 Class A-2-I Notes will be automatically extended to the Series 2007-1 Class A-2-I Extended Anticipated Repayment Date.

The Co-Issuers may elect to deposit any amount allocable to the mandatory prepayment of principal of the Series 2007-1 Class A-2-I Notes to a segregated account established and maintained by the Indenture Trustee pursuant to the Indenture until the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date.

The failure to pay the Series 2007-1 Class A-2-I Notes in full by the Series 2007-1 Class A-2-I Extended Anticipated Repayment Date will be a Rapid Amortization Event but not an Event of Default. The failure to pay each of the remaining Classes of the Series 2007-1 Notes in full by the Series 2007-1 Adjusted Repayment Date will be a Rapid Amortization Event but not an Event of Default.

(i) Extension Election. Subject to the conditions set forth in Section 4.7(b)(ii) of this Series 2007-1 Supplement, the Co-Issuers, acting in their sole discretion, shall have the option on or before September 20, 2012 to elect (the "Series 2007-1 Extension Election") to extend the Series 2007-1 Adjusted Repayment Date applicable to each Class of Series 2007-1 Notes (other than the Series 2007-1 Class A-2-I Notes) to June 20, 2013 by delivering written notice to the Indenture Trustee, the Series 2007-1 Class A-1 Administrative Agent, the Noteholders and the Series 2007-1 Class A Insurer; provided, that upon such extension, June 20, 2013 shall become the Series 2007-1 Adjusted Repayment Date.

Any exercise of the Series 2007-1 Extension Election will be required to be made with respect to each Class of Series 2007-1 Notes simultaneously (other than the Series 2007-1 Class A-2-I Notes because the Series 2007-1 Class A-2-I Outstanding Principal Amount must be paid in full for the Series 2007-1 Extension Election to be effective).

(ii) Conditions Precedent to Extension Elections. It shall be a condition to the effectiveness of the Series 2007-1 Extension Election that as of the Payment Date occurring in December 2012 (a) the Series 2007-1 Class A-2-I Outstanding Principal Amount is paid in full on or before such date, (b) the One-Year DSCR is greater than or equal to 2.80x as of such date, (c) unless the One-Year DSCR is equal to or greater than 3.00x as of the Series 2007-1 Anticipated Repayment Date, the Indenture Trustee has received the written consent of the Series Controlling Party to the Series 2007-1 Extension Election on or prior to such date, (d) no Default, Event of Default, Potential Rapid Amortization Event or Rapid Amortization Event has occurred and is continuing as of such date or would be a direct and immediate consequence of the Series 2007-1 Extension Election. Any notice given pursuant to Section 4.7(b)(i) of this Series 2007-1 Supplement shall be irrevocable; provided, that if the conditions set forth in this Section 4.7(b)(ii) are not met as of the applicable extension date, the election set forth in such notice shall automatically be deemed ineffective.

(c) Series 2007-1 Notes Mandatory Payments of Principal.

(i) If a Change of Control to which the Series 2007-1 Class A Insurer and, if different, the Series 2007-1 Controlling Party, has not provided its prior written consent occurs, the Co-Issuers shall prepay all the Series 2007-1 Notes in full by (A) depositing on the date such Change of Control occurs an amount equal to the Series 2007-1 Outstanding Principal Amount and all other amounts that are or will be due and payable with respect to the Series 2007-1 Notes under the Indenture and under the Series 2007-1 Class A-1 Note Purchase Agreement as of the applicable Series 2007-1 Prepayment Date referred to in clause (B) below (including all interest and fees accrued to such date, any Series 2007-1 Make-Whole Amount required to be paid in connection therewith pursuant to Section 4.7(d) of this Series 2007-1 Supplement and any associated Series 2007-1 Class A-1 Breakage Amounts incurred as a result of such prepayment (calculated in accordance with the Series 2007-1 Class A-1 Note Purchase Agreement)) in the applicable Series 2007-1 Distribution Account and (B) directing the Indenture Trustee to distribute such amounts to the applicable Series 2007-1 Noteholders on the date of the consummation of such Change of Control. The Co-Issuers' failure to make the payments specified in the previous sentence on the date of the consummation of such Change of Control shall constitute an "Event of Default" under the Base Indenture.

(ii) Any Series 2007-1 Monthly Aggregate Extension Prepayment Amount allocated to the Senior Notes Principal Payment Account (or, if no Senior Notes are then Outstanding, to the Subordinated Notes Principal Payment Account) pursuant to the Priority of Payments shall be deposited in the applicable Series 2007-1 Distribution Account (and any other applicable Series Distribution Accounts) in accordance with Sections 11.1(e) or (g), as applicable, of the Base Indenture and used to prepay principal on the applicable Classes of Series 2007-1 Notes (and of any other applicable Series of Notes with respect to which any Extension Election is in effect) in the order of priority described in Section 4.7(k) hereto on the related Payment Date.

(iii) Any Asset Disposition Prepayment Amount allocated to the Senior Notes Principal Payment Account (or, if no Senior Notes are then Outstanding, to the Subordinated Notes Principal Payment Account) pursuant to the Priority of Payments shall be deposited in the applicable Series 2007-1 Distribution Account (and any other applicable Series Distribution Accounts) in accordance with Sections 11.1(e) or (g), as applicable, of the Base Indenture and used to prepay principal on the applicable Classes of Series 2007-1 Notes (and of any other applicable Series of Notes) (or cash collateralize outstanding Letters of Credit as required under the Class A-1 Note Purchase Agreement) in the order of priority described in Section 4.7(k) hereto on the related Payment Date.

(iv) Any Insurance Proceeds Amount allocated to the Senior Notes Principal Payment Account (or, if no Senior Notes are then Outstanding, to the Subordinated Notes Principal Payment Account) pursuant to the Priority of Payments shall be deposited in the applicable Series 2007-1 Distribution Account (and any other applicable Series Distribution Accounts) in accordance with Sections 11.1(e) or (g), as applicable, of the Base Indenture and used to prepay principal on the applicable Classes of Series 2007-1 Notes (and of any other applicable Series of Notes) in the order of priority described in Section 4.7(k) hereto on the related Payment Date.

(v) Any Series 2007-1 Partial Amortization Amount allocated to the Senior Notes Principal Payment Account or to the Subordinated Notes Principal Payment Account, as applicable, pursuant to the Priority of Payments shall be deposited in the applicable Series 2007-1 Distribution Account (and any other applicable Series Distribution Accounts) in accordance with Sections 11.1(e) or (g), as applicable, of the Base Indenture and used to prepay principal on the applicable Classes of Series 2007-1 Notes (and of any other applicable Series of Notes) (or cash collateralize outstanding Letters of Credit as required under the Class A-1 Note Purchase Agreement) in the order of priority described in Section 4.7(k) hereto on the related Payment Date.

(vi) In accordance with Sections 11.1(e) or (g), as applicable, of the Base Indenture, in connection with the occurrence of a Rapid Amortization Event, any amounts (x) allocated to the Senior Notes Principal Payment Account or to the Subordinated Notes Principal Payment Account, as applicable, pursuant to clauses (xii) and (xviii), respectively, of the Priority of Payments, or (y) on deposit in the Cash Trap Reserve Account, shall be deposited in the applicable Series 2007-1 Distribution Account (and any other applicable Series Distribution Accounts) and used to prepay principal on the applicable Classes of Series 2007-1 Notes (and of any other applicable Series of Notes) (or cash collateralize outstanding Letters of Credit as required under the Class A-1 Note Purchase Agreement) in the order of priority described in Section 4.7(k) hereto on the related Payment Date.

(vii) Any Indemnification Amounts allocated to the Senior Notes Principal Payments Account (or, if no Senior Notes are then Outstanding, to the Subordinated Notes Principal Payments Account) pursuant to the Priority of Payments shall be deposited in the applicable Series 2007-1 Distribution Account (and any other applicable Series Distribution Accounts) in accordance with Sections 11.1(e) or (g), as applicable, of the Base Indenture and used to prepay principal on the applicable Classes of Series 2007-1 Notes (and of any other applicable Series of Notes) in the order of priority described in Section 4.7(k) hereto on the related Payment Date.

(viii) Any Series 2007-1 Subordinated Notes Principal Amortization Amounts allocated to the Subordinated Notes Principal Payments pursuant to the Priority of Payments shall be deposited in the applicable Series 2007-1 Distribution Account (and any other applicable Series Distribution Accounts) in accordance with Section 11.1(g) of the Base Indenture and used to prepay principal on the Series 2007-1 Class M-1 Notes in the order of priority described in Section 4.7(k) hereto on the related Payment Date.

(d) Series 2007-1 Make-Whole Amount. The Co-Issuers shall pay, on any applicable Series 2007-1 Prepayment Date, the relevant Series 2007-1 Make-Whole Amount applicable to the relevant Class of Series 2007-1 Notes on any payment of principal of such Series 2007-1 Notes prior to the Series 2007-1 Anticipated Repayment Date occurring in December 2012; provided, that the Series 2007-1 Make-Whole Amount will not be payable in each of the following circumstances: (i) the payment of principal of the Series 2007-1 Class A-2-I Notes on the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date; (ii) the payment of up to 35% of the initial Aggregate Outstanding Principal Amount of the Series 2007-1 Class A-2-II Notes on any date prior to and including the three-year anniversary of the Series 2007-1 Closing Date; (iii) the prepayment of principal of the Series 2007-1 Notes pursuant to a Series 2007-1 Rapid Amortization Event, or (iv) the prepayment of principal of the Series 2007-1 Class M-1

Notes in connection with the payment of the Series 2007-1 Subordinated Notes Principal Amortization Amount.

(e) Optional Prepayment of the Series 2007-1 Notes. The Co-Issuers, acting in their sole discretion, shall have the option to prepay all or part of the Aggregate Outstanding Principal Amount of one or more Classes of the Series 2007-1 Notes (an " Optional Prepayment") on any Payment Date at the accrued and unpaid interest on and portion of the Aggregate Outstanding Principal Amount of the Class or Classes of Series 2007-1 Notes to be repaid; provided, that any partial prepayment of the Series 2007-1 Notes that would cause Assured Guaranty to cease to be the Aggregate Controlling Party shall require the prior written consent of Assured Guaranty.

In order to effect an Optional Prepayment in whole or in part of one or more Classes of the Series 2007-1 Notes: (i) the Co-Issuers must give notice of their election to prepay to the Indenture Trustee, the affected Noteholders, the Rating Agencies, the Series 2007-1 Class A Insurer and the Servicer, in accordance with the prepayment notice provisions set forth in Section 4.7(f) hereof; (ii) the amount on deposit in the related Principal Payment Account that is allocable to the Series 2007-1 Notes to be prepaid must be sufficient to pay the principal amount of the Series 2007-1 Notes to be prepaid and the Series 2007-1 Make-Whole Amount, if applicable; (iii) the amounts on deposit in the related Interest Payment Accounts that is allocable to the Series 2007-1 Notes to be prepaid must be sufficient to pay the accrued and unpaid interest on the Series 2007-1 Notes to be prepaid (other than the Series 2007-1 Contingent Additional Interest, if any, and the Series 2007-1 Post-ARD Contingent Additional Interest, if any); (iv) the Accrued Insurer Premium Amount, the Insurer Expense Amount, the Insurer Reimbursement Amount and the Insurer Make-Whole Premium, if any, must be paid in full pursuant to the Priority of Payments, in each case on the related Optional Prepayment Date; and (v) if the Co-Issuers elect to optionally prepay all or part of the Aggregate Outstanding Principal Amount of the Series 2007-1 Class M-1 Notes (or the Subordinated Notes of any other Series of Notes Outstanding) without the payment in full of the Series 2007-1 Senior Notes and all other Senior Notes Outstanding, the following conditions are satisfied, as certified to the Indenture Trustee in an Officer's Certificate of each of the Co-Issuers: (i) the Optional Prepayment Date occurs not later than the first Payment Date following the fourth anniversary of the Series 2007-1 Closing Date, (ii) no Rapid Amortization Event or Potential Rapid Amortization Event has occurred and is continuing and (iii) the Three-Month DSCR (without giving effect to any equity contributions otherwise included in the calculation of Net Cash Flow) is at least equal to the Three-Month DSCR as of the Series 2007-1 Closing Date (after giving effect to the issuance of the Series 2007-1 Notes on the Series 2007-1 Closing Date).

For so long as any Class of Series 2007-1 Notes is listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Indenture Trustee shall deliver written notice of an Optional Prepayment of such Class of Series 2007-1 Notes to the Irish Paying Agent (for notification to the Irish Stock Exchange) at least ten (10) days prior to the Optional Prepayment Date.

(f) Notices of Prepayments and Series 2007-1 Monthly Extension Principal Prepayment. The Co-Issuers shall give prior written notice (each, a "Prepayment Notice") at least fifteen (15) Business Days but not more than twenty (20) Business Days prior to any prepayment pursuant to Section 4.7(c)(i) or 4.7(e) of this Series 2007-1 Supplement to each Series 2007-1 Noteholder affected by such prepayment, the Series 2007-1 Class A Insurer, each of the Rating Agencies and the Indenture Trustee; provided, that at the request of the Co-Issuers, such notice to the affected Series 2007-1 Noteholders shall be given by the Indenture Trustee in the name and at the expense of the Co-Issuers. In connection with any such Prepayment Notice, the Co-Issuers shall provide a written report to the Indenture Trustee (with a copy to the Series 2007-1 Class A Insurer) directing the Indenture Trustee to distribute such prepayment in accordance with the applicable provisions of Section 4.7(h) of this Series 2007-1 Supplement. With respect to each such prepayment, the related Prepayment Notice shall, in each case, specify (A) the date on which such prepayment will be made, which in all cases shall be a Business Day and, in the case of a mandatory prepayment upon a Change of Control, shall be no later than on the date of the occurrence of such event, and, in the case of an optional prepayment, shall be the next Payment Date following the related Prepayment Notice, (B) the aggregate principal amount of the applicable Class of Notes to be prepaid on such date and (C) the relevant Series 2007-1 Make-Whole Amount Calculation Date. The Co-Issuers shall have the option, by written notice to the Indenture Trustee, the Series 2007-1 Class A Insurer, the Rating Agencies and the affected Noteholders, to withdraw, or amend the date on which such prepayment will be made as set forth in, (x) any Prepayment Notice relating to an optional prepayment at any time up to the fifth (5th) Business Day before the prepayment date set forth in such Prepayment Notice and (y) subject to the requirements of the preceding sentence, any Prepayment Notice relating to mandatory prepayment upon a Change of Control at any time up to the earlier of (I) the occurrence of such event and (II) the fifth (5th) Business Day before the prepayment date set forth in such Prepayment Notice; provided, that in no event shall any prepayment date be amended to a date earlier than the fifth (5th) Business Day after such amended notice is given. Any Prepayment Notice shall become irrevocable on the day on which it can no longer be withdrawn in accordance with the preceding sentence. With respect to payments of principal to be made pursuant to Section 4.7(c)(ii) of this Series 2007-1 Supplement, the Co-Issuers shall give prior written notice at least ten (10) Business Days prior to the first payment of principal to be made pursuant to Section 4.7(c)(ii) of this Series 2007-1 Supplement with respect to the Series 2007-1 Extension Period (each, a " Monthly Extension Prepayment Notice") to each Series 2007-1 Noteholder affected by such payment of principal on the Series 2007-1 Notes, the Series 2007-1 Class A Insurer, each of the Rating Agencies and the Indenture Trustee; provided, that at the request of the Co-Issuers, such notice to the affected Series 2007-1 Noteholders shall be given by the Indenture Trustee in the name and at the expense of the Co-Issuers. Such Monthly Extension Prepayment Notices shall, in each case, specify (A) that payments of principal on the Series 2007-1 Notes will be made on each Payment Date during the Series 2007-1 Extension Period and (B) the Series 2007-1 Monthly Aggregate Extension Prepayment Amount to be paid with respect to each Payment Date during the Monthly Collection Period to which each such Payment Date relates. All Prepayment Notices and Monthly Extension Prepayment Notices shall

be (i) transmitted by facsimile or email to (A) each affected Series 2007-1 Noteholder to the extent such Series 2007-1 Noteholder has provided a facsimile number or email address to the Indenture Trustee and (B) to the Series 2007-1 Class A Insurer, each of the Rating Agencies and the Indenture Trustee and (ii) sent by registered mail to each affected Series 2007-1 Noteholder. For the avoidance of doubt, a Voluntary Decrease in respect of the Series 2007-1 Class A-1 Notes is governed by Section 3.2 of this Series 2007-1 Supplement and not by this Section 4.7.

(g) Series 2007-1 Prepayments. Subject to the exceptions set forth in Section 4.7(d), on any date on which a payment of principal of the Series 2007-1 Notes will be made prior to the Series 2007-1 Anticipated Repayment Date occurring in December 2012 (each such date, a " Series 2007-1 Prepayment Date"), including, without limitation, with respect to any prepayment pursuant to Sections 4.7(c)(i), 4.7(c)(ii), 4.7(c)(iii), 4.7(c)(iv), 4.7(c)(v), 4.7(c)(vii), or 4.7(e) (each, a "Series 2007-1 Prepayment"), (i) the aggregate principal amount of the applicable Class of Series 2007-1 Notes to be prepaid on such date (such amount, together with all accrued and unpaid interest thereon to such date, a " Series 2007-1 Prepayment Amount"), (ii) the applicable Series 2007-1 Make-Whole Amounts, if any, and (iii) any associated Series 2007-1 Class A-1 Breakage Amounts applicable to such Series 2007-1 Prepayment, shall be due and payable. The Co-Issuers shall pay the Series 2007-1 Prepayment Amount together with the applicable Series 2007-1 Make-Whole Amounts, if any, with respect to such Series 2007-1 Prepayment Amount, by, to the extent not already deposited therein pursuant to Section 4.7(c) or Section 4.7(e) of this Series 2007-1 Supplement, depositing such amounts in the applicable Series 2007-1 Distribution Account on or prior to the related Series 2007-1 Prepayment Date to be distributed in accordance with Section 4.7(h) of this Series 2007-1 Supplement.

(h) Series 2007-1 Prepayment Distributions.

(i) On the Series 2007-1 Prepayment Date for each Series 2007-1 Prepayment to be made pursuant to this Section 4.7 in respect of the Series 2007-1 Class A-1 Notes, the Indenture Trustee shall, in accordance with Section 11.5 of the Base Indenture, wire transfer to the Series 2007-1 Class A-1 Noteholders of record on the applicable Prepayment Record Date, in accordance with the order of distribution of principal payments set forth in Section 4.02 of the Series 2007-1 Class A-1 Note Purchase Agreement, the amount deposited in the Series 2007-1 Class A-1 Distribution Account pursuant to this Section 4.7, if any, in order to repay the applicable portion of the Series 2007-1 Class A-1 Outstanding Principal Amount and pay all accrued and unpaid interest thereon up to such Series 2007-1 Prepayment Date and any associated Series 2007-1 Class A-1 Breakage Amounts incurred as a result of such prepayment.

(ii) On the Series 2007-1 Prepayment Date for each Series 2007-1 Prepayment to be made pursuant to this Section 4.7 in respect of the Series 2007-1 Class A-2-I Notes, the Indenture Trustee

shall, in accordance with Section 11.5 of the Base Indenture, wire transfer to the Series 2007-1 Class A-2-I Noteholders of record on the preceding Prepayment Record Date on a pro rata basis, based on their respective portion of the Series 2007-1 Class A-2-I Outstanding Principal Amount, the amount deposited in the Series 2007-1 Class A-2-I Distribution Account pursuant to this Section 4.7, if any, in order to repay the applicable portion of the Series 2007-1 Class A-2-I Outstanding Principal Amount and pay all accrued and unpaid interest thereon up to such Series 2007-1 Prepayment Date and any Series 2007-1 Make-Whole Amount due to Series 2007-1 Class A-2-I Noteholders payable on such date.

(iii) On the Series 2007-1 Prepayment Date for each Series 2007-1 Prepayment to be made pursuant to this Section 4.7 in respect of the Series 2007-1 Class A-2-II Notes, the Indenture Trustee shall, in accordance with Section 11.5 of the Base Indenture, wire transfer to the Series 2007-1 Class A-2-II Noteholders of record on the preceding Prepayment Record Date on a pro rata basis, based on their respective portion of the Series 2007-1 Class A-2-II Outstanding Principal Amount, the amount deposited in the Series 2007-1 Class A-2-II Distribution Account pursuant to this Section 4.7, if any, in order to repay the applicable portion of the Series 2007-1 Class A-2-II Outstanding Principal Amount and pay all accrued and unpaid interest thereon up to such Series 2007-1 Prepayment Date and any Series 2007-1 Make-Whole Amount due to Series 2007-1 Class A-2-II Noteholders payable on such date.

(iv) On the Series 2007-1 Prepayment Date for each Series 2007-1 Prepayment to be made pursuant to this Section 4.7 in respect of the Series 2007-1 Class M-1 Notes, the Indenture Trustee shall, in accordance with Section 11.5 of the Base Indenture, wire transfer to the Series 2007-1 Class M-1 Noteholders of record on the preceding Prepayment Record Date on a pro rata basis, based on their respective portion of the Series 2007-1 Class M-1 Outstanding Principal Amount, the amount deposited in the Series 2007-1 Class M-1 Distribution Account pursuant to this Section 4.7, if any, in order to repay the applicable portion of the Series 2007-1 Class M-1 Outstanding Principal Amount and pay all accrued and unpaid interest thereon up to such Series 2007-1 Prepayment Date and any Series 2007-1 Class M-1 Make-Whole Amount due to Series 2007-1 Class M-1 Noteholders payable on such date.

(i) Series 2007-1 Notices of Final Payment. The Co-Issuers shall notify the Indenture Trustee, the Series 2007-1 Class A Insurer and each of the Rating Agencies fifteen (15) Business Days preceding any Payment Date that will be the Series 2007-1 Final Payment Date; provided, however, that with respect to any Series 2007-1 Final Payment that is made in connection with any mandatory or optional prepayment in full, the Co-Issuers shall not be obligated to provide any additional notice

to the Indenture Trustee, the Series 2007-1 Class A Insurer or the Rating Agencies of such Series 2007-1 Final Payment beyond the notice required to be given in connection with such prepayment pursuant to Section 4.7(f) of this Series 2007-1 Supplement. In addition, the Indenture Trustee shall provide any written notice required under this Section 4.7(i) to each Person in whose name a Series 2007-1 Note is registered at the close of business on the Record Date with respect to the Payment Date that will be the Series 2007-1 Final Payment 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 Series 2007-1 Final Payment will be made and shall specify that such Series 2007-1 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 Series 2007-1 Final Payment.

(j) Prepayment Fees Payable Under Series 2007-1 Class A Premium Fee Letters. Concurrently with prepayment of any Series 2007-1 Senior Notes, the Co-Issuers shall pay or cause to be paid, directly to the Series 2007-1 Class A Insurer, the Series 2007-1 Accrued Insurer Premium Amount, the Series 2007-1 Insurer Expense Amount, the Series 2007-1 Insurer Reimbursement Amount and the Series 2007-1 Insurer Make-Whole Premium, if any, payable to the Series 2007-1 Class A Insurer under the Series 2007-1 Class A Premium Fee Letter.

(k) Priority of Payments in Respect of Prepayments.

On each Payment Date, the Co-Issuers will make mandatory prepayments of principal, if any, in connection with Series 2007-1 Monthly Aggregate Extension Prepayment Amounts, any Indemnification Amount, any Asset Disposition Prepayment Amount, any Insurance Proceeds Amount, a Rapid Amortization Event or a Partial Amortization Event in the following order of priority:

(i) if no Rapid Amortization Event and no Partial Amortization Event has occurred, (i) *first*, on the Class A-2-I Notes of all Series of Notes Outstanding until paid in full, (ii) *second*, on the Class A-2-II Notes of all Series of Notes Outstanding until paid in full, (iii) *third*, on the Class A-1 Notes of all Series of Notes Outstanding until paid in full; provided, that any payment of principal of any Class A-1 L/C Notes of any Series of Notes under this paragraph shall require the deposit of the Cash Collateral with the applicable L/C Provider in connection with the Collateralized Letters of Credit, all in accordance with the terms set forth in the final two provisos of Section 11.1(e) of the Base Indenture, and (iv) *fourth*, on each Class of Subordinated Notes of each Series of Notes Outstanding sequentially in alphanumerical order;

(ii) if either a Rapid Amortization Event that is potentially subject to the one-time Series 2007-1 Rapid Amortization Cure Right or a Partial Amortization Event has occurred, (i) *first*, on the Class A-2 Notes of all Series of Notes Outstanding until paid in full, (ii) *second*,

on the Class A-1 Notes of all Series of Notes Outstanding until paid in full; provided, that any payment of principal of any Class A-1 L/C Notes of any Series of Notes under this paragraph shall require the deposit of the Cash Collateral with the applicable L/C Provider in connection with the Collateralized Letters of Credit, all in accordance with the terms set forth in the final two provisos of Section 11.1(e) of the Base Indenture, and (iii) *third*, on each Class of Subordinated Notes of each Series of Notes Outstanding sequentially in alphanumerical order; provided, that principal to be paid pursuant to a series specific Partial Amortization Event will be allocable only to the relevant Series;

(iii) if a Rapid Amortization Event that is not subject to the one-time Series 2007-1 Rapid Amortization Cure Right has occurred, (i) *first*, on the Class A-1 Notes of all Series of Notes Outstanding until paid in full; provided, that any payment of principal of any Class A-1 L/C Notes of any Series of Notes under this paragraph shall require the deposit of the Cash Collateral with the applicable L/C Provider in connection with the Collateralized Letters of Credit, all in accordance with the terms set forth in the final two provisos of Section 11.1(e) of the Base Indenture, (ii) second, on the Class A-2 Notes of all Series of Notes Outstanding until paid in full and (iii) *third*, on each Class of Subordinated Notes of each Series of Notes Outstanding sequentially in alphanumerical order; and

(iv) if the Aggregate Controlling Party has directed the Indenture Trustee to liquidate the Collateral following the occurrence of an Event of Default and an acceleration of the Notes, (i) *first*, to all Classes of Senior Notes of all Series of Notes Outstanding pro rata based on the Aggregate Outstanding Principal Amount until paid in full ; provided, that any payment of principal of any Class A-1 L/C Notes of any Series of Notes under this paragraph shall require the deposit of the Cash Collateral with the applicable L/C Provider in connection with the Collateralized Letters of Credit, all in accordance with the terms set forth in the final two provisos of Section 11.1(e) of the Base Indenture, and (ii) second to each Class of Subordinated Notes of all Series of Notes Outstanding sequentially in alphanumerical order.

Payments of principal on each Class of Notes of all Series of Notes Outstanding at each priority level described in this Section 4.7(k) will be paid pro rata according to the Aggregate Outstanding Principal Amount of each Class of Notes Outstanding.

Notwithstanding the foregoing, the Co-Issuers may apply an equity contribution made by Applebee's International to Applebee's Holdings for contribution to the Master Issuer to optionally prepay in whole or in part one or more Classes of Notes without regard to the alphanumerical designation of such Class or Classes of Notes in an Optional Prepayment on any Optional Prepayment Date; provided, that any Optional

Prepayment of Subordinated Notes prior to the payment in full of Senior Notes will require satisfaction of the applicable conditions described in Section 4.7(e) above.

Section 4.8 Series 2007-1 Class A-1 Distribution Account.

(a) Establishment of Series 2007-1 Class A-1 Distribution Account. The Indenture Trustee shall establish and maintain in the name of the Indenture Trustee for the benefit of the Series 2007-1 Class A-1 Noteholders an account (the "Series 2007-1 Class A-1 Distribution Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Series 2007-1 Class A-1 Noteholders. The Series 2007-1 Class A-1 Distribution Account shall be an Eligible Account. If the Series 2007-1 Class A-1 Distribution Account is at any time no longer an Eligible Account, the Master Issuer shall, within five (5) Business Days of obtaining knowledge that the Series 2007-1 Class A-1 Distribution Account is no longer an Eligible Account, establish a new Series 2007-1 Class A-1 Distribution Account that is an Eligible Account. If a new Series 2007-1 Class A-1 Distribution Account is established, the Master Issuer shall instruct the Indenture Trustee in writing to transfer all cash and investments from the non-qualifying Series 2007-1 Class A-1 Distribution Account into the new Series 2007-1 Class A-1 Distribution Account. Initially, the Series 2007-1 Class A-1 Distribution Account will be established with the Indenture Trustee.

(b) Administration of the Series 2007-1 Class A-1 Distribution Account. All amounts held in the Series 2007-1 Class A-1 Distribution Account shall be invested in Eligible Investments at the written direction of the Master Issuer; provided, however, that any such investment in the Series 2007-1 Class A-1 Distribution Account shall mature not later than the Business Day prior to the first Payment Date following the date on which such funds were received or such other date on which such funds are scheduled to be paid to the Series 2007-1 Class A-1 Noteholders. In the absence of written investment instructions hereunder, funds on deposit in the Series 2007-1 Class A-1 Distribution Account shall remain uninvested. The Master Issuer shall not direct (or permit) the disposal of any Eligible Investments prior to the maturity thereof to the extent such disposal would result in a loss of the initial purchase price of such Permitted Investment.

(c) Earnings from Series 2007-1 Class A-1 Distribution Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Series 2007-1 Class A-1 Distribution Account shall be deemed to be available and on deposit for distribution to the Series 2007-1 Class A-1 Noteholders.

(d) Series 2007-1 Class A-1 Distribution Account Constitutes Additional Collateral for Series 2007-1 Class A-1 Notes. In order to secure and provide for the repayment and payment of the Obligations with respect to the Series 2007-1 Class A-1 Notes, the Co-Issuers hereby grant a security interest in and assign, pledge, grant, transfer and set over to the Indenture Trustee, for the benefit of the Series 2007-1 Class A-1 Noteholders, all of the Co-Issuers' right, title and interest in and to the following (whether now or hereafter existing or acquired): (i) the Series 2007-1 Class A-1 Distribution Account, including any security entitlement with respect thereto;

(ii) all funds and other property (including, without limitation, Financial Assets) on deposit therein from time to time; (iii) all certificates and instruments, if any, representing or evidencing any or all of the Series 2007-1 Class A-1 Distribution Account or the funds on deposit therein from time to time; (iv) all investments made at any time and from time to time with monies in the Series 2007-1 Class A-1 Distribution Account, whether constituting securities, instruments, general intangibles, investment property, financial assets or other property; (v) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for the Series 2007-1 Class A-1 Distribution Account, the funds on deposit therein from time to time or the investments made with such funds; and (vi) all proceeds of any and all of the foregoing, including, without limitation, cash (the items in the foregoing clauses (i) through (vi) are referred to, collectively, as the "Series 2007-1 Class A-1 Distribution Account Collateral").

(e) Termination of Series 2007-1 Class A-1 Distribution Account. On or after the date on which the Series 2007-1 Final Payment has been made, the Indenture Trustee, acting in accordance with the written instructions of the Master Issuer and the consent of the Series 2007-1 Class A Insurer if the Series 2007-1 Class A Policy is then in effect or amounts constituting Series 2007-1 Insurer Reimbursements, Series 2007-1 Insurer Premiums, Series 2007-1 Insurer Make-Whole Premiums or Series 2007-1 Insurer Expense Amounts are unpaid under the Indenture or the Series 2007-1 Class A Insurance Agreement after taking into account the application of amounts on deposit in the Senior Notes Interest Reserve Account and the Cash Trap Reserve Account to pay such amounts in accordance with Section 11.1 of the Base Indenture, shall withdraw from the Series 2007-1 Class A-1 Distribution Account all amounts on deposit therein for payment to the Co-Issuers.

Section 4.9 Series 2007-1 Class A-2 Distribution Accounts.

(a) Establishment of Series 2007-1 Class A-2 Distribution Accounts. The Indenture Trustee shall establish and maintain in the name of the Indenture Trustee for the benefit of each of the Series 2007-1 Class A-2-I Noteholders and the Series 2007-1 Class A-2-II Noteholders a separate account (the "Series 2007-1 Class A-2-I Distribution Account" and the "Series 2007-1 Class A-2-II Distribution Account," respectively, and collectively, the "Series 2007-1 Class A-2 Distribution Accounts"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Series 2007-1 Class A-2-I Noteholders and the Series 2007-1 Class A-2-II Noteholders, as applicable. Each Series 2007-1 Class A-2 Distribution Account shall be an Eligible Account. If any Series 2007-1 Class A-2 Distribution Account is at any time no longer an Eligible Account, the Master Issuer shall, within five (5) Business Days of obtaining knowledge that such Series 2007-1 Class A-2 Distribution Account is no longer an Eligible Account, establish a new applicable Series 2007-1 Class A-2 Distribution Account that is an Eligible Account. If a new Series 2007-1 Class A-2 Distribution Account is established, the Master Issuer shall instruct the Indenture Trustee in writing to transfer all cash and investments from the non-qualifying Series 2007-1 Class A-2 Distribution Account into the new Series 2007-1 Class A-2 Distribution Account.

Initially, the Series 2007-1 Class A-2 Distribution Accounts will be established with the Indenture Trustee.

(b) Administration of the Series 2007-1 Class A-2 Distribution Accounts. All amounts held in the Series 2007-1 Class A-2 Distribution Accounts shall be invested in the Eligible Investments at the written direction of the Master Issuer; provided, however, that any such investment in the Series 2007-1 Class A-2 Distribution Accounts shall mature not later than the Business Day prior to the first Payment Date following the date on which such funds were received or such other date on which such funds are scheduled to be paid to the applicable Series 2007-1 Class A-2 Noteholders. In the absence of written investment instructions hereunder, funds on deposit in the Series 2007-1 Class A-2 Distribution Accounts shall remain uninvested. The Master Issuer shall not direct (or permit) the disposal of any Eligible Investments prior to the maturity thereof to the extent such disposal would result in a loss of the initial purchase price of such Permitted Investment.

(c) Earnings from Series 2007-1 Class A-2 Distribution Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Series 2007-1 Class A-2 Distribution Accounts shall be deemed to be available and on deposit for distribution to the applicable Series 2007-1 Class A-2 Noteholders.

(d) Series 2007-1 Class A-2 Distribution Accounts Constitutes Additional Collateral for Series 2007-1 Class A-2 Notes. In order to secure and provide for the repayment and payment of the Obligations with respect to the Series 2007-1 Class A-2 Notes, the Co-Issuers hereby grant a security interest in and assign, pledge, grant, transfer and set over to the Indenture Trustee, for the benefit of the applicable Series 2007-1 Class A-2 Noteholders, all of the Co-Issuers' right, title and interest in and to the following (whether now or hereafter existing or acquired): (i) the applicable Series 2007-1 Class A-2 Distribution Account, including any security entitlement with respect thereto; (ii) all funds and other property (including, without limitation, Financial Assets) on deposit therein from time to time; (iii) all certificates and instruments, if any, representing or evidencing any or all of the applicable Series 2007-1 Class A-2 Distribution Account or the funds on deposit therein from time to time; (iv) all investments made at any time and from time to time with monies in the applicable Series 2007-1 Class A-2 Distribution Account, whether constituting securities, instruments, general intangibles, investment property, financial assets or other property; (v) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for each Series 2007-1 Class A-2 Distribution Account, the funds on deposit therein from time to time or the investments made with such funds; and (vi) all proceeds of any and all of the foregoing, including, without limitation, cash (the items in the foregoing clauses (i) through (vi) are referred to, collectively, in connection with each Series 2007-1 Class A-2 Distribution Account, as the "Series 2007-1 Class A-2 Distribution Account Collateral").

(e) Termination of Series 2007-1 Class A-2 Distribution Accounts. On or after the date on which the Series 2007-1 Final Payment has been made, the

Indenture Trustee, acting in accordance with the written instructions of the Master Issuer and the consent of the Series 2007-1 Class A Insurer if the Series 2007-1 Class A Policy is then in effect or amounts constituting Series 2007-1 Insurer Reimbursements, Series 2007-1 Insurer Premiums, Series 2007-1 Insurer Make-Whole Premiums or Series 2007-1 Insurer Expense Amounts are unpaid under the Indenture or the Series 2007-1 Class A Insurance Agreement after taking into account the application of amounts on deposit in the Senior Notes Interest Reserve Account and the Cash Trap Reserve Account to pay such amounts in accordance with Section 11.1 of the Base Indenture, shall withdraw from the Series 2007-1 Class A-2 Distribution Account all amounts on deposit therein for payment to the Co-Issuers.

Section 4.10 Series 2007-1 Class M-1 Distribution Account.

(a) Establishment of Series 2007-1 Class M-1 Distribution Account. The Indenture Trustee shall establish and maintain in the name of the Indenture Trustee for the benefit of the Series 2007-1 Class M-1 Noteholders an account (the "Series 2007-1 Class M-1 Distribution Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Series 2007-1 Class M-1 Noteholders. The Series 2007-1 Class M-1 Distribution Account shall be an Eligible Account. If the Series 2007-1 Class M-1 Distribution Account is at any time no longer an Eligible Account, the Master Issuer shall, within five (5) Business Days of obtaining knowledge that the Series 2007-1 Class M-1 Distribution Account is no longer an Eligible Account, establish a new Series 2007-1 Class M-1 Distribution Account that is an Eligible Account. If a new Series 2007-1 Class M-1 Distribution Account is established, the Master Issuer shall instruct the Indenture Trustee in writing to transfer all cash and investments from the non-qualifying Series 2007-1 Class M-1 Distribution Account into the new Series 2007-1 Class M-1 Distribution Account. Initially, the Series 2007-1 Class M-1 Distribution Account will be established with the Indenture Trustee.

(b) Administration of the Series 2007-1 Class M-1 Distribution Account. All amounts held in the Series 2007-1 Class M-1 Distribution Account shall be invested in Eligible Investments at the written direction of the Master Issuer; provided, however, that any such investment in the Series 2007-1 Class M-1 Distribution Account shall mature not later than the Business Day prior to the first Payment Date following the date on which such funds were received or such other date on which such funds are scheduled to be paid to the Series 2007-1 Class M-1 Noteholders. In the absence of written investment instructions hereunder, funds on deposit in the Series 2007-1 Class M-1 Distribution Account shall remain uninvested. The Master Issuer shall not direct (or permit) the disposal of any Eligible Investments prior to the maturity thereof to the extent such disposal would result in a loss of the initial purchase price of such Permitted Investment.

(c) Earnings from Series 2007-1 Class M-1 Distribution Account. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Series 2007-1 Class M-1 Distribution Account shall be deemed to be available and on deposit for distribution.

(d) Series 2007-1 Class M-1 Distribution Account Constitutes Additional Collateral for Series 2007-1 Class M-1 Notes. In order to secure and provide for the repayment and payment of the Obligations with respect to the Series 2007-1 Class M-1 Notes, the Co-Issuers hereby grant a security interest in and assign, pledge, grant, transfer and set over to the Indenture Trustee, for the benefit of the Series 2007-1 Class M-1 Noteholders, all of the Co-Issuers' right, title and interest in and to the following (whether now or hereafter existing or acquired): (i) the Series 2007-1 Class M-1 Distribution Account, including any security entitlement with respect thereto; (ii) all funds and other property (including, without limitation, Financial Assets) on deposit therein from time to time; (iii) all certificates and instruments, if any, representing or evidencing any or all of the Series 2007-1 Class M-1 Distribution Account or the funds on deposit therein from time to time; (iv) all investments made at any time and from time to time with monies in the Series 2007-1 Class M-1 Distribution Account, whether constituting securities, instruments, general intangibles, investment property, financial assets or other property; (v) all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for the Series 2007-1 Class M-1 Distribution Account, the funds on deposit therein from time to time or the investments made with such funds; and (vi) all proceeds of any and all of the foregoing, including, without limitation, cash (the items in the foregoing clauses (i) through (vi) are referred to, collectively, as the "Series 2007-1 Class M-1 Distribution Account Collateral").

(e) Termination of Series 2007-1 Class M-1 Distribution Account. On or after the date on which the Series 2007-1 Final Payment has been made, the Indenture Trustee, acting in accordance with the written instructions of the Master Issuer and the consent of the Series 2007-1 Class A Insurer if the Series 2007-1 Class A Policy is then in effect or amounts constituting Series 2007-1 Insurer Reimbursements, Series 2007-1 Insurer Premiums, Series 2007-1 Insurer Make-Whole Premiums or Series 2007-1 Insurer Expense Amounts are unpaid under the Indenture or the Series 2007-1 Class A Insurance Agreement after taking into account the application of amounts on deposit in the Cash Trap Reserve Account to pay such amounts in accordance with Section 11.1 of the Base Indenture, shall withdraw from the Series 2007-1 Class M-1 Distribution Account all amounts on deposit therein for payment to the Co-Issuers.

Section 4.11 Indenture Trustee as Securities Intermediary.

(a) The Indenture Trustee or other Person holding the Series 2007-1 Distribution Accounts shall be the "Series 2007-1 Securities Intermediary." If the Series 2007-1 Securities Intermediary in respect of any Series 2007-1 Distribution Account is not the Indenture Trustee, the Master Issuer shall obtain the express agreement of such other Person to the obligations of the Series 2007-1 Securities Intermediary set forth in this Section 4.11.

(b) The Series 2007-1 Securities Intermediary agrees that:

(i) The Series 2007-1 Distribution Accounts are accounts to which Financial Assets will or may be credited;

(ii) The Series 2007-1 Distribution Accounts are "securities accounts" within the meaning of Section 8-501 of the New York UCC and the Series 2007-1 Securities Intermediary qualifies as a "securities intermediary" under Section 8-102(a) of the New York UCC;

(iii) All securities or other property (other than cash) underlying any Financial Assets credited to any Series 2007-1 Distribution Account shall be registered in the name of the Series 2007-1 Securities Intermediary, indorsed to the Series 2007-1 Securities Intermediary or in blank or credited to another securities account maintained in the name of the Series 2007-1 Securities Intermediary, and in no case will any Financial Asset credited to any Series 2007-1 Distribution Account be registered in the name of the Master Issuer, payable to the order of the Master Issuer or specially indorsed to the Master Issuer;

(iv) All property delivered to the Series 2007-1 Securities Intermediary pursuant to this Series 2007-1 Supplement will be promptly credited to the appropriate Series 2007-1 Distribution Account;

(v) Each item of property (whether investment property, security, instrument or cash) credited to any Series 2007-1 Distribution Account shall be treated as a Financial Asset;

(vi) If at any time the Series 2007-1 Securities Intermediary shall receive any entitlement order from the Indenture Trustee directing transfer or redemption of any Financial Asset relating to the Series 2007-1 Distribution Accounts, the Series 2007-1 Securities Intermediary shall comply with such entitlement order without further consent by the Master Issuer or any other Person;

(vii) The Series 2007-1 Distribution Accounts shall be governed by the laws of the State of New York, regardless of any provision of any other agreement. For purposes of the UCC, as in effect in any applicable jurisdiction, the State of New York shall be deemed to the Series 2007-1 Securities Intermediary's jurisdiction and the Series 2007-1 Distribution Accounts (as well as the "security entitlements" (as defined in Section 8-102(a)(17) of the New York UCC) related thereto) shall be governed by the laws of the State of New York;

(viii) The Series 2007-1 Securities Intermediary has not entered into, and until termination of this Series 2007-1 Supplement, will not enter into, any agreement with any other Person relating to the Series 2007-1 Distribution Accounts and/or any Financial Assets credited thereto pursuant to which it has agreed to comply with "entitlement orders" (as defined in Section 8-102(a)(8) of the New York UCC) of such other Person, and the Series 2007-1 Securities Intermediary has not entered into, and until the termination of this Series 2007-1 Supplement

will not enter into, any agreement with the Master Issuer purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in Section 4.11(b)(vi) of this Series 2007-1 Supplement; and

(ix) Except for the claims and interest of the Indenture Trustee, the Secured Parties and the Master Issuer in the Series 2007-1 Distribution Accounts, neither the Series 2007-1 Securities Intermediary nor, in the case of the Indenture Trustee, any Trust Officer knows of any claim to, or interest in, any Series 2007-1 Distribution Account or any Financial Asset credited thereto. If the Series 2007-1 Securities Intermediary or, in the case of the Indenture Trustee, a Trust Officer has actual knowledge of the assertion by any other person of any Lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any Series 2007-1 Distribution Account or any Financial Asset carried therein, the Series 2007-1 Securities Intermediary will promptly notify the Indenture Trustee, the Control Party and the Master Issuer thereof.

(c) The Indenture Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Series 2007-1 Distribution Accounts and in all proceeds thereof, and shall (acting at the direction of the Control Party) be the only Person authorized to originate entitlement orders in respect of the Series 2007-1 Distribution Accounts.

Section 4.12 Servicer. Pursuant to the Servicing Agreement and the Base Indenture, the Servicer has agreed to provide certain reports, notices, instructions and other services on behalf of the Master Issuer and the other Co-Issuers. The Series 2007-1 Noteholders by their acceptance of the Series 2007-1 Notes consent to the provision of such reports and notices to the Indenture Trustee by the Servicer in lieu of the Master Issuer or any other Co-Issuer. Any such reports and notices that are required to be delivered to the Series 2007-1 Noteholders hereunder will be made available on the Indenture Trustee's website in the manner set forth in Section 12.4 of the Base Indenture.

ARTICLE V

FORM OF SERIES 2007-1 NOTES

Section 5.1 Form of the Series 2007-1 Class [A-1-A] [A-1-X] Notes.

The form of the Series 2007-1 Class [A-1-A] [A-1-X] Notes, including the Certificate of Authentication, shall be substantially as set forth as Exhibits A-1-1, A-1-2 and A-1-3 to this Series 2007-1 Supplement, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by the Base Indenture or this Series 2007-1 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 Class [A-1-A] [A-1-X] Notes will bear legends to the following effect unless the Co-Issuers determine otherwise in compliance of applicable law. All Series 2007-1 Class A-1 Notes shall be issued in definitive form as provided in Section 2.2(c) of the Base Indenture.

THIS SERIES 2007-1 VARIABLE FUNDING SENIOR NOTE, CLASS A-1 (THIS “NOTE”), [WHICH IS A SERIES 2007-1 CLASS [A-1-A] [A-1-X] ADVANCE NOTE] [WHICH IS A SERIES 2007-1 CLASS [A-1-A] [A-1-X] SWINGLINE NOTE] [WHICH IS A SERIES 2007-1 CLASS [A-1-A] [A-1-X] L/C 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 NONE OF APPLEBEE’S ENTERPRISES LLC, APPLEBEE’S IP LLC, APPLEBEE’S RESTAURANTS NORTH LLC, APPLEBEE’S RESTAURANTS WEST LLC, APPLEBEE’S RESTAURANTS TEXAS LLC, APPLEBEE’S RESTAURANTS INC., APPLEBEE’S RESTAURANTS KANSAS LLC, APPLEBEE’S RESTAURANTS MID-ATLANTIC LLC OR APPLEBEE’S RESTAURANTS VERMONT, INC. (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 IN ACCORDANCE WITH THE PROVISIONS OF THE CLASS A-1 NOTE PURCHASE AGREEMENT, DATED AS OF NOVEMBER 29, 2007 BY AND AMONG THE CO-ISSUERS, APPLEBEE’S SERVICES INC., AS THE SERVICER, THE CONDUIT INVESTORS, THE COMMITTED NOTE PURCHASERS AND THE FUNDING AGENTS NAMED THEREIN, THE L/C PROVIDER NAMED THEREIN, LEHMAN COMMERCIAL PAPER INC., AS SWINGLINE LENDER AND AS CLASS A-1 ADMINISTRATIVE AGENT.

Section 5.2 Form of the Series 2007-1 Class [A-2-I-X], [A-2-II-A] and [A-2-II-X] Notes .

The form of the Series 2007-1 Class [A-2-I-X], [A-2-II-A] and [A-2-II-X] Notes, including the Certificate of Authentication, shall be substantially as set forth as Exhibits A-2-I-1, A-2-I-2, A-2-II-1, A-2-II-2, A-2-II-3 and A-2-II-4 to this Series 2007-1 Supplement, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by the Base Indenture or this Series 2007-1 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 Class A-2 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 SENIOR NOTE, CLASS [A-2-I-X] [A-2-II-A] [A-2-II-X] 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 APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, APPLEBEE'S RESTAURANTS VERMONT, INC. AND APPLEBEE'S RESTAURANTS KANSAS 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 (I) IN THE UNITED STATES TO EITHER THE 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 THE 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 (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE CO-ISSUERS (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE

INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE ISSUER (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A (B) OUTSIDE THE UNITED STATES TO THE 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. THE 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 OR RULE 144A GLOBAL NOTE WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE IN THE FORM REQUIRED BY THE INDENTURE AND WILL BE DEEMED OR 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 INDENTURE TRUSTEE OR ANY INTERMEDIARY.

THE CO-ISSUERS MAY REQUIRE ANY HOLDER OF THIS NOTE WHO IS DETERMINED NOT TO HAVE BEEN (I) IF THIS NOTE IS ACQUIRED IN THE UNITED STATES, BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER OR (II) IF THIS NOTE WAS ACQUIRED OUTSIDE OF THE UNITED STATES, BOTH A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT 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 OR (II) A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S.

THE OFFERED NOTES MAY NOT BE SOLD TO ANY RESIDENT OF THE REPUBLIC OF IRELAND.

To the extent required by Section 1275(c)(A) of the Code and Treasury Regulation Section 1.1275-3(b)(1), each Note issued at a discount to its stated redemption price at maturity shall bear a legend in substantially the following form (with any necessary amendments thereto to reflect any amendments occurring after the applicable Issuance Date to the applicable sections):

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO THE SERVICER AT ITS ADDRESS SET FORTH IN THE INDENTURE.

The certificates evidencing the Series 2007-1 Class [A-2-I-X], [A-2-II-A] and [A-2-II-X] 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 INITIAL PURCHASER NOTIFIES THE CO-ISSUERS THAT THE RESALE OF THE OFFERED NOTES HAS BEEN COMPLETED (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 Class [A-2-I-X], [A-2-II-A] and [A-2-II-X] 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 APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, APPLEBEE'S RESTAURANTS VERMONT, INC., APPLEBEE'S RESTAURANTS KANSAS LLC OR APPLEBEE'S IP LLC, (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.

Section 5.3 Form of the Series 2007-1 Class M-1 Notes.

The form of the Series 2007-1 Class M-1 Notes, including the Certificate of Authentication, shall be substantially as set forth as Exhibits M-1-1 and M-1-2 to this Series 2007-1 Supplement, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by the Base Indenture or this Series 2007-1 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 Class M-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 SUBORDINATED NOTES, CLASS M-1 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 APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, APPLEBEE'S RESTAURANTS VERMONT, INC., APPLEBEE'S RESTAURANTS KANSAS LLC OR APPLEBEE'S 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 (I) IN THE UNITED STATES TO EITHER THE 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 THE 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 (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE CO-ISSUERS (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY

ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE ISSUER (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A (B) OUTSIDE THE UNITED STATES TO THE 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. THE 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 OR RULE 144A GLOBAL NOTE WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE IN THE FORM REQUIRED BY THE INDENTURE AND WILL BE DEEMED OR 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 (I) IF THIS NOTE IS ACQUIRED IN THE UNITED STATES, BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER OR (II) IF THIS NOTE WAS ACQUIRED OUTSIDE OF THE UNITED STATES, BOTH A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT 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 OR (II) A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S.

THE OFFERED NOTES MAY NOT BE SOLD TO ANY RESIDENT OF THE REPUBLIC OF IRELAND.

To the extent required by Section 1275(c)(A) of the Code and Treasury Regulation Section 1.1275-3(b)(1), each Note issued at a discount to its stated redemption price at maturity shall bear a legend in substantially the following form (with any necessary amendments thereto to reflect any amendments occurring after the applicable Issuance Date to the applicable sections):

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO THE SERVICER AT ITS ADDRESS SET FORTH IN THE INDENTURE.

The certificates evidencing the Series 2007-1 Class M-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 INITIAL PURCHASER NOTIFIES THE CO-ISSUERS THAT THE RESALE OF THE OFFERED NOTES HAS BEEN COMPLETED (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 Class M-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 VI

CONDITIONS TO ISSUANCE

Section 6.1 Conditions to Issuance. The Series 2007-1 Notes issued pursuant to the Indenture shall be issued only upon (i) 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 (ii) receipt by the Indenture Trustee of the following:

(a) counterparts of this Series Supplement executed and delivered by the Co-Issuers and the Indenture Trustee;

(b) 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 2007-1 Supplement on the date specified in such Company Order;

(c) the Insurance Policy and the Insurance Agreement relating to the Series 2007-1 Class A-1-A Notes and the Series 2007-1 Class A-2-II-A Notes;

(d) written confirmation (a) that the Series 2007-1 Class A-1-A Notes will be rated "Aaa" by Moody's, "AAA" by S&P and "AAA" by Fitch upon issuance, (b) that the Series 2007-1 Class A-1-X Notes will be rated "Baa3" by Moody's, "BBB-" by S&P and "BBB-" by Fitch upon issuance, (c) that the Series 2007-1 Class A-2-I-X Notes will be rated "Baa3" by Moody's, "BBB-" by S&P and "BBB-" by Fitch upon issuance, (d) that the Series 2007-1 Class A-2-II-A Notes will be rated "Aaa" by Moody's, "AAA" by S&P and "AAA" by Fitch upon issuance, (e) that the Series 2007-1 Class A-2-II-X Notes will be rated "Baa3" by Moody's, "BBB-" by S&P and "BBB-" by Fitch upon issuance, and (f) that the Series 2007-1 Class M-1 Notes will be rated "BB" by S&P and "BB" by Fitch upon issuance; and

(e) written confirmation (i) that the Series 2007- 1 Class A-1-A Notes will receive a shadow rating (exclusive of the effect of any Insurance Policy) of at least "Baa3" by Moody's, at least "BBB-" by S&P and at least "BBB-" by Fitch upon issuance, and (ii) that the Series 2007-1 Class A-2-II-A Notes will receive a shadow rating (exclusive of the effect of any Insurance Policy) of at least "Baa3" by Moody 's, at least "BBB-" by S&P and at least "BBB-" by Fitch upon issuance.

ARTICLE VII

GENERAL

Section 7.1 Information. Pursuant to Section 12.1(c) of the Base Indenture, on or before 10:00 a.m. (New York City time) on the second Business Day prior to each Payment Date, the Co-Issuers (or the Servicer on the Co-Issuers' behalf) shall furnish a Monthly Noteholders' Report with respect to the Series 2007-1 Notes to the Indenture Trustee, the Rating Agencies, the Back-Up Manager and the Series 2007-1 Class A Insurer, substantially in the form of Exhibit C hereto, setting forth, inter alia, the following information with respect to the next Payment Date:

(i) the total amount available to be distributed to Series 2007-1 Noteholders on such Payment Date;

(ii) the amount of such distribution allocable to the payment of principal of each Class of the Series 2007-1 Notes;

(iii) the amount of such distribution allocable to the payment of interest on each Class of the Series 2007-1 Notes;

(iv) the amount of such distribution allocable to the payment of any Series 2007-1 Make-Whole Amount, if any, on the Series 2007-1 Class A-2 Notes or Series 2007-1 Subordinated Notes, as applicable;

(v) the amount of such distribution allocable to the payment of any fees or other amounts due to the Series 2007-1 Class A-1 Noteholders;

(vi) whether, to the knowledge of the Co-Issuers, any Potential Series 2007-1 Rapid Amortization Event, Series 2007-1 Rapid Amortization Event, Default, Event of Default or Servicer Termination Event has occurred as of such Accounting Date;

(vii) the Debt Service Coverage Ratios for such Payment Date;

(viii) the twelve-month U.S. system-wide sales of Applebee's Restaurants as of the last day of the immediately preceding twelve-month period ending on the last day of each calendar month;

(ix) the Senior Notes Available Reserve Account Amount, if any, as of the close of business on the last Business Day of the preceding Monthly Collection Period.

Any Series 2007-1 Noteholder may obtain copies of each Monthly Noteholders' Report in accordance with the procedures set forth in Section 12.4 of the Base Indenture.

Section 7.2 Exhibits. The annexes, exhibits and schedules attached hereto and listed on the table of contents hereto supplement the annexes, exhibits and schedules included in the Base Indenture.

Section 7.3 Ratification of Base Indenture. As supplemented by this Series 2007-1 Supplement, the Base Indenture is in all respects ratified and confirmed and the Base Indenture as so supplemented by this Series 2007-1 Supplement shall be read, taken and construed as one and the same instrument.

Section 7.4 Certain Notices to the Series 2007-1 Class A Insurer and Rating Agencies. The Co-Issuers shall provide to the Series 2007-1 Class A Insurer and each Rating Agency a copy of each Opinion of Counsel and Officer's Certificate delivered to the Indenture Trustee pursuant to this Series 2007-1 Supplement or any other Related Document. Each such Opinion of Counsel to be delivered to the Indenture Trustee while the Series 2007-1 Class A Policy is in effect shall also be addressed to the Series 2007-1 Class A Insurer, shall be from counsel reasonably acceptable to the Series 2007-1 Class A Insurer and shall be in form and substance reasonably acceptable to the Series 2007-1 Class A Insurer.

Section 7.5 Third-Party Beneficiary. The Series 2007-1 Class A Insurer is an express third-party beneficiary of (i) the Base Indenture to the extent of provisions relating to the Series 2007-1 Class A Insurer (in any capacity) specifically and (ii) this Series 2007-1 Supplement to the extent of provisions relating to the Series 2007-1 Class A Insurer (in any capacity) specifically or that otherwise inure to its benefit.

Section 7.6 Prior Notice by Indenture Trustee to Series 2007-1 Class A Insurer. Subject to Section 6.1 of the Base Indenture, except for any period during which

an Insurer Event of Default is continuing with respect to the Series 2007-1 Class A Insurer, the Indenture Trustee agrees that it shall not exercise any rights or remedies available to it as a result of the occurrence of a Rapid Amortization Event or an Event of Default until after the Indenture Trustee has given prior written notice thereof to the Series 2007-1 Class A Insurer and obtained the direction of the Series 2007-1 Class A Insurer, so long as the Series 2007-1 Class A Insurer is the Series Controlling Party and the Senior Notes are Outstanding. For the avoidance of doubt, the allocation of funds to pay principal during a Rapid Amortization Event in accordance with Section 10.12 of the Base Indenture shall not be deemed to be an exercise of rights or remedies for purposes of the immediately preceding sentence. The Indenture Trustee agrees to notify the Series 2007-1 Class A Insurer promptly following any exercise of rights or remedies available to it as a result of the occurrence of a Rapid Amortization Event or Event of Default.

Section 7.7 Subrogation. In furtherance of and not in limitation of the Series 2007-1 Class A Insurer's equitable rights of subrogation, each of the Indenture Trustee, the Co-Issuers and, by its acceptance of Insured Senior Notes, each Series 2007-1 Senior Noteholder acknowledges that, to the extent of any payment made by the Series 2007-1 Class A Insurer under its Series 2007-1 Class A Policy with respect to interest or letter of credit fees on or principal of the Insured Senior Notes, the Series 2007-1 Class A Insurer is to be fully subrogated to the extent of such payment and any additional interest due on any late payment to the rights of the applicable Series 2007-1 Senior Noteholders under the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement. Each of the Co-Issuers, the Indenture Trustee and the Series 2007-1 Senior Noteholders agrees to such subrogation and each of the Noteholders holding any Series 2007-1 Class A-1-A Notes or any Series 2007-1 Class A-2-II-A Notes, further agrees to take such actions as the Series 2007-1 Class A Insurer may reasonably request to evidence such subrogation.

Section 7.8 Counterparts. This Series 2007-1 Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument.

Section 7.9 Governing Law. **THIS SERIES SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORKWITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).**

Section 7.10 Amendments. This Series 2007-1 Supplement may not be modified or amended except in accordance with the terms of the Base Indenture.

Section 7.11 Termination of Series 2007-1 Supplement. This Series 2007-1 Supplement shall cease to be of further effect when (i) all Outstanding Series 2007-1 Notes theretofore authenticated and issued have been delivered (other than

destroyed, lost, or stolen Series 2007-1 Notes which have been replaced or paid) to the Indenture Trustee for cancellation and all Letters of Credit have expired or been cash collateralized in full pursuant to the terms of the Series 2007-1 Class A-1 Note Purchase Agreement, (ii) all fees and expenses and other amounts under the Series 2007-1 Class A-1 Note Purchase Agreement have been paid in full and all Series 2007-1 Class A-1 Commitments have been terminated, (iii) the Co-Issuers have paid all sums payable hereunder and (iv) the Series 2007-1 Class A Insurer has been paid all Series 2007-1 Insurer Premiums, all Series 2007-1 Insurer Expenses, all Series 2007-1 Insurer Reimbursements and any Series 2007-1 Insurer Make-Whole Premium due to it under the Indenture or the Series 2007-1 Class A Insurance Agreement. Each Class A-1 Noteholder will be deemed to have acknowledged concurrently with such termination, that it will look solely to the cash collateral posted for any Letters of Credit in order to satisfy any amounts drawn thereunder and that the Series 2007-1 Class A Insurer shall have no liability under the Series 2007-1 Class A Policy for the insufficiency of such cash collateral to pay any such draws or continuing L/C Obligations, L/C Other Reimbursement Costs and/or L/C Monthly Fees.

Section 7.12 Discharge of Indenture. Notwithstanding anything to the contrary contained in the Base Indenture and without limiting any rights of the Series 2007-1 Class A Insurer, so long as this Series 2007-1 Supplement shall be in effect in accordance with Section 7.11 of this Series 2007-1 Supplement, no discharge of the Indenture or any Guaranty and Collateral Agreement pursuant to Section 4.1 of the Base Indenture shall be effective as to the Series 2007-1 Notes without the written consent of the Series 2007-1 Noteholders holding more than 50% of the sum of (i) the Series 2007-1 Outstanding Principal Amount and (ii) the portion, if any, of the Series 2007-1 Class A-1 Commitments that has not been drawn to make Series 2007-1 Class A-1 Advances (excluding any Series 2007-1 Outstanding Principal Amount or Series 2007-1 Class A-1 Commitments or Notes held by any Securitization Entity or any Affiliate of any Securitization Entity).

Section 7.13 Effect of Payment by the Series 2007-1 Class A-1 Insurer.

(a) Anything in this Series 2007-1 Supplement to the contrary notwithstanding, any payments of principal of or interest or letter of credit fees on the Series 2007-1 Senior Notes that is made with monies received pursuant to the terms of the Series 2007-1 Class A Policy shall not be considered payment of the Series 2007-1 Senior Notes by the Co-Issuers. The Indenture Trustee acknowledges that, without the need for any further action on the part of the Series 2007-1 Class A Insurer, (i) to the extent the Series 2007-1 Class A Insurer makes payments, directly or indirectly, on account of principal of, or interest or letter of credit fees on, the Series 2007-1 Senior Notes to the Indenture Trustee for the benefit of the applicable Series 2007-1 Senior Noteholders or to the Series 2007-1 Senior Noteholders (including any Preference Amounts), the Series 2007-1 Class A Insurer will in accordance with Sections 2.13 and 2.14 of the Base Indenture, be fully subrogated to the rights of such Series 2007-1 Senior Noteholders to receive such principal and interest and such other amounts and will be deemed to the extent of the payments so made to be a Series 2007-1 Senior Noteholder

and (ii) the Series 2007-1 Class A Insurer shall be paid principal and interest and/or letter of credit fees in its capacity as a Series 2007-1 Senior Noteholder until all such payments by the Series 2007-1 Class A Insurer have been fully reimbursed, but only from the sources and in the manner provided in the Indenture for payment of such principal and interest and such other amounts. The foregoing is without prejudice to the separate and independent rights of the Series 2007-1 Class A Insurer to be reimbursed, without duplication, for payments made under the Series 2007-1 Class A Policy pursuant to the Series 2007-1 Class A Insurance Agreement.

(b) Each Series 2007-1 Noteholder agrees (i) that with respect to the payment of any Preference Amount by the Series 2007-1 Class A Insurer to the Indenture Trustee, on behalf of the applicable Series 2007-1 Noteholders, under the Series 2007-1 Class A Policy, the applicable Series 2007-1 Noteholders will assign irrevocably to the Series 2007-1 Class A Insurer all of its rights and claims relating to or arising under the Insured Obligations against the debtor which made or benefited from the related preference payment or otherwise with respect to the related preference payment and (ii) to appoint the Series 2007-1 Class A Insurer as its agent and attorney-in-fact in any legal proceeding related to such preference payment. In addition, each Series 2007-1 Noteholder hereby grants to the Series 2007-1 Class A Insurer an absolute power of attorney to execute all appropriate instruments related to any items required to be delivered in connection with any preference payment referred to in this Section 7.13(b), and to direct all matters relating to any litigation with respect to such preference payment, including, without limitation, (i) the direction of any appeal of any order relating to any Preference Amount and (ii) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, the Series 2007-1 Class A Insurer shall be subrogated to the rights of the Indenture Trustee and the Series 2007-1 Noteholders, in the conduct of any such litigation, including without limitation, all rights of any party to an adversary proceeding action with respect to any order issued in connection with any such preference.

(c) In addition to the rights of assignment set forth in the immediately preceding paragraph, subject to the provisions of Section 8.2 of the Base Indenture, each Series 2007-1 Noteholder, by its purchase of a Series 2007-1 Note, shall have been deemed to give to the Series Controlling Party the right of prior approval of amendments or supplements to the Transaction Documents and of the exercise of any option, vote, right, power or the like available to the Series 2007-1 Noteholders hereunder or thereunder.

(d) By acceptance of a Series 2007-1 Class A Note, each Series 2007-1 Senior Noteholder holding a Class A-1-A Note or Class A-2-II-A Note agrees to be bound by the terms of the Series 2007-1 Class A Policy relating to such Notes, including, without limitation, the method and timing of payment and the Series 2007-1 Class A Insurer's right of subrogation and rights to reimbursement in respect of any payments made under the Series 2007-1 Class A Policy, as set forth herein and in Section 2.13 and 2.14 of the Base Indenture.

(e) Notwithstanding the foregoing, in the event that payments on the Series 2007-1 Senior Notes are accelerated, such accelerated payments will not be covered by the Series 2007-1 Class A Insurer under the Series 2007-1 Class A Policy, unless the Series 2007-1 Class A Insurer shall have elected to make such accelerated payments in accordance with and subject to the terms of such Series 2007-1 Class A Policy.

(f) The Indenture Trustee shall be entitled to enforce on behalf of the Series 2007-1 Senior Noteholders the obligations of the Series 2007-1 Class A Insurer under its Series 2007-1 Class A Policy. Notwithstanding any other provision of the Indenture or any Transaction Document, the Series 2007-1 Senior Noteholders are not entitled to make any claims under the Series 2007-1 Class A Insurance Policy or institute proceedings directly against the Series 2007-1 Class A Insurer.

(g) The Series 2007-1 Class A Policy is solely for the benefit of the holders of the Series 2007-1 Class A-1-A Notes and the Series 2007-1 Class A-2-II-A Notes and no other Series 2007-1 Noteholders shall be entitled to any benefits thereunder.

Section 7.14 Fiscal Year End. The Co-Issuers shall not change their fiscal year end from the Sunday on or nearest to December 31 to any other date, unless such change is done in order to conform with the fiscal year of IHOP Corp., a Delaware corporation, and its affiliates.

Section 7.15 Notices.

(a) Any notice or communication by the Co-Issuers, the Servicer, the Series 2007-1 Class A Insurer or the Indenture Trustee to any other party hereto shall be in writing and delivered in person or mailed by first-class mail (registered or certified, return receipt requested), facsimile or overnight air courier guaranteeing next day delivery, to such other party's address:

If to the Master Issuer:

Applebee's Enterprises LLC
c/o Applebee's Services, Inc.
11201 Renner Blvd.
Lenexa, Kansas 66219
Attn: Deputy General Counsel
Facsimile: (913) 890-9100

If to the IP Holder:

Applebee's IP LLC
c/o Applebee's Services, Inc.
11201 Renner Blvd.
Lenexa, Kansas 66219
Attn: Deputy General Counsel
Facsimile: (913) 890-9100

If to the Franchise Holder:

Applebee's Franchising LLC
c/o Applebee's Services, Inc.
11201 Renner Blvd.
Lenexa, Kansas 66219
Attn: Deputy General Counsel
Facsimile: (913) 890-9100

If to any Restaurant Holder:

[Applicable Restaurant Holder]
c/o Applebee's Services, Inc.
11201 Renner Blvd.
Lenexa, Kansas 66219
Attn: Deputy General Counsel
Facsimile: (913) 890-9100

If to the Servicer:

Applebee's Services, Inc.
11201 Renner Blvd.
Lenexa, Kansas 66219
Attn: Deputy General Counsel
Facsimile: (913) 890-9100

If to any Co-Issuer with a copy to:

International House of Pancakes, Inc.
450 North Brand Boulevard
Glendale, California 91203-2306
Attn: General Counsel
Facsimile: (818) 637-5361

If to the 2007-1 Class A Insurer:

Assured Guaranty Corp.
1325 Avenue of the Americas
New York, NY 10019
Attention: Risk Management Dept.
Re: Applebee's Series 2007-1 Notes
Policy No. D-2007-151
Facsimile: (212) 581-3268

with a copy to:

Sidley Austin LLP
One South Dearborn Street
Chicago, Illinois 60603
Attention: Kevin Hochberg
Facsimile: (312) 853-7036

(in each case in which notice or other communication to the Series 2007-1 Class A Insurer refers to an "Insurance Agreement Event of Default," a claim on its Policy or any other event with respect to which failure on the part of such Insurer to respond shall be deemed to constitute consent or acceptance, then a copy of such notice or other communication should also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED.")

If to the Indenture Trustee:

Wells Fargo Bank, National Association
6th & Marquette MAC N9311-161
Minneapolis, MN 55479
Attention: Corporate Trust Services / Asset Backed Administration
Facsimile: (612) 667-3464

If to Fitch:

Fitch Ratings
70 W. Madison Street
Chicago, Illinois 60602
Attn: ABS Monitoring Group-Whole Business
Facsimile: (312) 368-2069

If to Moody's:

Moody's Investors Service, Inc.
7 World Trade Center at 250 Greenwich Street
New York, NY 10007
Attention: ABS Monitoring Department
Facsimile: (212) 553-0573

with a copy of all notices pertaining to other indebtedness:

Moody's Investors Services, Inc.
7 World Trade Center at 250 Greenwich Street
New York, NY 10007
Attention: Asset Finance Group – Team Managing Director

If to Standard & Poor's:

Standard & Poor's Rating Services
55 Water Street, 42nd Floor
New York, NY 10041-0003
Attention: ABS Surveillance Group – New Assets
E mail: Servicer_reports@sandp.com

Section 7.16 Legal Holidays.

In the event that the date of any Payment Date or Series 2007-1 Prepayment Date shall not be a Business Day, then, notwithstanding any other provision of the Notes or this Series 2007-1 Supplement, 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 Series 2007-1 Prepayment 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.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the Co-Issuers and the Indenture Trustee have caused this Series 2007-1 Supplement to be duly executed by its respective duly authorized officer as of the day and year first written above.

APPLEBEE'S ENTERPRISES LLC, as
Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS NORTH
LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS WEST
LLC, as Co-Issuer

By: /s/ Beverly Elving
Name: Beverly Elving
Title:

APPLEBEE'S RESTAURANTS TEXAS

LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS INC.,
as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS MID-
ATLANTIC LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS
VERMONT, INC., as Co-Issuer

By: /s/ Rebecca Tilden
Name: Rebecca Tilden
Title: President

APPLEBEE'S RESTAURANTS KANSAS
LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S IP LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

WELLS FARGO BANK, NATIONAL
ASSOCIATION,
in its capacity as Indenture Trustee and
as Securities Intermediary

By: /s/ Melissa Philibert
Name: Melissa Philibert
Title: Vice President

ANNEX A

SERIES 2007-1 SUPPLEMENTAL DEFINITIONS LIST

"Acquiring Committed Note Purchaser" has the meaning set forth in Section 9.17(a) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Acquiring Investor Group" has the meaning set forth in Section 9.17(d) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Advance" has the meaning set forth in the recitals to the Series 2007-1 Class A-1 Note Purchase Agreement.

"Advance Request" has the meaning set forth in Section 7.03(d) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Advance Sub-Class" has the meaning set forth in "Designation" in the Series 2007-1 Supplement.

"Affected Person" has the meaning set forth in Section 3.05 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Agent Indemnified Liabilities" has the meaning set forth in Section 9.05(c)(i) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Agent Indemnified Parties" has the meaning set forth in Section 9.05(c)(i) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Aggregate Unpaids" has the meaning set forth in Section 5.01 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Applicable Agent Indemnified Parties" has the meaning set forth in Section 9.05(c)(ii) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Applicable Sub-Class Percentage" means, (i) for any Series 2007-1 Class A-1 Advance Sub-Class whose designation includes the alphanumeric label "A-1-A", 30%; and (ii) for any Series 2007-1 Class A-1 Advance Sub-Class whose designation includes the alphanumeric label "A-1-X", 70%.

"Applicable Swingline Loan has the meaning set forth in Section 2.06(e) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Application" means an application, in such form as the applicable L/C Issuing Bank may specify from time to time, requesting such L/C Issuing Bank to open a Letter of Credit.

"Assignment and Assumption Agreement" has the meaning set forth in Section 9.17(a) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Assured Guaranty" means Assured Guaranty Corp., a Maryland-domiciled insurance company, and any successors thereto.

"Base Rate" means, on any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Rate in effect on such day. 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 any rate of interest calculated by reference to the Base Rate will take effect simultaneously with each change in the Base Rate.

"Base Rate Advance" means an Advance (including, without limitation, a Swingline Loan, an Unreimbursed L/C Drawing or any Seasoned Base Rate Advance) which bears interest at a rate of interest determined by reference to the Base Rate during such time as it bears interest at such rate, as provided in the Series 2007-1 Class A-1 Note Purchase Agreement.

"Borrowing" has the meaning set forth in Section 2.02(d) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Breakage Amount" has the meaning set forth in Section 3.06 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"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 2007-1 Closing Date or (b) any request, guideline or directive (whether or not having the force of law) 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 a Governmental Authority) 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 2007-1 Closing Date.

"Class A-1 Administrative Agent" has the meaning set forth in the preamble to the Series 2007-1 Class A-1 Note Purchase Agreement. For purposes of the Indenture, the "Administrative Agent" shall be deemed to be a "Class A-1 Administrative Agent."

"Class A-1 Administrative Agent Fees" has the meaning set forth in the definition of "Administrative Agent Fees" in the Series 2007-1 Class A-1 VFN Fee Letter.

"Class A-1 Amendment Expenses" means all amounts payable pursuant to clause (a)(ii) of Section 9.05 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Class A-1 Indemnities" means all amounts payable pursuant to Sections 9.05(b) and (c) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Class A-1 Taxes" has the meaning set forth in Section 3.08 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Class A-1-A Investor Group" means (i) for each Conduit Investor listed on the "Class A-1-A" portion of Schedule I to the Series 2007-1 Class A-1 Note Purchase Agreement, collectively, such Conduit Investor, the related Committed Note Purchaser(s) set forth opposite the name of such Conduit Investor on Schedule I-Class A-1-A to the Series 2007-1 Class A-1 Note Purchase Agreement (or, if applicable, set forth for such Conduit Investor in the Assignment and Assumption Agreement or Investor Group Supplement pursuant to which such Conduit Investor or Committed Note Purchaser becomes a party thereto), any related Program Support Provider(s) and the related Funding Agent (and such Funding Agent or its designee shall constitute the Series 2007-1 Class A-1-A Noteholder for such Investor Group) and (ii) for each other Committed Note Purchaser that is listed on the "Class A-1-A" portion of Schedule I to the Series 2007-1 Class A-1 Note Purchase Agreement and that is not related to a Conduit Investor, collectively, such Committed Note Purchaser, any related Program Support Provider(s) and the related Funding Agent (and such Funding Agent or its designee shall constitute the Series 2007-1 Class A-1-A Noteholder for such Investor Group).

"Class A-1-X Investor Group" means (i) for each Conduit Investor listed on the "Class A-1-X" portion of Schedule I to the Series 2007-1 Class A-1 Note Purchase Agreement, collectively, such Conduit Investor, the related Committed Note Purchaser(s) set forth opposite the name of such Conduit Investor on Schedule I-Class A-1-X to the Series 2007-1 Class A-1 Note Purchase Agreement (or, if applicable, set forth for such Conduit Investor in the Assignment and Assumption Agreement or Investor Group Supplement pursuant to which such Conduit Investor or Committed Note Purchaser becomes a party thereto), any related Program Support Provider(s) and the related Funding Agent (and such Funding Agent or its designee shall constitute the Series 2007-1 Class A-1-X Noteholder for such Investor Group) and (ii) for each other Committed Note Purchaser that is listed on the "Class A-1-X" portion of Schedule I to the Series 2007-1 Class A-1 Note Purchase Agreement and that is not related to a Conduit Investor, collectively, such Committed Note Purchaser, any related Program Support Provider(s) and the related Funding Agent (and such Funding Agent or its designee shall constitute the Series 2007-1 Class A-1-X Noteholder for such Investor Group).

"Commercial Paper" means, with respect to any Conduit Investor, the promissory notes issued in the commercial paper market by or for the benefit of such Conduit Investor.

"Committed Note Purchaser" has the meaning set forth in the preamble to the Series 2007-1 Class A-1 Note Purchase Agreement.

“Committed Note Purchaser Percentage” means, on any date of determination, with respect to any Committed Note Purchaser in any Investor Group, the ratio, expressed as a percentage, which the Commitment Amount of such Committed Note Purchaser bears to such Investor Group’s Maximum Investor Group Principal Amount on such date.

“Commitment Amount” means, as to each Committed Note Purchaser with respect to any Advance Sub-class, the amount set forth on the portion of Schedule I to the Series 2007-1 Class A-1 Note Purchase Agreement relating to such Advance Sub-class opposite such Committed Note Purchaser’s name as its Commitment Amount or, in the case of a Committed Note Purchaser that becomes a party to the Series 2007-1 Class A-1 Note Purchase Agreement pursuant to an Assignment and Assumption Agreement or Investor Group Supplement, the amount set forth therein as such Committed Note Purchaser’s Commitment Amount, in each case, as such amount may be (i) reduced pursuant to Section 2.05 of the Series 2007-1 Class A-1 Note Purchase Agreement or (ii) increased or reduced by any Assignment and Assumption Agreement or Investor Group Supplement entered into by such Committed Note Purchaser in accordance with the terms of the Series 2007-1 Class A-1 Note Purchase Agreement.

“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 2007-1 Class A-1 Maximum Principal Amount on such date.

“Commitment Term” means the period from and including the Series 2007-1 Closing Date to but excluding the earlier of (a) the Commitment Termination Date and (b) the date on which the Commitments are terminated or reduced to zero in accordance with the Series 2007-1 Class A-1 Note Purchase Agreement.

“Commitment Termination Date” means the Series 2007-1 Adjusted Repayment Date.

“Commitments” means the obligation of each Committed Note Purchaser included in each Investor Group with respect to any Advance Sub-class to fund Advances pursuant to Section 2.02(a) of the Series 2007-1 Class A-1 Note Purchase Agreement and to participate in Swingline Loans and Letters of Credit pursuant to Sections 2.06 and 2.07 of the Series 2007-1 Class A-1 Note Purchase Agreement in an aggregate stated amount up to its Commitment Amount with respect to such Advance Sub-class.

“Conduit Assignee” means, with respect to any Conduit Investor or any Committed Note Purchaser, any assignee designated by the related Funding Agent to accept an assignment from such Conduit Investor or such Committed Note Purchaser, as applicable, of the Investor Group Principal Amount or a portion thereof with respect to such Conduit Investor or such Committed Note Purchaser pursuant to Section 9.17(b) and Section 9.17(c), respectively, of the Series 2007-1 Class A-1 Note Purchase Agreement, provided that, as of the effective date of the assignment, such assignee either meets the

criteria set forth in the following clauses (i) and (ii) or has otherwise been consented to by the Co-Issuers (such consent not to be unreasonably withheld):

(i) such assignee is, or is a Subsidiary of, a commercial paper conduit whose Commercial Paper is rated by at least two of the Specified Rating Agencies and is rated at least "A-1" from Standard & Poor's, "P1" from Moody's and/or "F1" from Fitch, as applicable, and

(ii) either (x) such assignee is administered by such Funding Agent or any Affiliate of such Funding Agent or (y) the Program Support Provider for such Conduit Investor with respect to the Investor Group Principal Amount being assigned is the Program Support Provider for such assignee with respect to such Investor Group Principal Amount.

"Conduit Investors" has the meaning set forth in the preamble to the Series 2007-1 Class A-1 Note Purchase Agreement.

"Confidential Information" for purposes of the Series 2007-1 Class A-1 Note Purchase Agreement, has the meaning set forth in Section 9.11 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"CP Advance" means an Advance that bears interest at a rate of interest determined by reference to the CP Rate during such time as it bears interest at such rate, as provided in the Series 2007-1 Class A-1 Note Purchase Agreement.

"CP Funding Rate" means, with respect to each Conduit Investor, for any day during any Interest Accrual Period, for any portion of the Advances funded or maintained through the issuance of Commercial Paper, the per annum rate equivalent to the weighted average cost (as determined by the related Funding Agent, and which shall include (without duplication) the fees and commissions of placement agents and dealers, incremental carrying costs incurred with respect to Commercial Paper maturing on dates other than those on which corresponding funds are received by such Conduit Investor, other borrowings by such Conduit Investor and any other costs associated with the issuance of Commercial Paper) of or related to the issuance of Commercial Paper that are allocated, in whole or in part, by such Conduit Investor or its related Funding Agent to fund or maintain such Advances for such Interest Accrual Period (and which may also be allocated in part to the funding of other assets of the Conduit Investor); provided, however, that if any component of any such rate is a discount rate, in calculating the "CP Funding Rate" for such Advances for such Interest Accrual Period, the related Funding Agent shall for such component use the rate resulting from converting such discount rate to an interest bearing equivalent rate per annum.

"CP Rate" means (a) with respect to the Series 2007-1 Class A-1-A Notes, on any day during any Interest Accrual Period, an interest rate per annum equal to the sum of (i) the CP Funding Rate for such Interest Accrual Period plus (ii) 220.5 basis points and (b) with respect to the Series 2007-1 Class A-1-X Notes, on any day during

any Interest Accrual Period, an interest rate per annum equal to the sum of (i) the CP Funding Rate for such Interest Accrual Period plus (ii) 285.5 basis points.

"Daily Class A-1 Insurer Premiums Amount" means for each day during any Interest Accrual Period (x) the sum of (a) the product of (i) the Used Premium Rate, multiplied by (ii) the Series 2007-1 Class A-1 Outstanding Principal Amount on such day, plus (b) the product of (i) the Unused Premium Rate, multiplied by (ii) the excess of the Series 2007-1 Class A-1 Maximum Principal Amount over the Series 2007-1 Class A-1 Outstanding Principal Amount on such day divided by (y) 360.

"Daily Commitment Fee Amount" means, for any day during any Interest Accrual Period, the Undrawn Commitment Fees that accrue for such day.

"Daily Excess A-1 Interest Amount" means, (a) for any CP Advance outstanding on any day during any Interest Accrual Period, the excess, if any, of (i) the result of (x) the product of (A) the CP Rate in effect for such Advance for such Interest Accrual Period and (B) the principal amount of such Advance outstanding as of the close of business on such day divided by (y) 360, over (ii) the portion of the Daily Senior Interest Amount for such day that is attributable to such Advance, and (b) for any Seasoned Base Rate Advance outstanding on any day during any Interest Accrual Period, the excess if any, of (i) the result of the product of (A) the Base Rate in effect for such Advance for such day and (B) the principal amount of such Advance outstanding as of the close of business on such day, divided by (y) 365 or 366, as applicable, over (ii) the portion of the Daily Senior Interest Amount for such day that is attributable to such Advance.

"Daily Extension Contingent Additional Interest Amount" means, for any day during any Interest Accrual Period occurring during any Series 2007-1 Extension Period, the sum of (a) the result of (i) the product of (x) the Series 2007-1 Class A-1 Extension Contingent Additional Rate multiplied by (y) the Series 2007-1 Class A-1 Outstanding Principal Amount (excluding any Base Rate Advances and Undrawn L/C Face Amounts included therein) as of the close of business on such day divided by (ii) 360 and (b) the result of (i) the product of (x) the Series 2007-1 Class A-1 Extension Contingent Additional Rate and (y) any Base Rate Advances included in the Series 2007-1 Class A-1 Outstanding Principal Amount as of the close of business on such day divided by (ii) 365 or 366, as applicable.

"Daily Extension Contingent Additional L/C Fees Amount" means, for any day during any Interest Accrual Period occurring during the Series 2007-1 Extension Period, the result of (a) the product of (i) the Series 2007-1 Class A-1 Extension Contingent Additional Rate multiplied by (ii) any Undrawn L/C Face Amounts as of the close of business on such day divided by (b) 360.

"Daily Insured Interest Amount" shall mean the portion of the Daily Senior Interest Amount attributable to the Series 2007-1 Class A-1-A Notes.

"Daily Post-ARD Contingent Additional Interest Amount" means, for any

day during any Interest Accrual Period commencing on or after the Series 2007-1 Adjusted Repayment Date, the sum of (a) the result of (i) the product of (x) the Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Rate and (y) the Series 2007-1 Class A-1 Outstanding Principal Amount (excluding any Base Rate Advances and Undrawn L/C face Amounts included therein) as of the close of business on such day divided by (ii) 360 and (b) the result of (i) the product of (x) the Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Rate and (y) any Base Rate Advances included in the Series 2007-1 Class A-1 Outstanding Principal Amount as of the close of business on such day divided by (ii) 365 or 366, as applicable.

"Daily Senior Interest Amount" means, for any day during any Interest Accrual Period, the sum of the following amounts:

(a) 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 Accrual Period and (y) the principal amount of such Advance outstanding as of the close of business on such day divided by (ii) 360; plus

(b) with respect to any Base Rate Advance that is not a Seasoned 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

(c) with respect to any Seasoned Base Rate Advance outstanding on such day, the result of (i) the product of (x) the lesser of (A) the Base Rate in effect for such day and (B) the Eurodollar Rate that would be in effect for such Interest Accrual Period if such Seasoned Base Rate Advance were a Eurodollar Advance and (y) the principal amount of such Seasoned Base Rate Advance outstanding as of the close of business on such day divided by (ii) if the lesser of (A) and (B) above is (A), 365 or 366, as applicable, and if the lesser of (A) and (B) above is (B), 360; plus

(d) 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 Accrual Period and (B) the Eurodollar Rate that would be in effect for such Interest Accrual 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; plus

(e) with respect to any Swingline Loans or Unreimbursed L/C Drawings 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 Class A-1 Swingline Loans and Unreimbursed L/C Drawings outstanding as of the close of business on such day divided by (ii) 365 or 366, as applicable (provided that for the purposes of this definition of "Daily Senior Interest Amount" and the definition of "Daily Excess A-1 Interest Amount," as well as any use of either definition in any of the Related Documents, any Swingline Loan or Unreimbursed L/C Drawing that has been outstanding for more than two Business Days shall, for each day any such Swingline Loan or Unreimbursed L/C Drawing is outstanding after such two Business Day period, be deemed to be a "Seasoned

Base Rate Advance" and shall be governed by clause (c) above and by clause (b) of the definition of "Daily Excess A-1 Interest Amount" and not this clause (e)); plus

(f) with respect to any Undrawn L/C Face Amounts outstanding on such day, the L/C Monthly Fees and L/C Fronting Fees that accrue thereon for such day.

"Debt Service Coverage Ratios" refers to the following debt service coverage ratios: (i) the Three-Month DSCR, (ii) the Three-Month Adjusted DSCR, (iii) One-Year DSCR, and (iv) the One-Year Adjusted DSCR, in each case as such terms are defined in the Base Indenture.

"Decrease" means a Mandatory Decrease or a Voluntary Decrease, as applicable.

"Deficiency Amount" has, with respect to the Series 2007-1 Class A Insurer, the meaning set forth in the Series 2007-1 Class A Policy.

"DTC" means The Depository Trust Company, and any successor thereto.

"EDSF Rate" means, when used with respect to any Business Day, the rate derived from the Eurodollar Synthetic Forward Curve appearing on Bloomberg (or any successor service or, if such service or successor service is not available, a substitute rate, which will be the median of three quoted rates determined by the Indenture Trustee requesting at the expense of the Co-Issuers substitute rate quotes from three broker dealers of nationally recognized standing), adjusted for 30/360 day count convention expressed as a number of basis points per annum.

"Eligible Conduit Investor" means, at any time, any Conduit Investor whose Commercial Paper at such time is rated by at least two of the Specified Rating Agencies and is rated at least "A-1" from Standard & Poor's, "P-1" from Moody's and/or "F-1" from Fitch, as applicable.

"Eurodollar Advance" means an Advance that bears interest at a rate of interest determined by reference to the Eurodollar Rate during such time as it bears interest at such rate, as provided in the Series 2007-1 Class A-1 Note Purchase Agreement.

"Eurodollar Business Day" means any Business Day on which dealings are also carried on in the London interbank market and banks are open for business in London.

"Eurodollar Funding Rate" means, for any Eurodollar Interest Period, the rate per annum determined by the Class A-1 Administrative Agent at approximately 11:00 a.m. (London time) on the date that is two Eurodollar Business Days prior to the beginning of such Eurodollar Interest Period by reference to the British Bankers' Association Interest Settlement Rates for deposits in Dollars (appearing on page 3750 of the Telerate Service or any successor to or substitute for such service selected by the

Class A-1 Administrative Agent and 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 Period; provided that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the "Eurodollar Funding Rate" shall be the rate (rounded upward, if necessary, to the nearest one hundred-thousandth of a percentage point), determined by the Class A-1 Administrative Agent to be the average of the offered rates for deposits in Dollars in the amount of $1,000,000 for a period of time comparable to such Eurodollar Interest Period which are offered by three leading banks in the London interbank market at approximately 11:00 a.m. (London time) on the date that is two Eurodollar Business Days prior to the beginning of such Eurodollar Interest Period as selected by the Class A-1 Administrative Agent (unless the Class A-1 Administrative Agent is unable to obtain such rates from such banks, it will be deemed that a Eurodollar Funding Rate cannot be ascertained for purposes of Section 3.04 of the Series 2007-1 Class A-1 Note Purchase Agreement). In respect of any Eurodollar Interest Period that is less than one month in duration and if no Eurodollar Funding Rate is otherwise determinable with respect thereto in accordance with the preceding sentence of this definition, the Eurodollar Funding 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 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 Period.

"Eurodollar Funding Rate (Reserve Adjusted)" means, for any Eurodollar Interest Period, an interest rate per annum (rounded upward to the nearest 1/100th of 1%) determined pursuant to the following formula:

$$\text{Eurodollar Funding Rate (Reserve Adjusted)} = \frac{\text{Eurodollar Funding Rate}}{[1.00] - \text{Eurodollar Reserve Percentage}}$$

The Eurodollar Funding Rate (Reserve Adjusted) for any Eurodollar Interest Period will be determined by the Class A-1 Administrative Agent on the basis of the Eurodollar Reserve Percentage in effect two Eurodollar Business Days before the first day of such Eurodollar Interest Period.

"Eurodollar Interest Period" means, (a) with respect to any Eurodollar Advance, (x) initially, the period commencing on and including the Eurodollar Business Day such Advance first becomes a Eurodollar Advance in accordance with Section 3.01 of the Series 2007-1 Class A-1 Note Purchase Agreement and ending on but excluding the second Business Day before the next Accounting Date and (y) each period commencing on the second Business Day before each Accounting Date while such Advance is outstanding as a Eurodollar Advance and ending on but excluding the second Business Day before the next succeeding Accounting Date; provided, however, that

(i) no Eurodollar Interest Period may end subsequent to the second Business Day before the Accounting Date occurring immediately prior to the then-current Series 2007-1 Adjusted Repayment Date; and

(ii) upon the occurrence and during the continuation of any Rapid Amortization Period or any Event of Default, any Eurodollar Interest Period with respect to the Eurodollar Advances of all Investor Groups may be terminated at the end of the then-current Eurodollar Interest Period (or, if the Class A-1 Notes have been accelerated in accordance with Section 9.2 of the Base Indenture, immediately), at the election of the Class A-1 Administrative Agent or Investor Groups holding in the aggregate more than 50% of the Eurodollar Tranche, by notice to the Co-Issuers, the Servicer, the Series 2007-1 Class A Insurer and the Funding Agents, and upon such election the Eurodollar Advances in respect of which interest was calculated by reference to such terminated Eurodollar Interest Period shall be converted to Base Rate Advances; and

(b) for purposes of the definition of Interest Reserve Daily Calculation Rate, each Reference Eurodollar Interest Period.

"Eurodollar Rate" means (a) with respect to the Series 2007-1 Class A-1-A Notes, on any day during any Eurodollar Interest Period, an interest rate per annum equal to the sum of (i) the Eurodollar Funding Rate (Reserve Adjusted) for such Eurodollar Interest Period plus (ii) 220.5 basis points and (b) with respect to the Series 2007-1 Class A-1-X Notes, on any day during any Eurodollar Interest Period, an interest rate per annum equal to the sum of (i) the Eurodollar Funding Rate (Reserve Adjusted) for such Eurodollar Interest Period plus (ii) 285.5 basis points.

"Eurodollar Reserve Percentage" means, for any Eurodollar Interest 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 liabilities or assets constituting "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 Period.

"Eurodollar Tranche" means any portion of the Series 2007-1 Class A-1 Outstanding Principal Amount funded or maintained with Eurodollar Advances.

"Existing Letters of Credit" has the meaning set forth in Section 2.10 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"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 published in Federal Reserve Board Statistical Release H.15(519) or any successor or substitute publication selected by the Class A-1 Administrative Agent

(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 reasonable opinion of the Class A-1 Administrative Agent, 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 time).

"Fitch" means Fitch, Inc., doing business as Fitch Ratings, or any successor thereto.

"Foreign Affected Person" has the meaning set forth in Section 3.08(a) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"F.R.S. Board" means the Board of Governors of the Federal Reserve System.

"Funding Agent" has the meaning set forth in the preamble to the Series 2007-1 Class A-1 Note Purchase Agreement.

"Funding Agent Indemnified Parties" has the meaning set forth in Section 9.05(c)(ii) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Increase" has the meaning set forth in Section 3.1(a) of the Series 2007-1 Supplement.

"Increased Capital Costs" has the meaning set forth in Section 3.07 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Increased Costs" has the meaning set forth in Section 3.05 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Increased Tax Costs" has the meaning set forth in Section 3.08 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Indemnified Liabilities" has the meaning set forth in Section 9.05(b) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Indemnified Parties" has the meaning set forth in Section 9.05(b) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Initial Purchaser" means Lehman Brothers Inc.

"Insured Amounts" has, with respect to the Series 2007-1 Class A Insurer, the meaning set forth in the Series 2007-1 Class A Policy.

"Insured Obligations" has, with respect to the Series 2007-1 Class A Insurer, the meaning set forth in the Series 2007-1 Class A Policy.

"Insured Senior Notes": As of any date of determination, the Series 2007-1 Class A-1-A Notes and the Series 2007-1 Class A-2-II-A Notes, the payments on which are insured by an Insurance Policy in effect on such date.

"Insured Senior Notes Percentage": As of any date of determination, the percentage obtained by dividing (i) the Aggregate Outstanding Principal Amount of all Insured Senior Notes on such date by (ii) the Aggregate Outstanding Principal Amount of all Series 2007-1 Class A-1 Notes and Series 2007-1 Class A-2 Notes on such date, assuming for purposes of both clause (i) and clause (ii) that the commitments (including any issued by undrawn letters of credit) with respect to any Senior Notes designated as Class A-1 are fully drawn on such date.

"Insurer Make-Whole Premium" means (i) with respect to the Series 2007-1 Notes, the Series 2007-1 Insurer Make-Whole Premium, and (ii) with respect to any other Series of Notes, as specified in the applicable Series Supplement.

"Interest Reserve Daily Calculation Rate" means, (a) for any Collection Period that ends on or prior to December 31, 2007, 7.7275% and (b) for any Collection Period thereafter, the average of the Eurodollar Rates for each of the Reference Eurodollar Interest Periods for such Collection Period; provided, however, that, in the case of this clause (b), if the Reference Base Rate Percentage for such Collection Period exceeds 25%, then the Interest Reserve Daily Calculation Rate for such Collection Period shall be the sum of (i) the product of (x) such Reference Base Rate Percentage and (y) the average of the Base Rates in effect on the first Business Day of each week in the related Reference Quarter and (ii) the product of (x) 100% minus such Reference Base Rate Percentage and (y) the average of the Eurodollar Rates for each of the related Reference Eurodollar Interest Periods.

"Investor" means any one of the Conduit Investors and the Committed Note Purchasers and " Investors" means the Conduit Investors and the Committed Note Purchasers collectively.

"Investor Group" means any Class A-1-A Investor Group or any Class A-1-X Investor Group, as the context may require. For the avoidance of doubt, when used in relation to any particular Advance Sub-class, the term "Investor Group" means each Investor Group listed on the portion of Schedule I to the Series 2007-1 Class A-1 Note Purchase Agreement relating to such Advance Sub-class.

"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 2007-1 Closing Date, an amount equal to (i) such Investor Group's Commitment Percentage of the Series 2007-1 Class A-1 Initial Advance Principal Amount plus (ii) such Investor Group's Commitment Percentage of the Series 2007-1 Class A-1 Outstanding Subfacility Amount outstanding on the Series

2007-1 Closing Date, 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 (excluding any Series 2007-1 Class A-1 Outstanding Subfacility Amount included therein) 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 on the Series 2007-1 Class A-1 Advance Notes on such date plus (iv) such Investor Group's Commitment Percentage of the Series 2007-1 Class A-1 Outstanding Subfacility Amount outstanding on such date.

"Investor Group Supplement" has the meaning set forth in Section 9.17(d) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"L/C Additional Charges" has the meaning set forth in Section 2.07(e) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"L/C Commitment" means the obligation of the L/C Provider to provide Letters of Credit pursuant to Section 2.07 of the Series 2007-1 Class A-1 Note Purchase Agreement, in an aggregate Undrawn L/C Face Amount, together with any Unreimbursed L/C Drawings, at any one time outstanding not to exceed $50,000,000, as such amount may be reduced or increased pursuant to Section 2.07(g) of the Series 2007-1 Class A-1 Note Purchase Agreement or reduced pursuant to Section 2.05(b) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"L/C Fronting Fees" has the meaning set forth in Section 2.07(e) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"L/C Fronting Fees Rate" has the meaning set forth in the Series 2007-1 Class A-1 VFN Fee Letter, not to exceed one percent (1.00%) per annum.

"L/C Issuing Bank" has the meaning set forth in Section 2.07(h) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"L/C Monthly Fees" has the meaning set forth in Section 2.07(d) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"L/C Monthly Fees Rate" has the meaning set forth in the Series 2007-1 Class A-1 VFN Fee Letter, not to exceed (i) with respect to the portion of the Undrawn L/C Face Amounts allocable to the Series 2007-1 Class A-1-A Notes, a per annum rate equal to 220.5 basis points per annum (2.205%) and (ii) with respect to the portion of the Undrawn L/C Face Amounts allocable to the Series 2007-1 Class A-1-X Notes, a per annum rate equal to 285.5 basis points (2.855%).

"L/C Obligations" means, at any time, an amount equal to the sum of (i) any Undrawn L/C Face Amounts outstanding at such time and (ii) any Unreimbursed L/C Drawings outstanding at such time.

"L/C Other Reimbursement Costs" has the meaning set forth in Section 2.08(a)(ii) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"L/C Provider" has the meaning set forth in the preamble to the Series 2007-1 Class A-1 Note Purchase Agreement.

"L/C Reimbursement Amount" has the meaning set forth in Section 2.08(a) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"L/C Sub-Class" has the meaning set forth in "Designation" in the Series 2007-1 Supplement.

"Lender Party" means any Investor, the Swingline Lender or the L/C Provider and "Lender Parties" means the Investors, the Swingline Lender and the L/C Provider, collectively.

"Letter of Credit" has the meaning set forth in Section 2.07(a) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Mandatory Decrease" has the meaning set forth in Section 3.2(a) of the Series 2007-1 Supplement.

"Margin Stock" means "margin stock" as defined in Regulation U of the F.R.S. Board, as amended from time to time.

"Maximum Investor Group Principal Amount" means, as to each Investor Group existing on the Series 2007-1 Closing Date, the amount set forth on Schedule I to the Series 2007-1 Class A-1 Note Purchase Agreement as such Investor Group's Maximum Investor Group Principal Amount or, in the case of any other Investor Group, the amount set forth as such Investor Group's Maximum Investor Group Principal Amount in the Assignment and Assumption Agreement or Investor Group Supplement by which the members of such Investor Group become parties to the Series 2007-1 Class A-1 Note Purchase Agreement, in each case, as such amount may be (i) reduced pursuant to Section 2.05 of the Series 2007-1 Class A-1 Note Purchase Agreement or (ii) increased or reduced by any Assignment and Assumption Agreement or Investor Group Supplement entered into by the members of such Investor Group in accordance with the terms of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Monthly Extension Prepayment Notice" has the meaning set forth in Section 4.7(f) of the Series 2007-1 Supplement.

"Non-Excluded Taxes" has the meaning set forth in Section 3.08 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Offering Memorandum" means the Offering Memorandum for the offering of the Series 2007-1 Class A-2 Notes and the Series 2007-1 Class M-1 Notes to

be prepared by the Co-Issuers pursuant to Section 4(e) of the Series 2007-1 Term Note Purchase Agreement.

"Official Body" has the meaning set forth in the definition of "Change in Law."

"One-Month LIBOR" means, for any Interest Accrual Period, the London interbank offered rate for Eurodollar deposits for one month which appears on the display designated as page 3750 on the Telerate Service (or such other page as may replace page 3750 on that service for the purpose of displaying London interbank offered rates of major banks, or if such service is no longer offered, such other service for displaying LIBOR or comparable rates as may be selected by the Indenture Trustee) as of 11:00 a.m., London time, on the second Eurodollar Business Day prior to the first day of such Interest Accrual Period. If such rate does not appear on such page of any such service, the rate will be determined on the basis of the rates at which deposits in U.S. Dollars are offered by the reference banks (which will be three major banks that are engaged in transactions in the London interbank market, selected by the Indenture Trustee) as of 11:00 a.m., London time, on the second Eurodollar Business Day prior to the first day of such Interest Accrual Period to prime banks in the London interbank market for a period of one month in amounts approximately equal to the principal amount of the relevant Class of Notes then outstanding. The Indenture Trustee will request the principal London office of each of the reference banks to provide a quotation of its rate. If at least two such quotations are provided, the rate will be the arithmetic mean of the quotations. If on such date fewer than two quotations are provided as requested, the rate will be the arithmetic mean of the rates quoted by two or more major banks in New York City, selected by the Indenture Trustee, as of 11:00 a.m., New York City time, on such date for loans in U.S. Dollars to leading European banks for a period of one month in amounts approximately equal to the principal amount of the relevant Class of Notes then outstanding. If no such quotations can be obtained, the rate will be the One-Month LIBOR for the prior Interest Accrual Period.

"Other Class A-1 Transaction Expenses" means all amounts payable pursuant to Section 9.05 of the Series 2007-1 Class A-1 Note Purchase Agreement other than Class A-1 Amendment Expenses.

"Outstanding Series 2007-1 Class A-1 Notes" means with respect to the Series 2007-1 Class A-1 Notes, all Series 2007-1 Class A-1 Notes theretofore authenticated and delivered under the Indenture, except (a) Series 2007-1 Class A-1 Notes theretofore cancelled or delivered to the Registrar for cancellation, (b) Series 2007-1 Class A-1 Notes that have not been presented for payment but funds for the payment in full of which are on deposit in the Series 2007-1 Class A-1 Distribution Account and are available for payment of such Series 2007-1 Class A-1 Notes and the Commitments with respect to which have terminated and (c) Series 2007-1 Class A-1 Notes in exchange for or in lieu of other Series 2007-1 Class A-1 Notes that have been authenticated and delivered pursuant to the Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Series 2007-1 Class A-1 Notes are held by a purchaser for value.

“Outstanding Series 2007-1 Class A-2 Notes” means with respect to the Series 2007-1 Class A-2 Notes, all Series 2007-1 Class A-2 Notes theretofore authenticated and delivered under the Indenture, except (a) Series 2007-1 Class A-2 Notes theretofore cancelled or delivered to the Registrar for cancellation, (b) Series 2007-1 Class A-2 Notes that have not been presented for payment but funds for the payment in full of which are on deposit in the Series 2007-1 Class A-2 Distribution Account and are available for payment of such Series 2007-1 Class A-2 Notes and (c) Series 2007-1 Class A-2 Notes in exchange for or in lieu of other Series 2007-1 Class A-2 Notes that have been authenticated and delivered pursuant to the Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Series 2007-1 Class A-2 Notes are held by a purchaser for value.

“Outstanding Series 2007-1 Class M-1 Notes” means with respect to the Series 2007-1 Class M-1 Notes, all Series 2007-1 Class M-1 Notes theretofore authenticated and delivered under the Indenture, except (a) Series 2007-1 Class M-1 Notes theretofore cancelled or delivered to the Registrar for cancellation, (b) Series 2007-1 Class M-1 Notes that have not been presented for payment in full but funds for the payment of which are on deposit in the Series 2007-1 Class M-1 Distribution Account and are available for payment of such Series 2007-1 Class M-1 Notes and (c) Series 2007-1 Class M-1 Notes in exchange for or in lieu of other Series 2007-1 Class M-1 Notes that have been authenticated and delivered pursuant to the Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Series 2007-1 Class M-1 Notes are held by a purchaser for value.

“Outstanding Series 2007-1 Notes” means, collectively, all Outstanding Series 2007-1 Class A-1 Notes, all Outstanding Series 2007-1 Class A-2 Notes and all Outstanding Series 2007-1 Class M-1 Notes.

“Potential Series 2007-1 Rapid Amortization Event” means any occurrence or event which, with the giving of notice, the passage of time or both, would constitute a Series 2007-1 Rapid Amortization Event.

“Preference Amount” has, with respect to the Series 2007-1 Class A Insurer, the meaning set forth in the Series 2007-1 Class A Policy.

“Prepayment Notice” has the meaning set forth in Section 4.7(f) of the Series 2007-1 Supplement.

“Prepayment Record Date” means, with respect to the date of any Series 2007-1 Prepayment, the last day of the calendar month immediately preceding the date of such Series 2007-1 Prepayment unless such last day is less than ten (10) Business Days prior to the date of such Series 2007-1 Prepayment, in which case the “Prepayment Record Date” will be the last day of the second calendar month immediately preceding the date of such Series 2007-1 Prepayment.

“Pricing Disclosure Package” has the meaning set forth in the Series 2007-1 Class A-2/M-1/Note Purchase Agreement.

"Prime Rate" means the rate announced by Citibank N.A. or any successor thereto 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 such Person in connection with extensions of credit to debtors.

"Program Support Agreement" means, with respect to any Investor, any agreement entered into by any Program Support Provider in respect of any Commercial Paper and/or Series 2007-1 Class A-1 Note of such Investor providing for the issuance of one or more letters of credit for the account of such Investor, the issuance of one or more insurance policies for which such Investor is obligated to reimburse the applicable Program Support Provider for any drawings thereunder, the sale by such Investor to any Program Support Provider of the Series 2007-1 Class A-1 Notes (or portions thereof or interests therein) and/or the making of loans and/or other extensions of credit to such Investor in connection with such 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, with respect to any Investor, 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, such Investor in respect of such Investor's Commercial Paper and/or Series 2007-1 Class A-1 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 Investor's securitization program as it relates to any Commercial Paper issued by such Investor, and/or holding equity interests in such Investor, in each case pursuant to a Program Support Agreement, and any guarantor of any such Person.

"Rating Agencies" means, with respect to each Class of Series 2007-1 Senior Notes, S&P, Moody's, Fitch and any other nationally recognized rating agency then rating any such Class of Series 2007-1 Senior Notes at the request of the Co-Issuers and, with respect to the Series 2007-1 Subordinated Notes, S&P, Fitch and any other nationally recognized rating agency then rating such Series 2007-1 Subordinated Notes at the request of the Co-Issuers.

"Rating Agency Condition" means, with respect to any prospective action or occurrence, a condition that will be satisfied if each Rating Agency (or, if so specified, the relevant Rating Agency) notifies the Indenture Trustee (and, with respect to any Series of Notes that is insured by an Insurer, such Insurer) in writing that such action or occurrence, as the case may be, will not result in a withdrawal or reduction of the ratings specified in the Base Indenture or the applicable Series Supplement, without giving effect to any Insurance Policy, by S&P, Moody's or Fitch, respectively, below certain specified thresholds.

"Reference Base Rate Percentage" means, for any Collection Period, the percentage of (a) the average daily outstanding principal or face amount of all Base Rate Advances, Swingline Loans and Unreimbursed L/C Drawings during the Reference

Quarter for such Collection Period to (b) the average daily outstanding principal or face amount of all Advances, Swingline Loans and Unreimbursed L/C Drawings during such Reference Quarter.

"Reference Eurodollar Interest Period" means, for any Collection Period, the one-month period that commences on the first Business Day of such Collection Period.

"Refunded Swingline Loans" has the meaning set forth in Section 2.06(d) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Refunding Date" has the meaning set forth in Section 2.06(e) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Reimbursement Obligation" means the obligation of the Co-Issuers to reimburse the L/C Provider pursuant to Section 2.08 of the Series 2007-1 Class A-1 Note Purchase Agreement for amounts drawn under Letters of Credit.

"Restricted Period" means, with respect to any Series 2007-1 Class A-2 Notes or Series 2007-1 Subordinated Notes issued on the Series 2007-1 Closing Date and sold pursuant to Regulation S, the period commencing on such Series 2007-1 Closing Date and ending on the 40th day after the Series 2007-1 Closing Date.

"Seasoned Base Rate Advance" means any Base Rate Advance that has been outstanding for more than two (2) Business Days.

"Series 2007-1 Accrued Insurer Premium Amount" means, with respect to each Payment Date, the aggregate amount of the Insurer Premiums for all Classes of Insured Senior Notes for the Interest Accrual Period ending on the related Payment Date *plus* any Carryover Accrued Insurer Premium Amount for such Payment Date.

"Series 2007-1 Adjusted Repayment Date" means the date established as the Series 2007-1 Adjusted Repayment Date in accordance with Section 4.7(b) of the Series 2007-1 Supplement.

"Series 2007-1 Anticipated Life" means the period of time from and including the Series 2007-1 Make-Whole Amount Calculation Date to but excluding the Series 2007-1 Adjusted Repayment Date.

"Series 2007-1 Anticipated Repayment Date" has the meaning set forth in Section 4.7(b) of the Series 2007-1 Supplement.

"Series 2007-1 Cash Trap Reserve Amount" means the "Cash Trap Reserve Amount," as defined in the Base Indenture.

Series 2007-1 Cash Trap Reserve Cure Date" means the "Cash Trap Reserve Cure Date," as defined in the Base Indenture.

"Series 2007-1 Class A Insurance Agreement" means that certain Insurance and Indemnity Agreement, dated as of the Series 2007-1 Closing Date, by and among the Series 2007-1 Class A Insurer, Applebee's International, IHOP Corp., Applebee's Services Inc., the Franchise Holder, the SPV Pledgor, the Co-Issuers and the Indenture Trustee, pursuant to which the Series 2007-1 Class A Policy shall be issued, as the same may be amended, supplemented or otherwise modified from time to time pursuant to the terms thereof.

"Series 2007-1 Class A Insurer" means, Assured Guaranty.

"Series 2007-1 Class A Policy" means the financial guaranty insurance policy no. D-2007-151, together with all endorsements thereto, delivered by Assured Guaranty to the Indenture Trustee for the benefit of the applicable Series 2007-1 Senior Noteholders pursuant to Series 2007-1 Class A Insurance Agreement, as amended, supplemented or otherwise modified from time to time.

"Series 2007-1 Class A Premium Letter" means, that certain Premium Letter, dated November 29, 2007 among the Co-Issuers and Assured Guaranty relating to the Insurer Premium payable to Assured Guaranty with respect to the Series 2007-1 Class A Policy issued by it and certain expenses payable by the Co-Issuers to or on behalf of Assured Guaranty.

"Series 2007-1 Class A-1 Administrative Agent" has the meaning set forth under "Class A-1 Administrative Agent" in this Annex A.

"Series 2007-1 Class A-1 Administrative Expenses" means, for any Payment Date, the aggregate amount of any Class A-1 Administrative Agent Fees, Class A-1 Amendment Expenses and L/C Additional Charges then due and payable and not previously paid. For purposes of the Indenture, the "Series 2007-1 Class A-1 Administrative Expenses" shall be deemed to be "Class A-1 Note Administrative Expenses."

"Series 2007-1 Class A-1 Advance" has the meaning set forth under "Advance" in this Annex A.

"Series 2007-1 Class A-1 Advance Notes" has the meaning set forth in "Designation" in the Series 2007-1 Supplement.

"Series 2007-1 Class A-1 Advance Request" has the meaning set forth under "Advance Request" in this Annex A.

"Series 2007-1 Class A-1 Advance Sub-class" has the meaning set forth under "Advance Sub-class" in this Annex A.

"Series 2007-1 Class A-1 Allocated Payment Reduction Amount" has the meaning set forth in Section 2.05(b)(iv) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Series 2007-1 Class A-1 Breakage Amount" has the same meaning as "Breakage Amount" in this Annex A.

"Series 2007-1 Class A-1 Commitment Fees Amount" means, as of any date of determination for any Interest Accrual Period, an amount equal to the aggregate of the Daily Commitment Fee Amounts for each day in such Interest Accrual Period. For purposes of the Indenture, the "Series 2007-1 Class A-1 Commitment Fees Amount" shall be deemed to be "Class A-1 Commitment Fees Amount."

"Series 2007-1 Class A-1 Commitment Term" has the same meaning as "Commitment Term" in this Annex A.

"Series 2007-1 Class A-1 Commitments" has the same meaning as "Commitments" in this Annex A.

"Series 2007-1 Class A-1 Contingent Additional Interest" means, as of any date of determination for any Interest Accrual Period occurring during any Series 2007-1 Extension Period, the sum of the aggregate of the Daily Extension Contingent Additional Interest Amounts for each day in such Interest Accrual Period.

"Series 2007-1 Class A-1 Contingent Additional L/C Fees" means, as of any date of determination for any Interest Accrual Period occurring during any Series 2007-1 Extension Period, the sum of the aggregate of the Daily Extension Contingent Additional L/C Fees Amounts for each day in such Interest Accrual Period.

"Series 2007-1 Class A-1 Distribution Account" has the meaning set forth in Section 4.8(a) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-1 Distribution Account Collateral" has the meaning set forth in Section 4.8(d) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-1 Excess Interest Amount" means with respect to any Series 2007-1 Class A-1 Notes for each Interest Accrual Period, an amount equal to the sum of (a) the aggregate of the Daily Excess A-1 Interest Amounts, if any, for the immediately preceding Interest Accrual Period and (b) all previously unpaid amounts described in clause (a) with respect to prior Interest Accrual Periods. For purposes of the Base Indenture, any Series 2007-1 Class A-1 Excess Interest Amount shall be deemed to be part of the "Class A-1 Excess Interest Amounts".

"Series 2007-1 Class A-1 Excess Principal Event" shall be deemed to have occurred if, on any date, (i) the Series 2007-1 Class A-1 Outstanding Principal Amount exceeds the Series 2007-1 Class A-1 Maximum Principal Amount, (ii) the Series 2007-1 Class A-1-A Outstanding Principal Amount exceeds the Series 2007-1 Class A-1-A Maximum Principal Amount or (iii) the Series 2007-1 Class A-1-X Outstanding Principal Amount exceeds the Series 2007-1 Class A-1-X Maximum Amount. For the avoidance of doubt, with respect to the Series 2007-1 Class A-1-A Notes, the Series 2007-1 Class A

Policy relating to such Notes does not cover any principal in excess of the Series 2007-1 Class A-1-A Maximum Principal Amount or any interest on any such excess principal.

"Series 2007-1 Class A-1 Extension Contingent Additional Rate" has the meaning set forth in Section 4.4(c) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-1 Initial Advance" has the meaning set forth in Section 3.1(a) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-1 Initial Advance Principal Amount" means the aggregate initial outstanding principal amount of the Series 2007-1 Class A-1 Advance Notes corresponding to the aggregate amount of the Series 2007-1 Class A-1 Advances made on the Series 2007-1 Closing Date pursuant to Section 3.1(a) of the Series 2007-1 Supplement, which is $75,000,000.

"Series 2007-1 Class A-1 Initial Aggregate Undrawn L/C Face Amount" means the aggregate initial outstanding principal amount of the Series 2007-1 Class A-1 L/C Notes of the L/C Provider corresponding to the aggregate Undrawn L/C Face Amounts of the Letters of Credit issued on the Series 2007-1 Closing Date pursuant to Section 2.07 of the Series 2007-1 Class A-1 Note Purchase Agreement, which is $0.

"Series 2007-1 Class A-1 Initial Swingline Loan" has the meaning set forth in Section 3.1(b) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-1 Initial Swingline Principal Amount" means the aggregate initial outstanding principal amount of the Series 2007-1 Class A-1 Swingline Notes corresponding to the aggregate amount of the Swingline Loans made on the Series 2007-1 Closing Date pursuant to Section 2.06 of the Series 2007-1 Class A-1 Note Purchase Agreement, which is $0.

"Series 2007-1 Class A-1 Interest Reserve Daily Calculation Amount" means, for any Collection Period, an amount equal to the result of (a) the product of (i) the Series 2007-1 Class A-1 Interest Reserve Daily Calculation Rate for such Collection Period multiplied by (ii) the Series 2007-1 Class A-1 Maximum Principal Amount on the first day of such Collection Period divided by (b) 360.

"Series 2007-1 Class A-1 Interest Reserve Daily Calculation Rate" has the meaning set forth under "Interest Reserve Daily Calculation Rate" in this Annex A.

"Series 2007-1 Class A-1 Investor" has the meaning set forth under "Investor" in this Annex A.

"Series 2007-1 Class A-1 Investor Group Supplement" has the meaning set forth under "Investor Group Supplement" in this Annex A.

"Series 2007-1 Class A-1 L/C Notes" has the meaning set forth in "Designation" in the Series 2007-1 Supplement.

"Series 2007-1 Class A-1 L/C Fees" means the L/C Monthly Fees and the L/C Fronting Fees. For purposes of the Indenture, the Series 2007-1 Class A-1 L/C Fees shall be deemed to be "Senior Notes Monthly Interest Amounts."

"Series 2007-1 Class A-1 L/C Obligations" has the meaning set forth under "L/C Obligations" in this Annex A.

"Series 2007-1 Class A-1 Maximum Principal Amount" means $100,000,000, as such amount may be reduced pursuant to Section 2.05 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Series 2007-1 Class A-1 Note Interest Rate" means, for any day, (a) with respect to that portion of the Series 2007-1 Class A-1 Outstanding Principal Amount resulting from Advances that bear interest on such day at the CP Rate in accordance with Section 3.01 of the Series 2007-1 Class A-1 Note Purchase Agreement, the CP Rate in effect for such day; (b) with respect to that portion of the Series 2007-1 Class A-1 Outstanding Principal Amount resulting from Advances that bear interest on such day at the Eurodollar Rate in accordance with Section 3.01 of the Series 2007-1 Class A-1 Note Purchase Agreement, the Eurodollar Rate in effect for the Eurodollar Interest Period that includes such day; (c) with respect to that portion of the Series 2007-1 Class A-1 Outstanding Principal Amount resulting from Advances that bear interest on such day at the Base Rate in accordance with Section 3.01 of the Series 2007-1 Class A-1 Note Purchase Agreement, the Base Rate in effect for such day; (d) with respect to that portion of the Series 2007-1 Class A-1 Outstanding Principal Amount consisting of Swingline Loans or Unreimbursed L/C Drawings outstanding on such day, the Base Rate in effect for such day; and (e) with respect to any other amounts that any Related Document provides is to bear interest by reference to the Series 2007-1 Class A-1 Note Interest Rate, the Base Rate in effect for such day; in each case, computed on the basis of a year of 360 (or, in the case of the Base Rate, 365 or 366, as applicable) days and the actual number of days elapsed; provided, however, that the Series 2007-1 Class A-1 Note Interest Rate will in no event be higher than the maximum rate permitted by applicable law. For the avoidance of doubt, each sub-class of Series 2007-1 Notes shall bear interest at the corresponding rate for each sub-class specified under the Eurodollar Rate and CP Rate.

"Series 2007-1 Class A-1 Note Purchase Agreement" means the Class A-1 Note Purchase Agreement, dated as of the Series 2007-1 Closing Date, by and among the Co-Issuers, the Servicer, the Series 2007-1 Class A-1 Investors, Funding Agents and Lehman Commercial Paper Inc., as administrative agent and Swingline Lender thereunder, pursuant to which the Series 2007-1 Class A-1 Noteholders have agreed to purchase the Series 2007-1 Class A-1 Notes from the Co-Issuers, subject to the terms and conditions set forth therein, as amended, supplemented or otherwise modified from time to time. For purposes of the Indenture, the "Series 2007-1 Class A-1 Note Purchase Agreement" shall be deemed to be a "Class A-1 Note Purchase Agreement."

"Series 2007-1 Class A-1 Noteholder" means the Person in whose name a Series 2007-1 Class A-1 Note is registered in the Note Register.

"Series 2007-1 Class A-1 Notes" has the meaning set forth in "Designation" in the Series 2007-1 Supplement.

"Series 2007-1 Class A-1 Other Amounts" means, for any Monthly Allocation Date, the aggregate amount of any Breakage Amount, Class A-1 Indemnities, Increased Capital Costs, Increased Costs, Increased Tax Costs, Indemnified Liabilities, L/C Other Reimbursement Costs and Other Class A-1 Transaction Expenses then due and payable and not previously paid. For purposes of the Indenture, the "Series 2007-1 Class A-1 Other Amounts" shall be deemed to be "Class A-1 Senior Notes Other Amounts."

"Series 2007-1 Class A-1 Outstanding Principal Amount" means, when used with respect to any date, an amount equal to (a) the Series 2007-1 Class A-1 Initial Advance Principal Amount, if any, minus (b) the amount of principal payments (whether pursuant to a Decrease, a prepayment, a redemption or otherwise) made on the Series 2007-1 Class A-1 Advance Notes on or prior to such date plus (c) any Increases in the Series 2007-1 Class A-1 Outstanding Principal Amount pursuant to Section 3.1 of the Series 2007-1 Supplement resulting from Series 2007-1 Class A-1 Advances made on or prior to such date and after the Series 2007-1 Closing Date plus (d) any Series 2007-1 Class A-1 Outstanding Subfacility Amount on such date; provided that, at no time may the Series 2007-1 Class A-1 Outstanding Principal Amount exceed the Series 2007-1 Class A-1 Maximum Principal Amount. For purposes of the Indenture, the "Series 2007-1 Class A-1 Outstanding Principal Amount" shall be deemed to be an "Outstanding Principal Amount."

"Series 2007-1 Class A-1 Outstanding Subfacility Amount" means, when used with respect to any date, the aggregate principal amount of any Series 2007-1 Class A-1 Swingline Notes and Series 2007-1 Class A-1 L/C Notes outstanding on such date (after giving effect to Subfacility Increases or Subfacility Decreases therein to occur on such date pursuant to the terms of the Series 2007-1 Class A-1 Note Purchase Agreement or the Series 2007-1 Supplement).

"Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Interest" means, for any Interest Accrual Period commencing on or after the Series 2007-1 Adjusted Repayment Date, an amount equal to the sum of (a) the aggregate of the Daily Post-ARD Contingent Additional Interest Amounts for each day in such Interest Accrual Period and (b) in the case of the first such Interest Accrual Period, an amount equal to the Series 2007-1 Class A-1 Extension Contingent Additional Interest Adjustment Amount for the immediately preceding Interest Accrual Period.

"Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional L/C Fees" means, for the Interest Accrual Period commencing on the Series 2007-1 Adjusted Repayment Date, an amount equal to the Series 2007-1 Class A-1 Extension Contingent Additional L/C Fees Adjustment Amount for the immediately preceding Interest Accrual Period.

"Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Rate" has the meaning set forth in Section 4.4(c) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-1 Senior Interest Amount" means with respect to any Series 2007-1 Class A-1 Notes for each Interest Accrual Period, an amount equal to the sum of (a) the aggregate of the Daily Senior Interest Amounts for each day during such Interest Accrual Period and (b) all previously unpaid amounts described in clause (a) with respect to prior Interest Accrual Periods. For purposes of the Base Indenture, Series 2007-1 Class A-1 Senior Interest Amount shall be deemed to be part of the "Senior Notes Monthly Interest Amounts."

"Series 2007-1 Class A-1 Sub-class" has the meaning set forth in "Designation" of the Series 2007-1 Supplement.

"Series 2007-1 Class A-1 Subfacility Noteholder" means the Person in whose name a Series 2007-1 Class A-1 Swingline Note or Series 2007-1 Class A-1 L/C Note is registered in the Note Register. For purposes of the Indenture, the "Series 2007-1 Class A-1 Subfacility Noteholders" shall be deemed to be "Class A-1 Subfacility Noteholders."

"Series 2007-1 Class A-1 Swingline Loan" has the meaning set forth under "Swingline Loan" in this Annex A.

"Series 2007-1 Class A-1 Swingline Notes" has the meaning set forth in "Designation" of the Series 2007-1 Supplement.

"Series 2007-1 Class A-1 Unreimbursed L/C Drawings" has the meaning set forth under "Unreimbursed L/C Drawings" in this Annex A.

"Series 2007-1 Class A-1 VFN Fee Letter" means the Fee Letter, dated as of the Series 2007-1 Closing Date, by and among the Co-Issuers, the Conduit Investors, Committed Note Purchasers and Funding Agents named therein, the L/C Provider and Swingline Lender named therein, Applebee's Services, Inc., as Servicer, and Lehman Commercial Paper Inc., as Series 2007-1 Class A-1 Administrative Agent, as the same may be amended, supplemented or otherwise modified from time to time pursuant to the terms thereof. For purposes of the Indenture, the "Series 2007-1 Class A-1 VFN Fee Letter" shall be deemed to be a "VFN Fee Letter."

"Series 2007-1 Class A-1-A Initial Advance Principal Amount" means the aggregate initial outstanding principal amount of the Series 2007-1 Class A-1-A Advance Notes corresponding to their ratable portion of the aggregate amount of the Series 2007-1 Class A-1 Initial Advances made on the Series 2007-1 Closing Date pursuant to Section 3.1(a) of the Series 2007-1 Supplement, which is $22,500,000.

"Series 2007-1 Class A-1-A Maximum Principal Amount" means $30,000,000 as such amount may be reduced pursuant to Section 2.05 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Series 2007-1 Class A-1-A Notes" refers collectively to (i) the Series 2007-1 Class A-1-A Advance Notes, (ii) the Series 2007-1 Class A-1-A Swingline Notes and (iii) the Series 2007-1 Class A-1-A L/C Notes.

"Series 2007-1 Class A-1-A Outstanding Principal Amount" means, when used with respect to any date, an amount equal to (a) the Series 2007-1 Class A-1-A Initial Advance Principal Amount, if any, minus (b) the amount of principal payments (whether pursuant to a Decrease, a prepayment, a redemption or otherwise) made on the Series 2007-1 Class A-1-A Advance Notes on or prior to such date plus (c) the allocable portion of any Increases in the Series 2007-1 Class A-1 Outstanding Principal Amount pursuant to Section 3.1 of the Series 2007-1 Supplement resulting from Series 2007-1 Class A-1-A Advances made on or prior to such date and after the Series 2007-1 Closing Date plus (d) any Series 2007-1 Class A-1-A Outstanding Subfacility Amount on such date; provided that, at no time may the Series 2007-1 Class A-1-A Outstanding Principal Amount exceed the Series 2007-1 Class A-1-A Maximum Principal Amount. For purposes of the Indenture, the "Series 2007-1 Class A-1-A Outstanding Principal Amount" shall be deemed to be an "Outstanding Principal Amount."

"Series 2007-1 Class A-1-A Outstanding Subfacility Amount" means, when used with respect to any date, the aggregate principal amount of any Series 2007-1 Class A-1-A Swingline Notes and Series 2007-1 Class A-1-A L/C Notes outstanding on such date (after giving effect to Subfacility Increases or Subfacility Decreases therein to occur on such date pursuant to the terms of the Series 2007-1 Class A-1 Note Purchase Agreement or the Series 2007-1 Supplement).

"Series 2007-1 Class A-1-X Initial Advance Principal Amount" means the aggregate initial outstanding principal amount of the Series 2007-1 Class A-1-X Advance Notes corresponding to their ratable portion of the aggregate amount of the Series 2007-1 Class A-1 Initial Advances made on the Series 2007-1 Closing Date pursuant to Section 3.1(a) of the Series 2007-1 Supplement, which is $52,500,000.

"Series 2007-1 Class A-1-X Maximum Principal Amount" means $70,000,000 as such amount may be reduced pursuant to Section 2.05 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Series 2007-1 Class A-1-X Notes" refers collectively to (i) the Series 2007-1 Class A-1-X Advance Notes, (ii) the Series 2007-1 Class A-1-X Swingline Notes and (iii) the Series 2007-1 Class A-1-X L/C Notes.

"Series 2007-1 Class A-1-X Outstanding Principal Amount" means, when used with respect to any date, an amount equal to (a) the Series 2007-1 Class A-1-X Initial Advance Principal Amount, if any, minus (b) the amount of principal payments (whether pursuant to a Decrease, a prepayment, a redemption or otherwise) made on the Series 2007-1 Class A-1-X Advance Notes on or prior to such date plus (c) the allocable portion of any Increases in the Series 2007-1 Class A-1 Outstanding Principal Amount pursuant to Section 3.1 of the Series 2007-1 Supplement resulting from Series 2007-1 Class A-1-X Advances made on or prior to such date and after the Series 2007-1 Closing

Date plus (d) any Series 2007-1 Class A-1-X Outstanding Subfacility Amount on such date; provided that, at no time may the Series 2007-1 Class A-1-X Outstanding Principal Amount exceed the Series 2007-1 Class A-1-X Maximum Principal Amount. For purposes of the Indenture, the "Series 2007-1 Class A-1-X Outstanding Principal Amount" shall be deemed to be an "Outstanding Principal Amount."

"Series 2007-1 Class A-1-X Outstanding Subfacility Amount" means, when used with respect to any date, the aggregate principal amount of any Series 2007-1 Class A-1-X Swingline Notes and Series 2007-1 Class A-1-X L/C Notes outstanding on such date (after giving effect to Subfacility Increases or Subfacility Decreases therein to occur on such date pursuant to the terms of the Series 2007-1 Class A-1 Note Purchase Agreement or the Series 2007-1 Supplement).

"Series 2007-1 Class A-2 Distribution Account" has the meaning set forth in Section 4.9(a) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2 Distribution Account Collateral" has the meaning set forth in Section 4.9(d) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2 Initial Principal Amount" means the aggregate initial outstanding principal amount of the Series 2007-1 Class A-2 Notes, which is $1,675,000,000.

"Series 2007-1 Class A-2 Notes" refers to (i) the Series 2007-1 Class A-2-I Notes, (ii) the Series 2007-1 Class A-2-II-A Notes, and (iii) the Series 2007-1 Class A-2-II-X Notes.

"Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest" has the meaning set forth in Section 4.5(c)(ii) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest Rate" has the meaning set forth in Section 4.5(c)(ii) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2 Post-ARD Spread" has the meaning set forth in Section 4.5(c)(ii) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2 Post-ARD Stepped-Up Interest Rate has the meaning set forth in Section 4.5(c)(ii) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2 Senior Interest Amount" means for each Interest Accrual Period an amount equal to the sum of (a) (i) the accrued and unpaid interest on the Series 2007-1 Class A-2-I Notes for such Interest Accrual Period at the Series 2007-1 Class A-2-I Note Interest Rate; provided, that with respect to the Series 2007-1 Class A-2-I Note Adjusted Interest Rate, such adjusted rate shall not exceed the Series 2007-1 Class A-2-II-X Note Initial Interest Rate, and any excess shall be treated as Class A-2-I Note Excess Adjusted Interest Amounts, (ii) the accrued and unpaid interest on the Series 2007-1 Class A-2-II-A Notes for such Interest Accrual Period at the Series 2007-1 Class

A-2-II-A Note Initial Interest Rate, and (iii) the accrued and unpaid interest on the Series 2007-1 Class A-2-II-X Notes for such Interest Accrual Period at the Series 2007-1 Class A-2-II-X Note Initial Interest Rate, and (b) all previously unpaid amounts described in clause (a) with respect to prior Interest Accrual Periods. For purposes of the Base Indenture, the Series 2007-1 Class A-2 Senior Interest Amount shall be deemed to be part of the "Senior Notes Monthly Interest Amounts."

"Series 2007-1 Class A-2-I Distribution Account" has the meaning set forth in Section 4.9(a) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-I Extended Anticipated Repayment Date" has the meaning set forth in Section 4.7(b) of the Series 2007-1 Series Supplement.

"Series 2007-1 Class A-2-I Extension Spread" has the meaning specified in Section 4.5(a)(ii) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-I Initial Anticipated Repayment Date" has the meaning specified in Section 4.7(b) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-I Initial Principal Amount" means the aggregate initial outstanding principal amount of the Series 2007-1 Class A-2-I Notes, which is $350,000,000.

"Series 2007-1 Class A-2-I Initial Spread" has the meaning set forth in Section 4.5(a)(ii) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-I Note Adjusted Interest Rate" has the meaning specified in Section 4.5(a)(ii) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-I Note Excess Adjusted Interest Amount" has the meaning specified in Section 4.5(a) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-I Note Initial Interest Rate" has the meaning specified in Section 4.5(a)(i) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-I Note Interest Rate" has the meaning specified in Section 4.5(a)(ii) of the Series 2007-1 Series Supplement.

"Series 2007-1 Class A-2-I Noteholder" means the Person in whose name a Series 2007-1 Class A-2-I Note is registered in the Note Register.

"Series 2007-1 Class A-2-I Notes" has the meaning specified in "Designation" of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-I Outstanding Principal Amount" means, when used with respect to any date, an amount equal to (a) the Series 2007-1 Class A-2-I Initial Principal Amount, minus (b) the aggregate amount of principal payments (whether pursuant to a prepayment, a redemption or otherwise) made to Series 2007-1 Class A-2-I

Noteholders with respect to Series 2007-1 Class A-2-I Notes on or prior to such date. For purposes of the Indenture, the "Series 2007-1 Class A-2-I Outstanding Principal Amount" shall be deemed to be an "Outstanding Principal Amount."

"Series 2007-1 Class A-2-I Sub-Class" has the meaning specified in "Designation" of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II-A Initial Principal Amount" means the aggregate initial outstanding principal amount of the Series 2007-1 Class A-2-II-A Notes, which is $675,000,000.

"Series 2007-1 Class A-2-II-A Notes" has the meaning specified in "Designation" of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II-A Outstanding Principal Amount" means, when used with respect to any date, an amount equal to (a) the Series 2007-1 Class A-2-II-A Initial Principal Amount, minus (b) the aggregate amount of principal payments (whether pursuant to a prepayment, a redemption or otherwise) made to Series 2007-1 Class A-2-II-A Noteholders with respect to Series 2007-1 Class A-2-II-A Notes on or prior to such date. For purposes of the Indenture, the "Series 2007-1 Class A-2-II-A Outstanding Principal Amount" shall be deemed to be an "Outstanding Principal Amount."

"Series 2007-1 Class A-2-II-X Initial Principal Amount" means the aggregate initial outstanding principal amount of the Series 2007-1 Class A-2-II-X Notes, which is $650,000,000.

"Series 2007-1 Class A-2-II-X Notes" has the meaning specified in "Designation" of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II-X Outstanding Principal Amount" means, when used with respect to any date, an amount equal to (a) the Series 2007-1 Class A- 2-II-X Initial Principal Amount, minus (b) the aggregate amount of principal payments (whether pursuant to a prepayment, a redemption or otherwise) made to Series 2007-1 Class A-2-II-X Noteholders with respect to Series 2007-1 Class A-2-II-X Notes on or prior to such date. For purposes of the Indenture, the "Series 2007-1 Class A-2-II-X Outstanding Principal Amount" shall be deemed to be an "Outstanding Principal Amount."

"Series 2007-1 Class A-2-II Contingent Additional Interest" has the meaning specified in Section 4.5(c)(i) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II Contingent Additional Interest Amount" has the meaning specified in Section 4.5(c)(i) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II Contingent Additional Interest Rate" has the meaning specified in Section 4.5(c)(i) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II Distribution Account" has the meaning set forth in Section 4.9(a) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II Extension Period Stepped-Up Interest Rate" has the meaning specified in Section 4.5(c)(i) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II Extension Spread" has the meaning specified in Section 4.5(c)(i) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II Initial Principal Amount" means the aggregate initial outstanding principal amount of the Series 2007-1 Class A-2-II Notes, which is $1,325,000,000.

"Series 2007-1 Class A-2-II Noteholder" means the Person in whose name a Series 2007-1 Class A-2-II Note is registered in the Note Register.

"Series 2007-1 Class A-2-II Notes" has the meaning specified in "Designation" of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II-X Notes" has the meaning specified in "Designation" of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II Original Spread" has the meaning specified in Section 4.5(c) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II Outstanding Principal Amount" means, when used with respect to any date, an amount equal to (a) the Series 2007-1 Class A-2-II Initial Principal Amount, minus (b) the aggregate amount of principal payments (whether pursuant to a prepayment, a redemption or otherwise) made to Series 2007-1 Class A-2-II Noteholders with respect to Series 2007-1 Class A-2-II Notes on or prior to such date. For purposes of the Indenture, the "Series 2007-1 Class A-2-II Outstanding Principal Amount" shall be deemed to be an "Outstanding Principal Amount."

"Series 2007-1 Class A-2-II Sub-Class" has the meaning specified in "Designation" of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II-A Note Initial Interest Rate" has the meaning specified in Section 4.5(b) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2-II-X Note Initial Interest Rate" has the meaning specified in Section 4.5(b) of the Series 2007-1 Supplement.

"Series 2007-1 Class A-2/M-1 Note Purchase Agreement" means the Purchase Agreement, dated as of November 29, 2007, by and among, the Initial Purchaser and the Co-Issuers, as amended, supplemented or otherwise modified from time to time.

"Series 2007-1 Class M-1 Contingent Additional Interest" has the meaning set forth in Section 4.6(b)(i) of the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Contingent Additional Interest Amount" has the meaning set forth in Section 4.6 (b)(i) of the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Contingent Additional Interest Rate" has the meaning set forth in Section 4.6(b)(i) of the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Distribution Account" has the meaning set forth in Section 4.10(a) of the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Distribution Account Collateral" has the meaning set forth in Section 4.10(d) of the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Extension Spread" has the meaning set forth in Section 4.6(b)(i) of the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Extension Period Stepped-Up Interest Rate" has the meaning set forth in Section 4.6(b)(i) of the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Initial Principal Amount" means the aggregate initial outstanding principal amount of the Series 2007-1 Class M-1 Notes, which is $119,000,000.

"Series 2007-1 Class M-1 Monthly Interest" means, with respect to any Interest Accrual Period, an amount equal to the sum of (a) the accrued interest at the Series 2007-1 Class M-1 Note Interest Rate on the Series 2007-1 Class M-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 Class of Notes on such day) during such Interest Accrual Period, calculated based on a 360-day year of twelve 30-day months, and (b) the amount of any Subordinated Notes Interest Shortfall Amount with respect to the Series 2007-1 Class M-1 Notes (as determined pursuant to Section 11.1(h) of the Base Indenture), for the immediately preceding Interest Accrual Period (together with Additional Class M-1 Shortfall Interest (as determined pursuant to Section 11.1(h) of the Base Indenture) on such Class M-1 Notes Interest Shortfall Amount. For purposes of the Indenture, "Series 2007-1 Class M-1 Monthly Interest" shall be deemed to be "Class M-1 Notes Monthly Interest."

"Series 2007-1 Class M-1 Noteholder" means the Person in whose name a Series 2007-1 Class M-1 Note is registered in the Note Register.

"Series 2007-1 Class M-1 Note Initial Interest Rate" has the meaning specified in Section 4.6(a) of the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Notes" has the meaning specified in "Designation" in the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Original Spread" has the meaning set forth in Section 4.6(b)(i) of the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Outstanding Principal Amount" means, when used with respect to any date, an amount equal to (a) the Series 2007-1 Class M-1 Initial Principal Amount, minus (b) the aggregate amount of principal payments (whether pursuant to a prepayment, a redemption or otherwise) made to Series 2007-1 Class M-1 Noteholders with respect to Series 2007-1 Class M-1 Notes on or prior to such date. For purposes of the Indenture, the "Series 2007-1 Class M-1 Outstanding Principal Amount" shall be deemed to be an "Outstanding Principal Amount."

"Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest" has the meaning set forth in Section 4.6(b)(ii) of the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest Rate" has the meaning set forth in Section 4.6(b)(ii) of the Series 2007-1 Supplement.

"Series 2007-1 Class M-1 Post-ARD Stepped-Up Interest Rate" has the meaning set forth in Section 4.6(b) of the Series 2007-1 Supplement.

"Series 2007-1 Closing Date" means November 29, 2007.

"Series 2007-1 Controlling Party" means the Series Controlling Party with respect to the Series 2007-1 Notes, which as of the Series 2007-1 Closing Date is Assured Guaranty.

"Series 2007-1 Distribution Accounts" means, collectively, the Series 2007-1 Class A-1 Distribution Account, the Series 2007-1 Class A-2 Distribution Accounts and the Series 2007-1 Class M-1 Distribution Account.

"Series 2007-1 Extension Election" has the meaning set forth in Section 4.7(b)(i) of the Series 2007-1 Supplement.

"Series 2007-1 Extension Period" means, if the Series 2007-1 Extension Election has been made and become effective, the period from the Series 2007-1 Anticipated Repayment Date to the Series 2007-1 Adjusted Repayment Date.

"Series 2007-1 Fixed Rate Notes" has the meaning set forth in "Designation" in the Series 2007-1 Supplement.

"Series 2007-1 Final Payment" means the payment of all accrued and unpaid interest on and principal of all Outstanding Series 2007-1 Notes, the payment of all accrued and unpaid Series 2007-1 Accrued Insurer Premium Amount, Series 2007-1 Insurer Reimbursement Amounts and Series 2007-1 Insurer Expense Amounts, the expiration or cash collateralization in accordance with the terms of the Series 2007-1 Class A-1 Note Purchase Agreement of all Undrawn L/C Face Amounts, the payment of all fees and expenses and other amounts then due and payable under the Series 2007-1

Class A-1 Note Purchase Agreement and the termination in full of all Series 2007-1 Class A-1 Commitments. For the avoidance of doubt, occurrence of the Series 2007-1 Final Payment shall not prejudice the rights of the Series 2007-1 Class A Insurer under the Indenture or the Series 2007-1 Class A Insurance Agreement with respect to any amounts owed to the Series 2007-1 Class A Insurer constituting Series 2007-1 Accrued Insurer Premium Amount, Series 2007-1 Insurer Reimbursement Amounts and Series 2007-1 Insurer Expense Amounts that remain unpaid.

"Series 2007-1 Final Payment Date" means the date on which the Series 2007-1 Final Payment is made.

"Series 2007-1 Initial Senior Notes Interest Reserve Deposit" has the meaning set forth in Section 4.1(f) of the Series 2007-1 Supplement.

"Series 2007-1 Insurer Expense Amounts" means Insurer Expense Amounts owing to the Series 2007-1 Class A Insurer pursuant to the terms of the Series 2007-1 Class A Insurance Agreement. For purposes of the Indenture, the "Series 2007-1 Insurer Expense Amounts" shall be deemed to be "Insurer Expense Amounts."

"Series 2007-1 Insurer Make-Whole Premium" has the meaning set forth in the Series 2007-1 Class A Insurance Agreement.

"Series 2007-1 Insurer Reimbursement Amounts" means "Insurer Reimbursement Amounts" as such term is defined in the Series 2007-1 Class A Insurance Agreement. For purposes of the Indenture, the "Series 2007-1 Insurer Reimbursement Amounts" shall be deemed to be "Insurer Reimbursement Amounts."

"Series 2007-1 Legal Final Maturity Date" means December 21, 2037. For purposes of the Indenture, the "Series 2007-1 Legal Final Maturity Date" shall be deemed to be a "Series Legal Final Maturity Date."

"Series 2007-1 Make-Whole Amount" means:

with respect to the Series 2007-1 Class A-2-I Notes on any date of determination prior to the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date, the amount (not less than zero) equal to (i) the discounted present value as of the related Series 2007-1 Make-Whole Amount Calculation Date of all future installments of interest on and principal of the Series 2007-1 Class A-2-I Notes that the Co-Issuers would otherwise be required to pay on the Series 2007-1 Class A-2-I Notes (or such portion thereof to be prepaid) from the date of such prepayment to and including the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date assuming the entire unpaid principal amount (or such portion thereof to be prepaid) is required to be paid on such Payment Date, determined at a discount rate equal to the EDSF Rate with a tenor equal to the remaining Series 2007-1 Anticipated Life as of the related Series 2007-1 Make-Whole Amount Calculation Date), such discount rate to be converted to a monthly equivalent rate; *minus* (ii) the aggregate amount of the principal being so prepaid;

with respect to (i) the Series 2007-1 Class A-2-I Notes on any date of determination following the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date (if the Series 2007-1 Class A-2-I Notes are not paid in full on such date) and (ii) the Series 2007-1 Class A-2-II Notes on any date of determination, the amount (not less than zero) equal to (x) the discounted present value as of the related Series 2007-1 Make-Whole Amount Calculation Date of all future installments of interest on and principal of such Series 2007-1 Class A-2 Notes (which with respect to the Series 2007-1 Class A-2-I Notes will include the Series 2007-1 Class A-2-I Excess Adjusted Interest Amount, if any) that the Co-Issuers would otherwise be required to pay on such Series 2007-1 Class A-2 Notes (or such portion thereof to be prepaid) from the date of such prepayment to and including the Series 2007-1 Adjusted Repayment Date assuming the entire unpaid principal amount (or such portion thereof to be prepaid) is required to be paid on such Payment Date, determined at a discount rate equal to the Swap Rate with a tenor that is equal to the remaining Series 2007-1 Anticipated Life as of the related Series 2007-1 Make-Whole Amount Calculation Date (or, if such tenor is less than two years, the EDSF Rate), such discount rate to be converted to a monthly equivalent rate; *minus* (y) the aggregate amount of the principal being so prepaid; and

with respect to the Series 2007-1 Class M-1 Notes on any date of determination, the amount (not less than zero) equal to (i) the discounted present value as of the related Series 2007-1 Make-Whole Amount Calculation Date of all future installments of interest on and principal of such Series 2007-1 Class M-1 Notes that the Co-Issuers would otherwise be required to pay on such Series 2007-1 Class M-1 Notes (or such portion thereof to be prepaid) from the date of such prepayment to and including the Series 2007-1 Anticipated Repayment Date assuming the entire unpaid principal amount (or such portion thereof to be prepaid) is required to be paid on such Payment Date, determined at a discount rate equal to the Swap Rate with a tenor that is equal to the remaining Series 2007-1 Anticipated Life as of the related Series 2007-1 Make-Whole Amount Calculation Date (or, if such tenor is less than two years, the EDSF Rate), such discount rate to be converted to a monthly equivalent rate; *minus* (ii) the aggregate amount of the principal being so prepaid.

"Series 2007-1 Make-Whole Amount Calculation Date" means the date as of which the applicable Series 2007-1 Make-Whole Amount, if any, payable in connection with a prepayment of the Series 2007-1 Notes is calculated, which will be a Business Day selected by the Indenture Trustee that is no more than five (5) Business Days prior to the Payment Date on which the prepayment of principal is made.

"Series 2007-1 Monthly Aggregate Extension Prepayment Amount" means, on any Payment Date that occurs during the Series 2007-1 Extension Period, 37.5% of the amounts, if any, remaining in the Collection Account after giving effect to clauses *first* through *twenty-first* of the Priority of Payments.

"Series 2007-1 Monthly Subordinated Notes Amortization Amount": With respect to any Payment Date following the Series 2007-1 Closing Date to but excluding the Payment Date occurring in January 2013, means the amount set forth in the table below:

Payment Date	Monthly Subordinated Notes Amortization Amount
With respect to any Payment Date occurring during the 2008 calendar year:	$0
With respect to any Payment Date occurring during the 2009 calendar year:	$1.25 million
With respect to any Payment Date occurring during the 2010 calendar year:	$2.10 million
With respect to any Payment Date occurring during the 2011 calendar year:	$2.10 million
With respect to any Payment Date occurring during the 2012 calendar year:	$2.10 million

"Series 2007-1 Noteholders" means, collectively, the Series 2007-1 Senior Noteholders and the Series 2007-1 Subordinated Noteholders.

"Series 2007-1 Notes" means, collectively, the Series 2007-1 Senior Notes and the Series 2007-1 Subordinated Notes.

"Series 2007-1 Outstanding Principal Amount" means, with respect to any date, the sum of the Series 2007-1 Class A-1 Outstanding Principal Amount, plus the Series 2007-1 Class A-2 Outstanding Principal Amount, plus the Series 2007-1 Class M-1 Outstanding Principal Amount.

"Series 2007-1 Partial Amortization Amount" means, (a) with respect to any Payment Date that occurs during a Series 2007-1 Partial Amortization Period, an amount equal to the lesser of (i) the amount equal to the sum of (A) $5,583,000 *plus* (B) the Series 2007-1 Partial Amortization Shortfall Amount, if any, with respect to such Payment Date, and (ii) the Aggregate Outstanding Principal Amount of the Series 2007-1 Notes after giving effect to all other amounts allocable to the payment of principal of the Series 2007-1 Notes on such Payment Date and (b) with respect to any subsequent Payment Date, the Series 2007-1 Partial Amortization Shortfall Amount, if any, with respect to the preceding Payment Date.

"Series 2007-1 Partial Amortization Event" means an event that will occur with respect to any fiscal quarter set forth in the table below to but excluding the Payment Date occurring in January 2013 if the One-Year Adjusted DSCR as of the first Payment Date in the fiscal quarter in which such Payment Date occurs is lower than the applicable trigger (a "Series 2007-1 Partial Amortization Trigger") set forth below:

Fiscal Quarter Commencing in:	Series 2007-1 Partial Amortization Trigger
January 2010	2.20x
April 2010	2.25x
July 2010	2.30x
October 2010	2.35x
January 2011	2.40x
April 2011	2.45x
July 2011	2.50x
October 2011	2.55x
January 2012	2.60x
April 2012	2.65x
July 2012	2.70x
October 2012	2.75x

"Series 2007-1 Partial Amortization Shortfall Amount" means, with respect to any Payment Date, the amount, if any, by which (i) the Series 2007-1 Partial Amortization Amount for the preceding Payment Date exceeded (ii) the dollar amount deposited into the applicable Principal Payment Account on such preceding Payment Date under Sections 10.12(x) and 10.12(xvii) of the Base Indenture on account of such Series 2007-1 Partial Amortization Amount.

"Series 2007-1 Partial Amortization Period" means any fiscal quarter during which a Series 2007-1 Partial Amortization Event has occurred and is continuing.

"Series 2007-1 Partial Amortization Trigger" has the meaning set forth under "Series 2007-1 Partial Amortization Event" in this Annex A.

"Series 2007-1 Prepayment" has the meaning set forth in Section 4.7(g) of the Series 2007-1 Supplement.

"Series 2007-1 Prepayment Amount" has the meaning set forth in Section 4.7(g) of the Series 2007-1 Supplement.

"Series 2007-1 Prepayment Date" has the meaning set forth in Section 4.7(g) of the Series 2007-1 Supplement.

"Series 2007-1 Rapid Amortization Cure Right" has the meaning set forth in Section 2.2 of the Series 2007-1 Supplement.

"Series 2007-1 Rapid Amortization Event" has the meaning set forth in Section 2.1 of the Series 2007-1 Supplement.

"Series 2007-1 Residual Threshold Amount" means $6,700,000.

"Series 2007-1 Securities Intermediary" has the meaning set forth in Section 4.11(a) of the Series 2007-1 Supplement.

"Series 2007-1 Senior Debt Service" with respect to any Payment Date, is an amount equal to the sum of (i) the Senior Notes Monthly Interest Amount for the Series 2007-1 Senior Notes on such Payment Date assuming for such purpose that the Series 2007-1 Class A-1 Commitments (including any issued but undrawn letters of credit) are fully drawn over the related Interest Accrual Period, and (ii) the Series 2007-1 Accrued Insurer Premium Amount payable with respect to the related Interest Accrual Period.

"Series 2007-1 Senior Noteholders" means, collectively, the Series 2007-1 Class A-1 Noteholders and the Series 2007-1 Class A-2 Noteholders.

"Series 2007-1 Senior Notes" means, collectively, the Series 2007-1 Class A-1 Notes and the Series 2007-1 Class A-2 Notes.

"Series 2007-1 Senior Notes Interest Reserve Amount" with respect to any Payment Date, equals the Series 2007-1 Senior Debt Service due on the next three Payment Dates; provided, that

with respect to the first Interest Accrual Period following the Closing Date, the Series 2007-1 Senior Notes Interest Reserve Amount will be an amount equal to the Series 2007-1 Initial Senior Notes Interest Reserve Deposit;

during the period from a Series 2007-1 Senior Notes Interest Reserve Step Down Date to but excluding a Series 2007-1 Senior Notes Interest Reserve Step Up Date, the Series 2007-1 Senior Notes Interest Reserve Amount will be the sum of (a) an amount equal to the Insured Senior Notes Percentage multiplied by the Series 2007-1 Senior Debt Service due on the next Payment Date plus (b) an amount equal to the Uninsured Senior Notes Percentage multiplied by the Series 2007-1 Senior Debt Service due on the next three Payment Dates;

if a Rapid Amortization Event has occurred (other than a Rapid Amortization Event that has been waived or cured pursuant to a Rapid Amortization Cure Right), the Series 2007-1 Senior Notes Interest Reserve Amount will be the sum of (a) an amount equal to the Insured Senior Notes Percentage of the Series 2007-1 Debt Service due on the next three Payment Dates plus (b) the lesser of (x) the portion of the amount on deposit in the Senior Notes Interest Reserve Account at the occurrence of such Rapid Amortization Event that is allocable to the Uninsured Senior Notes and (y) an amount equal to the Uninsured Senior Notes Percentage of the Series 2007-1 Senior Debt Service due on the next six Payment Dates; provided, however, that notwithstanding the foregoing in this clause (iii), the Series 2007-1 Senior Notes Interest Reserve Amount may not, by application of this clause (iii), be reduced to an amount

below the lesser of (X) the amount on deposit in the Senior Notes Interest Reserve Account at the occurrence of such Rapid Amortization Event and (Y) $10 million.

"Series 2007-1 Senior Notes Interest Reserve Deficit Amount" means, with respect to each Payment Date, the amount, if any, by which (a) the Series 2007-1 Senior Notes Interest Reserve Amount plus the sum of the Senior Notes Interest Reserve Amounts for all other Series outstanding on such date exceeds (b) the amount on deposit in the Senior Notes Interest Reserve Account on such date (after giving effect to any withdrawals therefrom on such Payment Date); provided, that with respect to any Payment Date that occurs during the Monthly Collection Period immediately preceding the Series 2007-1 Legal Final Maturity Date, the Series 2007-1 Senior Notes Interest Reserve Account Deficit Amount shall be zero.

"Series 2007-1 Senior Notes Interest Reserve Shortfall" means, when used with respect to any date, that on such date the Series 2007-1 Senior Notes Interest Reserve Amount plus the sum of the Senior Notes Interest Reserve Amounts for all other Series outstanding on such date exceeds the amount on deposit in the Senior Notes Interest Reserve Account.

"Series 2007-1 Senior Notes Interest Reserve Step-Down Date" means any Payment Date on which the Three-Month DSCR (without giving effect to any equity contributions made to the Master Issuer following the Series 2007-1 Closing Date) for the past two Payment Dates (including such Payment Date) is equal to or greater than 3.0x and on which no Rapid Amortization Event has occurred and is continuing.

"Series 2007-1 Senior Notes Interest Reserve Step-Down Release Amount" means, with respect to any Payment Date, the amount, if any, by which (a) the amount on deposit in the Senior Notes Interest Reserve Account on such date (after giving effect to any withdrawals therefrom on such Payment Date), exceeds (b) the aggregate of the Senior Notes Interest Reserve Amounts for all Series then outstanding.

"Series 2007-1 Senior Notes Interest Reserve Step Up Date" means any Payment Date, following a Series 2007-1 Senior Notes Interest Reserve Step Down Date, with respect to which (i) the Three-Month DSCR (without giving effect to any equity contributions made to the Master Issuer following the Series 2007-1 Closing Date) on such Payment Date is less than 3.0x, or (ii) a Rapid Amortization Event occurs on or prior to such Payment Date.

"Series 2007-1 Subordinated Notes Principal Amortization Amount": has the meaning set forth in Section 2.4 of the Series 2007-1 Supplement.

"Series 2007-1 Supplement" means the Series 2007-1 Supplement, dated as of the Series 2007-1 Closing Date by and among the Co-Issuers and the Indenture Trustee, as amended, supplemented or otherwise modified from time to time.

"Series 2007-1 Supplemental Definitions List" has the meaning set forth in Article I of the Series 2007-1 Supplement.

"Similar Law" means any federal, state, local, non-U.S. or other laws or regulations governing the investment of governmental plans, certain church plans, and foreign plans, not subject to ERISA or the provisions of Section 4975 of the Code, and the conduct of the fiduciaries of such plans.

"Specified Rating Agencies" means any of Standard & Poor's, Moody's or Fitch, as applicable.

"Sub-class Commitment Percentage" means, on any date of determination, (i) with respect to any Class A-1-A Investor Group, the ratio, expressed as a percentage, which such Class A-1-A Investor Group's Maximum Investor Group Principal Amount bears to the Series 2007-1 Class A-1-A Maximum Principal Amount on such date; and (ii) with respect to any Class A-1-X Investor Group, the ratio, expressed as a percentage, which such Class A-1-X Investor Group's Maximum Investor Group Principal Amount bears to the Series 2007-1 Class A-1-X Maximum Principal Amount on such date.

"Subfacility Decrease" has the meaning set forth in Section 3.2(d) of the Series 2007-1 Supplement.

"Subfacility Increase" has the meaning set forth in Section 3.1(b) of the Series 2007-1 Supplement.

"Subordinated Notes Monthly Contingent Additional Interest Amount" means the Series 2007-1 Class M-I Contingent Additional Interest, if any, and the Series 2007-1 Class M-I Post-ARD Contingent Additional Interest, if any.

"Swap Rate" means, when used with respect to any Business Day for any tenor, the mid-market swap rate for such tenor appearing on page 19901 of the Telerate Service (or any successor service or, if such service or successor service is not available, a substitute rate, which will be the median of three quoted rates determined by the Indenture Trustee requesting at the expense of the Co-Issuers substitute rate quotes from three broker dealers of nationally recognized standing) on such Business Day, adjusted for monthly compounding.

"Swingline Commitment" means the obligation of the Swingline Lender to make Swingline Loans pursuant to Section 2.06 of the Series 2007-1 Class A-1 Note Purchase Agreement in an aggregate principal amount at any one time outstanding not to exceed $25,000,000, as such amount may be reduced or increased pursuant to Section 2.06(h) of the Series 2007-1 Class A-1 Note Purchase Agreement or reduced pursuant to Section 2.05(b) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Swingline Lender" means Lehman Commercial Paper Inc., in its capacity as maker of Swingline Loans, and its permitted successors and assigns in such capacity.

"Swingline Loan Request" has the meaning set forth in Section 2.06(a) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Swingline Loans" has the meaning set forth in Section 2.06(a) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Swingline Participation Amount" has the meaning set forth in Section 2.06(e) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Swingline Sub-Class" has the meaning set forth in "Designation" in the Series 2007-1 Supplement.

"Undrawn Commitment Fees" has the meaning set forth in Section 3.02(b) of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Undrawn Commitment Fees Rate" has the meaning set forth in the Series 2007-1 Class A-1 VFN Fee Letter.

"Undrawn L/C Face Amounts" means, at any time, the aggregate then undrawn and unexpired face amount of any Letters of Credit outstanding at such time.

"Uninsured Senior Notes": As of any date of determination, all Series 2007-1 Senior Notes other than the Insured Senior Notes.

"Uninsured Senior Notes Percentage": As of any date of determination, the percentage obtained by dividing (i) the Aggregate Outstanding Principal Amount of all Uninsured Senior Notes on such date by (ii) the Aggregate Outstanding Principal Amount of all the Series 2007-1 Class A-1 Notes and Series 2007-1 Class A-2 Notes on such date, assuming for purposes of both clause (i) and clause (ii) that the commitments (including any issued by undrawn letters of credit) with respect to any Senior Notes designated as Class A-1 are fully drawn on such date.

"Unreimbursed L/C Drawings" means, at any time, the aggregate amount of any L/C Reimbursement Amounts that have not then been reimbursed pursuant to Section 2.08 of the Series 2007-1 Class A-1 Note Purchase Agreement.

"Unused Premium" has the meaning set forth in the Series 2007-1 Class A Insurance Agreement.

"Unused Premium Rate" has the meaning set forth in the Series 2007-1 Class A Insurance Agreement.

"Used Premium" has the meaning set forth in the Series 2007-1 Class A Insurance Agreement.

"Used Premium Rate" has the meaning set forth in the Series 2007-1 Class A Insurance Agreement.

"U.S. Person" has the meaning set forth in Section 5.2 of the Series 2007-1 Supplement.

"U.S. Resident" has the meaning set forth in Section 5.2 of the Series 2007-1 Supplement.

"Voluntary Decrease" has the meaning set forth in Section 3.2(b) of the Series 2007-1 Supplement.

"Voluntary Decrease Request" has the meaning set forth in Section 2.02(e) of the Series 2007-1 Class A-1 Note Purchase Agreement.

EXHIBIT A-1-1-1

FORM OF SERIES 2007-1 CLASS A-1-A ADVANCE NOTE

THIS SERIES 2007-1 VARIABLE FUNDING SENIOR NOTE, CLASS A-1 (THIS "NOTE"), WHICH IS A SERIES 2007-1 CLASS A-1-A ADVANCE 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS KANSAS LLC, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC OR APPLEBEE'S RESTAURANTS VERMONT, INC. (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 IN ACCORDANCE WITH THE PROVISIONS OF THE CLASS A-1 NOTE PURCHASE AGREEMENT, DATED AS OF NOVEMBER 29, 2007 BY AND AMONG THE CO-ISSUERS, APPLEBEE'S SERVICES, INC., AS SERVICER, THE CONDUIT INVESTORS, THE COMMITTED NOTE PURCHASERS AND THE FUNDING AGENTS NAMED THEREIN, THE L/C PROVIDER NAMED THEREIN, LEHMAN COMMERCIAL PAPER, INC., AS SWINGLINE LENDER AND AS CLASS A-1 ADMINISTRATIVE AGENT.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN AND SUBJECT TO INCREASES AND DECREASES AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE face HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE INDENTURE TRUSTEE.

REGISTERED

No. [ ] up to $[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

APPLEBEE'S ENTERPRISES LLC,
APPLEBEE'S IP LLC,
APPLEBEE'S RESTAURANTS NORTH LLC,
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC,
APPLEBEE'S RESTAURANTS WEST LLC,
APPLEBEE'S RESTAURANTS VERMONT, INC.,
APPLEBEE'S RESTAURANTS TEXAS LLC
APPLEBEE'S RESTAURANTS INC. and
APPLEBEE'S RESTAURANTS KANSAS LLC,

SERIES 2007-1 VARIABLE FUNDING SENIOR NOTE, CLASS A-1
SUB-CLASS: SERIES 2007-1 CLASS A-1-A ADVANCE NOTE

APPLEBEE'S ENTERPRISES LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS VERMONT, INC., a corporation formed under the laws of the state of Vermont, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., a corporation formed under the laws of the State of Kansas and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to Lehman Brothers Bank, FSB, as Funding Agent, or registered assigns, up to the principal sum of [ ] ($[ ])

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or such lesser amount as shall equal the portion of the Series 2007-1 Class A-1 Outstanding Principal Amount evidenced by this Note as provided in the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on December 21, 2037 (the " Series 2007-1 Legal Final Maturity Date"). Pursuant to the Series 2007-1 Class A-1 Note Purchase Agreement and the Series 2007-1 Supplement, the principal amount of this Note may be subject to Increases or Decreases on any Business Day during the Commitment Term, and principal with respect to the Series 2007-1 Class A-1 Notes may be paid earlier than the Series 2007-1 Legal Final Maturity Date as described in the Indenture. The Co-Issuers will pay interest on this Series 2007-1 Class A-1-A Advance Note (this "Note") at the Series 2007-1 Class A-1 Note Interest Rate for each Interest Accrual Period in accordance with the terms of the Indenture. Such amounts due on this Note will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each January, February, March, April, May, June, July, August, September, October, November and December commencing January 20, 2008 (each, a " Payment Date"). Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the day that is two (2) Business Days prior to the first Accounting Date and (ii) thereafter, any period commencing on and including the day that is two (2) Business Days prior to an Accounting Date and ending on but excluding the day that is two (2) Business Days prior to the next succeeding Accounting Date (each, an " Interest Accrual Period"). Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note at the Series 2007-1 Class A-1 Extension Contingent Additional Rate or the Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Rate, as applicable, and such contingent additional interest shall be computed and shall be payable in the amounts and at the times set forth in the Indenture. In addition to and not in limitation of the foregoing and the provisions of the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement, the Co-Issuers further jointly and severally agree to pay to the holder of this Note such holder's portion of the Undrawn Commitment Fees and other fees, costs and expense reimbursements, indemnification amounts and other amounts due and payable in accordance with the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement.

The holder of this Note is authorized to endorse on the schedules annexed hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof the date and amount of each Increase and Decrease with respect thereto and the Series 2007-1 Class A-1 Note Interest Rate applicable thereto. Each such endorsement shall constitute prima facie evidence of the accuracy of the information endorsed. The failure to make any such endorsement or any error in any such endorsement shall not affect the obligations of the Co-Issuers in respect of the Series 2007-1 Class A-1 Outstanding Principal Amount.

The amounts due on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional prepayment and mandatory liquidation (referred to in the Indenture as the " Auction Call Redemption"), as set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161 Minneapolis, MN 55479, Attention: Corporate Trust Services / Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Co-Issuers has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer.

Date: ____________

APPLEBEE'S ENTERPRISES LLC, as Co- Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S IP LLC, as Co-Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC, as Co-Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, as Co-Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT, INC., as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC., as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Class A-1-A Advance Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Class A-1 Notes of the Co-Issuers designated as their Series 2007-1 Variable Funding Senior Notes, Class A-1 (herein called the "Series 2007-1 Class A-1 Notes"), and is one of the Sub-Classes thereof designated as the Series 2007-1 Class A-1-A Advance Notes (herein called the "Series 2007-1 Class A-1-A Advance Notes"), all issued under (i) the Base Indenture, dated as of November 29, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association., as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) the Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (the " Series 2007-1 Supplement"), among the Co-Issuers and the Indenture Trustee. The Base Indenture and the Series 2007-1 Supplement are referred to herein as the " Indenture". The Series 2007-1 Class A-1-A Advance Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Class A-1-A Advance Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture.

As provided for in the Indenture, the Series 2007-1 Class A-1-A Advance Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Class A-1-A Advance Notes are subject to mandatory prepayment as provided for in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal of the Series 2007-1 Class A-1-A Advance Notes will be made pro rata to the holders of Series 2007-1 Class A-1-A Advance Notes entitled thereto.

Amounts due on this Note which are payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date or Prepayment Record Date, as the case may be.

Interest and fees and contingent additional interest, if any, will each accrue on the Series 2007-1 Class A-1-A Advance Notes at the rates set forth in the Indenture. Such amounts will be computed on the basis set forth in the Indenture. Amounts payable on the Series 2007-1 Class A-1-A Advance Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of amounts due on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Class A-1-A Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Class A-1-A Advance Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Series 2007-1 Class A-1-A Noteholder, by acceptance of a Series 2007-1 Class A-1-A Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Class A-1-A Noteholder 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 federal or state bankruptcy or similar law; provided, however, that nothing herein 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.

It is the intent of the Co-Issuers and each Series 2007-1 Class A-1-A Noteholder that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Class A-1-A Notes will evidence indebtedness of the Co-Issuers secured by the Indenture Collateral. Each Series 2007-1 Class A-1-A Noteholder, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Series 2007-1 Class A-1-A Noteholders under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Series 2007-1 Class A-1-A Noteholders. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series

Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences without the consent of any Series 2007-1 Class A-1-A Noteholders. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon such Series 2007-1 Class A-1-A Noteholders and upon all future Series 2007-1 Class A-1-A Noteholders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term “Co-Issuer” as used in this Note includes any successor to the Co-Issuers and any Additional Co-Issuers under the Indenture.

The Series 2007-1 Class A-1-A Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORKWITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the amounts due on this Note at the times, place and rate, and in the coin or currency herein prescribed.

[Remainder of page intentionally left blank]

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints , attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: __________________ By: ______________________________________(1)

Signature Guaranteed:

____

(1) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

INCREASES AND DECREASES

Date	Unpaid Principal Amount	Increase	Decrease	Total	Series 2007-1 Class A-1 Note Interest Rate	Interest Accrual Period (if applicable)	Notation Made By

EXHIBIT A-1-1-2

FORM OF SERIES 2007-1 CLASS A-1-X ADVANCE NOTE

THIS SERIES 2007-1 VARIABLE FUNDING SENIOR NOTE, CLASS A-1 (THIS "NOTE"), WHICH IS A SERIES 2007-1 CLASS A-1-X ADVANCE 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS KANSAS LLC, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC OR APPLEBEE'S RESTAURANTS VERMONT, INC. (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 IN ACCORDANCE WITH THE PROVISIONS OF THE CLASS A-1 NOTE PURCHASE AGREEMENT, DATED AS OF NOVEMBER 29, 2007 BY AND AMONG THE CO-ISSUERS, APPLEBEE'S SERVICES, INC., AS SERVICER, THE CONDUIT INVESTORS, THE COMMITTED NOTE PURCHASERS AND THE FUNDING AGENTS NAMED THEREIN, THE L/C PROVIDER NAMED THEREIN, LEHMAN COMMERCIAL PAPER, INC., AS SWINGLINE LENDER AND AS CLASS A-1 ADMINISTRATIVE AGENT.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN AND SUBJECT TO INCREASES AND DECREASES AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE face HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE INDENTURE TRUSTEE.

REGISTERED

No. [ ] up to $[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

APPLEBEE'S ENTERPRISES LLC,
APPLEBEE'S IP LLC,
APPLEBEE'S RESTAURANTS NORTH LLC,
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC,
APPLEBEE'S RESTAURANTS WEST LLC,
APPLEBEE'S RESTAURANTS VERMONT, INC.,
APPLEBEE'S RESTAURANTS TEXAS LLC
APPLEBEE'S RESTAURANTS INC. and
APPLEBEE'S RESTAURANTS KANSAS LLC,

SERIES 2007-1 VARIABLE FUNDING SENIOR NOTE, CLASS A-1
SUB-CLASS: SERIES 2007-1 CLASS A-1-X ADVANCE NOTE

APPLEBEE'S ENTERPRISES LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware APPLEBEE'S RESTAURANTS VERMONT, INC., a corporation formed under the laws of the state of Vermont, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., a corporation formed under the laws of the State of Kansas and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to Lehman Brothers Bank, FSB, as Funding Agent, or registered assigns, up to the principal sum of [ ] ($[ ])

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or such lesser amount as shall equal the portion of the Series 2007-1 Class A-1 Outstanding Principal Amount evidenced by this Note as provided in the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on December 21, 2037 (the " Series 2007-1 Legal Final Maturity Date"). Pursuant to the Series 2007-1 Class A-1 Note Purchase Agreement and the Series 2007-1 Supplement, the principal amount of this Note may be subject to Increases or Decreases on any Business Day during the Commitment Term, and principal with respect to the Series 2007-1 Class A-1 Notes may be paid earlier than the Series 2007-1 Legal Final Maturity Date as described in the Indenture. The Co-Issuers will pay interest on this Series 2007-1 Class A-1-X Advance Note (this "Note") at the Series 2007-1 Class A-1 Note Interest Rate for each Interest Accrual Period in accordance with the terms of the Indenture. Such amounts due on this Note will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each January, February, March, April, May, June, July, August, September, October, November, and December commencing January 20, 2008 (each, a " Payment Date"). Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the day that is two (2) Business Days prior to the first Accounting Date and (ii) thereafter, any period commencing on and including the day that is two (2) Business Days prior to an Accounting Date and ending on but excluding the day that is two (2) Business Days prior to the next succeeding Accounting Date (each, an " Interest Accrual Period"). Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note at the Series 2007-1 Class A-1 Extension Contingent Additional Rate or the Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Rate, as applicable, and such contingent additional interest shall be computed and shall be payable in the amounts and at the times set forth in the Indenture. In addition to and not in limitation of the foregoing and the provisions of the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement, the Co-Issuers further jointly and severally agree to pay to the holder of this Note such holder's portion of the Undrawn Commitment Fees and other fees, costs and expense reimbursements, indemnification amounts and other amounts due and payable in accordance with the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement.

The holder of this Note is authorized to endorse on the schedules annexed hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof the date and amount of each Increase and Decrease with respect thereto and the Series 2007-1 Class A-1 Note Interest Rate applicable thereto. Each such endorsement shall constitute prima facie evidence of the accuracy of the information endorsed. The failure to make any such endorsement or any error in any such endorsement shall not affect the obligations of the Co-Issuers in respect of the Series 2007-1 Class A-1 Outstanding Principal Amount.

The amounts due on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional prepayment and mandatory liquidation (referred to in the Indenture as the " Auction Call Redemption"), as set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161 Minneapolis, MN 55479, Attention: Corporate Trust Services / Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Co-Issuers has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer.

Date: ______________________________

APPLEBEE'S ENTERPRISES LLC, as Co- Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S IP LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE’S RESTAURANTS VERMONT, INC., as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE’S RESTAURANTS TEXAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE’S RESTAURANTS INC., as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE’S RESTAURANTS KANSAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Class A-1-X Advance Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Class A-1 Notes of the Co-Issuers designated as their Series 2007-1 Variable Funding Senior Notes, Class A-1 (herein called the "Series 2007-1 Class A-1 Notes"), and is one of the Sub-Classes thereof designated as the Series 2007-1 Class A-1-X Advance Notes (herein called the "Series 2007-1 Class A-1-X Advance Notes"), all issued under (i) the Base Indenture, dated as of November 29, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association, as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) the Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (the " Series 2007-1 Supplement"), among the Co-Issuers and the Indenture Trustee. The Base Indenture and the Series 2007-1 Supplement are referred to herein as the " Indenture". The Series 2007-1 Class A-1-X Advance Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Class A-1-X Advance Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture.

As provided for in the Indenture, the Series 2007-1 Class A-1-X Advance Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Class A-1-X Advance Notes are subject to mandatory prepayment as provided for in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal of the Series 2007-1 Class A-1-X Advance Notes will be made pro rata to the holders of Series 2007-1 Class A-1-X Advance Notes entitled thereto.

Amounts due on this Note which are payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date or Prepayment Record Date, as the case may be.

Interest and fees and contingent additional interest, if any, will each accrue on the Series 2007-1 Class A-1-X Advance Notes at the rates set forth in the Indenture. Such amounts will be computed on the basis set forth in the Indenture. Amounts payable on the Series 2007-1 Class A-1-X Advance Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of amounts due on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Class A-1-A Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Class A-1-A Advance Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Series 2007-1 Class A-1-A Noteholder, by acceptance of a Series 2007-1 Class A-1-A Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Class A-1-A Noteholder 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 federal or state bankruptcy or similar law; provided, however, that nothing herein 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.

It is the intent of the Co-Issuers and each Series 2007-1 Class A-1-A Noteholder that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Class A-1-A Notes will evidence indebtedness of the Co-Issuers secured by the Indenture Collateral. Each Series 2007-1 Class A-1-A Noteholder, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Series 2007-1 Class A-1-A Noteholders under the Indenture at any time by the Co-Issuers with the consent of the

Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Series 2007-1 Class A-1-A Noteholders. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series

Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences without the consent of any Series 2007-1 Class A-1-A Noteholders. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon such Series 2007-1 Class A-1-A Noteholders and upon all future Series 2007-1 Class A-1-A Noteholders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Co-Issuer" as used in this Note includes any successor to the Co-Issuers and any Additional Co-Issuers under the Indenture.

The Series 2007-1 Class A-1-A Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the amounts due on this Note at the times, place and rate, and in the coin or currency herein prescribed.

[Remainder of page intentionally left blank]

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints , attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ______________________________ By: ______________________________(1)

Signature Guaranteed:

____

(1) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

INCREASES AND DECREASES

Date	Unpaid Principal Amount	Increase	Decrease	Total	Series 2007-1 Class A-1 Note Interest Rate	Interest Accrual Period (if applicable)	Notation Made By

EXHIBIT A-1-2-1

FORM OF SERIES 2007-1 CLASS A-1-A SWINGLINE NOTE

THIS SERIES 2007-1 VARIABLE FUNDING SENIOR NOTE, CLASS A-1 (THIS "NOTE"), WHICH IS A SERIES 2007-1 CLASS A-1-A SWINGLINE 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS KANSAS LLC, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC OR APPLEBEE'S RESTAURANTS VERMONT, INC. (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 IN ACCORDANCE WITH THE PROVISIONS OF THE CLASS A-1 NOTE PURCHASE AGREEMENT, DATED AS OF NOVEMBER 29, 2007 BY AND AMONG THE CO-ISSUERS, APPLEBEE'S SERVICES, INC., AS SERVICER, THE CONDUIT INVESTORS, THE COMMITTED NOTE PURCHASERS AND THE FUNDING AGENTS NAMED THEREIN, THE L/C PROVIDER NAMED THEREIN, LEHMAN COMMERCIAL PAPER, INC., AS SWINGLINE LENDER AND AS CLASS A-1 ADMINISTRATIVE AGENT.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN AND SUBJECT TO INCREASES AND DECREASES AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE face HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE INDENTURE TRUSTEE.

REGISTERED

No. [ ] up to $[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

APPLEBEE'S ENTERPRISES LLC,
APPLEBEE'S IP LLC,
APPLEBEE'S RESTAURANTS NORTH LLC,
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC,
APPLEBEE'S RESTAURANTS WEST LLC,
APPLEBEE'S RESTAURANTS VERMONT, INC.,
APPLEBEE'S RESTAURANTS TEXAS LLC
APPLEBEE'S RESTAURANTS INC. and
APPLEBEE'S RESTAURANTS KANSAS LLC,

SERIES 2007-1 VARIABLE FUNDING SENIOR NOTE, CLASS A-1
SUBCLASS: SERIES 2007-1 CLASS A-1-A SWINGLINE NOTE

APPLEBEE'S ENTERPRISES LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware APPLEBEE'S RESTAURANTS VERMONT, INC., a corporation formed under the laws of the state of Vermont, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., a corporation formed under the laws of the State of Kansas and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to LEHMAN

COMMERCIAL PAPER INC. or registered assigns, up to the principal sum of [ ] ($[ ]) or such lesser amount as shall equal the portion of the Series 2007-1 Class A-1 Outstanding Principal Amount evidenced by this Note as provided in the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on December 21, 2037 (the " Series 2007-1 Legal Final Maturity Date"). Pursuant to the Series 2007-1 Class A-1 Note Purchase Agreement and the Series 2007-1 Supplement, the principal amount of this Note may be subject to Increases or Decreases on any Business Day during the Commitment Term, and principal with respect to the Series 2007-1 Class A-1 Notes may be paid earlier than the Series 2007-1 Legal Final Maturity Date as described in the Indenture. The Co-Issuers will pay interest on this Series 2007-1 Class A-1-X Advance Note (this "Note") at the Series 2007-1 Class A-1 Note Interest Rate for each Interest Accrual Period in accordance with the terms of the Indenture. Such amounts due on this Note will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each January, February, March, April, May, June, July, August, September, October, November, and December commencing January 20, 2008 (each, a "Payment Date"). Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the day that is two (2) Business Days prior to the first Accounting Date and (ii) thereafter, any period commencing on and including the day that is two (2) Business Days prior to an Accounting Date and ending on but excluding the day that is two (2) Business Days prior to the next succeeding Accounting Date (each, an "Interest Accrual Period"). Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note at the Series 2007-1 Class A-1 Extension Contingent Additional Rate or the Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Rate, as applicable, and such contingent additional interest shall be computed and shall be payable in the amounts and at the times set forth in the Indenture. In addition to and not in limitation of the foregoing and the provisions of the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement, the Co-Issuers further jointly and severally agree to pay to the holder of this Note such holder's portion of the Undrawn Commitment Fees and other fees, costs and expense reimbursements, indemnification amounts and other amounts due and payable in accordance with the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement.

The holder of this Note is authorized to endorse on the schedules annexed hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof the date and amount of each Increase and Decrease with respect thereto and the Series 2007-1 Class A-1 Note Interest Rate applicable thereto. Each such endorsement shall constitute prima facie evidence of the accuracy of the information endorsed. The failure to make any such endorsement or any error in any such endorsement shall not affect the obligations of the Co-Issuers in respect of the Series 2007-1 Class A-1 Outstanding Principal Amount.

The amounts due on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private

debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional prepayment and mandatory liquidation (referred to in the Indenture as the " Auction Call Redemption"), as set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161 Minneapolis, MN 55479, Attention: Corporate Trust Services / Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Co-Issuers has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer.

Date: ______________

APPLEBEE'S ENTERPRISES LLC, as Co- Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S IP LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT, INC., as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC., as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Class A-1-A Swingline issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Class A-1 Notes of the Co-Issuers designated as their Series 2007-1 Variable Funding Senior Notes, Class A-1 (herein called the "Series 2007-1 Class A-1 Notes"), and is one of the Sub-Classes thereof designated as the Series 2007-1 Class A-1-A Swingline Notes (herein called the "Series 2007-1 Class A-1-A Swingline Notes"), all issued under (i) the Base Indenture, dated as of November 29, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association, as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) the Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (the " Series 2007-1 Supplement"), among the Co-Issuers and the Indenture Trustee. The Base Indenture and the Series 2007-1 Supplement are referred to herein as the " Indenture". The Series 2007-1 Class A-1-A Swingline Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Class A-1-A Swingline Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture.

As provided for in the Indenture, the Series 2007-1 Class A-1-A Swingline Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Class A-1-A Swingline Notes are subject to mandatory prepayment as provided for in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal of the Series 2007-1 Class A-1-A Swingline Notes will be made pro rata to the holders of Series 2007-1 Class A-1-A Swingline Notes entitled thereto.

Amounts due on this Note which are payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date or Prepayment Record Date, as the case may be.

Interest and fees and contingent additional interest, if any, will each accrue on the Series 2007-1 Class A-1-A Swingline Notes at the rates set forth in the Indenture. Such amounts will be computed on the basis set forth in the Indenture. Amounts payable on the Series 2007-1 Class A-1-A Swingline Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of amounts due on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Class A-1-A Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Class A-1-A Swingline Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Series 2007-1 Class A-1-A Noteholder, by acceptance of a Series 2007-1 Class A-1-A Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Class A-1-A Noteholder 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 federal or state bankruptcy or similar law; provided, however, that nothing herein 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.

It is the intent of the Co-Issuers and each Series 2007-1 Class A-1-A Noteholder that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Class A-1-A Notes will evidence indebtedness of the Co-Issuers secured by the Indenture Collateral. Each Series 2007-1 Class A-1-A Noteholder, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Series 2007-1 Class A-1-A Noteholders under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Series 2007-1 Class A-1-A Noteholders. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series

Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences without the consent of any Series 2007-1 Class A-1 Noteholders. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon such Series 2007-1 Class A-1-A Noteholders and upon all future Series 2007-1 Class A-1-A Noteholders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term “Co-Issuer” as used in this Note includes any successor to the Co-Issuers and any Additional Co-Issuers under the Indenture.

The Series 2007-1 Class A-1-A Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the amounts due on this Note at the times, place and rate, and in the coin or currency herein prescribed.

[Remainder of page intentionally left blank]

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints , attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ________________________ By: ____________________________(1)

Signature Guaranteed:

____

(1) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

INCREASES AND DECREASES

Date	Unpaid Principal Amount	Subfacility Increase	Decrease	Total	Series 2007-1 Class A-1 Note Interest Rate	Interest Accrual Period (if applicable)	Notation Made By

EXHIBIT A-1-2-2

FORM OF SERIES 2007-1 CLASS A-1-X SWINGLINE NOTE

THIS SERIES 2007-1 VARIABLE FUNDING SENIOR NOTE, CLASS A-1 (THIS "NOTE"), WHICH IS A SERIES 2007-1 CLASS A-1-X SWINGLINE 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS KANSAS LLC, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC OR APPLEBEE'S RESTAURANTS VERMONT, INC. (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 IN ACCORDANCE WITH THE PROVISIONS OF THE CLASS A-1 NOTE PURCHASE AGREEMENT, DATED AS OF NOVEMBER 29, 2007 BY AND AMONG THE CO-ISSUERS, APPLEBEE'S SERVICES, INC., AS SERVICER, THE CONDUIT INVESTORS, THE COMMITTED NOTE PURCHASERS AND THE FUNDING AGENTS NAMED THEREIN, THE L/C PROVIDER NAMED THEREIN, LEHMAN COMMERCIAL PAPER, INC., AS SWINGLINE LENDER AND AS CLASS A-1 ADMINISTRATIVE AGENT.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN AND SUBJECT TO SUBFACILITY INCREASES AND SUBFACILITY DECREASES AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE face HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

REGISTERED

No. [ ] up to $[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

APPLEBEE'S ENTERPRISES LLC,
APPLEBEE'S IP LLC,
APPLEBEE'S RESTAURANTS NORTH LLC,
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC,
APPLEBEE'S RESTAURANTS WEST LLC,
APPLEBEE'S RESTAURANTS VERMONT, INC.,
APPLEBEE'S RESTAURANTS TEXAS LLC
APPLEBEE'S RESTAURANTS INC. and
APPLEBEE'S RESTAURANTS KANSAS LLC,

SERIES 2007-1 VARIABLE FUNDING SENIOR NOTE, CLASS A-1
SUBCLASS: SERIES 2007-1 CLASS A-1-X SWINGLINE NOTE

APPLEBEE'S ENTERPRISES LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware APPLEBEE'S RESTAURANTS VERMONT, INC., a corporation formed under the laws of the state of Vermont, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., a corporation formed under the laws of the State of Kansas and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to LEHMAN

COMMERCIAL PAPER INC. or registered assigns, up to the principal sum of [ ] ($[ ]) or such lesser amount as shall equal the portion of the Series 2007-1 Class A-1 Outstanding Principal Amount evidenced by this Note as provided in the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on December 21, 2037 (the " Series 2007-1 Legal Final Maturity Date"). Pursuant to the Series 2007-1 Class A-1 Note Purchase Agreement and the Series 2007-1 Supplement, the principal amount of this Note may be subject to Subfacility Increases or Subfacility Decreases on any Business Day during the Commitment Term, and principal with respect to the Series 2007-1 Class A-1 Notes may be paid earlier than the Series 2007-1 Legal Final Maturity Date as described in the Indenture. The Co-Issuers will pay interest on this Series 2007-1 Class A-1 Swingline Note (this "Note") at the Series 2007-1 Class A-1 Note Interest Rate for each Interest Accrual Period in accordance with the terms of the Indenture. Such amounts due on this Note will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each January, February, March, April, May, June, July, August, September, October, November, and December commencing January 20, 2008 (each, a " Payment Date"). Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the day that is two (2) Business Days prior to the first Accounting Date and (ii) thereafter, any period commencing on and including the day that is two (2) Business Days prior to an Accounting Date and ending on but excluding the day that is two (2) Business Days prior to the next succeeding Accounting Date (each, an " Interest Accrual Period"). Such amounts due with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note at the Series 2007-1 Class A-1 Extension Contingent Additional Rate or the Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Rate, as applicable, and such contingent additional interest shall be computed and shall be payable in the amounts and at the times set forth in the Indenture. In addition to and not in limitation of the foregoing and the provisions of the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement, the Co-Issuers further jointly and severally agree to pay to the holder of this Note such holder's portion of the other fees, costs and expense reimbursements, indemnification amounts and other amounts, if any, due and payable in accordance with the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement.

The holder of this Note is authorized to endorse on the schedules annexed hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof the date and amount of each Subfacility Increase and Subfacility Decrease with respect thereto and the Series 2007-1 Class A-1 Note Interest Rate applicable thereto. Each such endorsement shall constitute prima facie evidence of the accuracy of the information endorsed. The failure to make any such endorsement or any error in any such endorsement shall not affect the obligations of the Co-Issuers in respect of the Series 2007-1 Class A-1 Outstanding Principal Amount.

The amounts due on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private

debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional prepayment and mandatory liquidation (referred to in the Indenture as the " Auction Call Redemption"), as set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association Sixth Street and Marquette Avenue, MAC N9311-161 Minneapolis, MN 55479, Attention: Corporate Trust Services / Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Co-Issuers has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer.

Date: ______________

APPLEBEE'S ENTERPRISES LLC, as Co- Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S IP LLC, as Co-Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC, as Co-Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, as Co-Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC, as Co-Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT, INC., as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC., as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Class A-1-A Swingline Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Class A-1 Notes of the Co-Issuers designated as their Series 2007-1 Variable Funding Senior Notes, Class A-1 (herein called the "Series 2007-1 Class A-1 Notes"), and is one of the Sub-Class thereof designated as the Series 2007-1 Class A-1-X Swingline Notes (herein called the "Series 2007-1 Class A-1-X Swingline Notes"), all issued under (i) the Base Indenture, dated as of November 19, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association, as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) the Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (the " Series 2007-1 Supplement"), among the Co-Issuers and the Trustee. The Base Indenture and the Series 2007-1 Supplement are referred to herein as the " Indenture". The Series 2007-1 Class A-1-X Swingline Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Class A-1-X Swingline Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture.

As provided for in the Indenture, the Series 2007-1 Class A-1-X Swingline Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Class A-1-X Swingline Notes are subject to mandatory prepayment as provided for in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal of the Series 2007-1 Class A-1-A Swingline Notes will be made pro rata to the holders of Series 2007-1 Class A-1-X Swingline Notes entitled thereto.

Amounts due on this Note which are payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date or Prepayment Record Date, as the case may be.

Interest and contingent additional interest, if any, will each accrue on the Series 2007-1 Class A-1-X Swingline Notes at the rates set forth in the Indenture. The interest and contingent additional interest, if any, will be computed on the basis set forth in the Indenture. Amounts payable on the Series 2007-1 Class A-1-X Swingline Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of amounts due on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Class A-1-X Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Class A-1-X Swingline Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Series 2007-1 Class A-1-X Noteholder, by acceptance of a Series 2007-1 Class A-1-X Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Class A-1-X Noteholder 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 federal or state bankruptcy or similar law; provided, however, that nothing herein 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.

It is the intent of the Co-Issuers and each Series 2007-1 Class A-1-X Noteholder that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Class A-1-X Notes will evidence indebtedness of the Co-Issuers secured by the Indenture Collateral. Each Series 2007-1 Class A-1-X Noteholder, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Series 2007-1 Class A-1-X Noteholders under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Series 2007-1 Class A-1-X Noteholders. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series

Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences without the consent of any Series 2007-1 Class A-1 Noteholders. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon such Series 2007-1 Class A-1-X Noteholder and upon all future Series 2007-1 Class A-1-X Noteholders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Co-Issuer" as used in this Note includes any successor to the Co-Issuers and any Additional Co-Issuers under the Indenture.

The Series 2007-1 Class A-1-X Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the amounts due on this Note at the times, place and rate, and in the coin or currency herein prescribed.

[Remainder of page intentionally left blank]

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints , attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________ By: ____(1)

Signature Guaranteed:

____

(1) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

INCREASES AND DECREASES

Date	Unpaid Principal Amount	Subfacility Increase	Subfacility Decrease	Total	Series 2007-1 Class A-1 Note Interest Rate	Interest Accrual Period (if applicable)	Notation Made By

EXHIBIT A-1-3-1

FORM OF SERIES 2007-1 CLASS A-1-A L/C NOTE

THIS SERIES 2007-1 VARIABLE FUNDING SENIOR NOTE, CLASS A-1 (THIS "NOTE"), WHICH IS A SERIES 2007-1 CLASS A-1-A L/C 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS KANSAS LLC, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC OR APPLEBEE'S RESTAURANTS VERMONT, INC. (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 IN ACCORDANCE WITH THE PROVISIONS OF THE CLASS A-1 NOTE PURCHASE AGREEMENT, DATED AS OF NOVEMBER 29, 2007 BY AND AMONG THE CO-ISSUERS, APPLEBEE'S SERVICES, INC., AS SERVICER, THE CONDUIT INVESTORS, THE COMMITTED NOTE PURCHASERS AND THE FUNDING AGENTS NAMED THEREIN, THE L/C PROVIDER NAMED THEREIN, LEHMAN COMMERCIAL PAPER, INC., AS SWINGLINE LENDER AND AS CLASS A-1 ADMINISTRATIVE AGENT.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN AND SUBJECT TO SUBFACILITY INCREASES AND SUBFACILITY DECREASES AS SET FORTH HEREIN. ACCORDINGLY, THE SERIES 2007-1 CLASS A-1-A OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ALL L/C OBLIGATIONS RELATING TO LETTERS OF CREDIT ISSUED BY THE HOLDER OF THIS NOTE (WHETHER IN RESPECT OF UNDRAWN L/C FACE AMOUNTS OR UNREIMBURSED L/C DRAWINGS) SHALL BE DEEMED TO BE PRINCIPAL OUTSTANDING UNDER THIS NOTE FOR ALL PURPOSES OF THIS AGREEMENT, THE INDENTURE AND THE OTHER TRANSACTION DOCUMENTS OTHER THAN, IN THE CASE OF UNDRAWN L/C FACE AMOUNTS, FOR PURPOSES OF ACCRUAL OF INTEREST. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE INDENTURE TRUSTEE.

REGISTERED

No.[ ] up to $[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

APPLEBEE'S ENTERPRISES LLC,
APPLEBEE'S IP LLC,
APPLEBEE'S RESTAURANTS NORTH LLC,
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC,
APPLEBEE'S RESTAURANTS WEST LLC,
APPLEBEE'S RESTAURANTS VERMONT, INC.,
APPLEBEE'S RESTAURANTS TEXAS LLC
APPLEBEE'S RESTAURANTS INC.
and
APPLEBEE'S RESTAURANTS KANSAS LLC,

SERIES 2007-1 VARIABLE FUNDING SENIOR NOTE, CLASS A-1
SUBCLASS: SERIES 2007-1 CLASS A-1-A L/C NOTE

APPLEBEE'S ENTERPRISES LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of

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the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS VERMONT, INC., a corporation formed under the laws of the state of Vermont, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., a corporation formed under the laws of the State of Kansas and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to Lehman Brothers Bank, FSB, as Funding Agent, or registered assigns, up to the principal sum of [ ] ($[ ]) or such lesser amount as shall equal the portion of the Series 2007-1 Class A-1 Outstanding Principal Amount evidenced by this Note as provided in the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on December 21, 2037 (the " Series 2007-1 Legal Final Maturity Date"). Pursuant to the Series 2007-1 Class A-1 Note Purchase Agreement and the Series 2007-1 Supplement, the principal amount of this Note may be subject to Subfacility Increases or Subfacility Decreases on any Business Day during the Commitment Term, and principal with respect to the Series 2007-1 Class A-1 Notes may be paid earlier than the Series 2007-1 Legal Final Maturity Date as described in the Indenture. The Co-Issuers will pay interest on this Series 2007-1 Class A-1-A L/C Note (this "Note") at the Series 2007-1 Class A-1 Note Interest Rate and the Series 2007-1 Class A-1-A Monthly L/C Fees, in each case, for each Interest Accrual Period in accordance with the terms of the Indenture. Such amounts due on this Note will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each January, February, March, April, May, June, July, August, September, October, November, and December commencing January 20, 2008 (each, a " Payment Date"). Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the day that is two (2), Business Days prior to the first Accounting Date and (ii) thereafter, any period commencing on and including the day that is two (2) Business Days prior to an Accounting Date and ending on but excluding the day that is two (2) Business Days prior to the next succeeding Accounting Date (each, an " Interest Accrual Period"). Such amounts due with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note at the Series 2007-1 Class A-1 Extension Contingent Additional Rate or the Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Rate, as applicable, and such contingent additional interest and fees shall be computed and shall be payable in the amounts and at the times set forth in the Indenture. In addition to and not in limitation of the foregoing and the provisions of the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement, the Co-Issuers further jointly and severally agree to pay to the holder of this Note such holder's portion of the other fees, costs and expense reimbursements, indemnification amounts and other amounts, due and payable in accordance with the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement.

The holder of this Note is authorized to endorse on the schedules annexed hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof the date and amount of each Increase and Decrease with respect thereto and the

Series 2007-1 Class A-1 Note Interest Rate applicable thereto. Each such endorsement shall constitute prima facie evidence of the accuracy of the information endorsed. The failure to make any such endorsement or any error in any such endorsement shall not affect the obligations of the Co-Issuers in respect of the Series 2007-1 Class A-1 Outstanding Principal Amount.

The amounts due on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional prepayment and mandatory liquidation (referred to in the Indenture as the "Auction Call Redemption"), as set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161 Minneapolis, MN 55479, Attention: Corporate Trust Services / Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Co-Issuers has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer.

Date:

APPLEBEE'S ENTERPRISES LLC, as Co- Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S IP LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT, INC., as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS
LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC., as
Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC, as
Co-Issuer

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Class A-1-A L/C Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Class A-1 Notes of the Co-Issuers designated as their Series 2007-1 Variable Funding Senior Notes, Class A-1 (herein called the "Series 2007-1 Class A-1 Notes"), and is one of the Sub-Classes thereof designated as the Series 2007-1 Class A-1-A L/C Notes (herein called the "Series 2007-1 Class A-1-A L/C Notes"), all issued under (i) the Base Indenture, dated as of November 29, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) the Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (the " Series 2007-1 Supplement"), among the Co-Issuers and the Indenture Trustee. The Base Indenture and the Series 2007-1 Supplement are referred to herein as the " Indenture". The Series 2007-1 Class A-1-A L/C Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Class A-1-A L/C Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture.

All L/C Obligations relating to Letters of Credit issued by the holder of this Note (whether in respect of Undrawn L/C face Amounts or Unreimbursed L/C Drawings) shall be deemed to be principal outstanding under this Note for all purposes of this Agreement, the Indenture and the other Related Documents other than, in the case of Undrawn L/C Face Amounts, for purposes of accrual of interest. As provided for in the Indenture, the Series 2007-1 Class A-1-A L/C Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Class A-1-A L/C Notes are subject to mandatory prepayment as provided for in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal of the Series 2007-1 Class A-1-A L/C Notes will be made pro rata to the holders of Series 2007-1 Class A-1-A L/C Notes entitled thereto.

Amounts due on this Note which are payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date or Prepayment Record Date, as the case may be.

Interest and fees and contingent additional interest and fees, if any, will each accrue on the Series 2007-1 Class A-1-A L/C Notes at the rates set forth in the Indenture. Such amounts will be computed on the basis set forth in the Indenture. Amounts payable on the Series 2007-1 Class A-1-A L/C Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of amounts due on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Class A-1-A Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Class A-1-A L/C Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Series 2007-1 Class A-1-A Noteholder, by acceptance of a Series 2007-1 Class A-1-A Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Class A-1-A Noteholder 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 federal or state bankruptcy or similar law; provided, however, that nothing herein 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.

It is the intent of the Co-Issuers and each Series 2007-1 Class A-1-A Noteholder that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Class A-1-A Notes will evidence indebtedness of the Co-Issuers secured by the Indenture Collateral. Each Series 2007-1 Class A-1-A Noteholder, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Series 2007-1 Class A-1-A Noteholders under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as

applicable) and without the consent of any Series 2007-1 Class A-1-A Noteholders. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences without the consent of any Series 2007-1 Class A-1-A Noteholders. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon such Series 2007-1 Class A-1-A Noteholders and upon all future Series 2007-1 Class A-1-A Noteholders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Co-Issuer" as used in this Note includes any successor to the Co-Issuers and any Additional Co-Issuers under the Indenture.

The Series 2007-1 Class A-1-A Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the amounts due on this Note at the times, place and rate, and in the coin or currency herein prescribed.

[Remainder of page intentionally left blank]

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints ____________, attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________ By: ______________________________(1)

Signature Guaranteed:

____

(1) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

INCREASES AND DECREASES

Date	Unpaid Principal Amount	Subfacility Increase	Subfacility Decrease	Total	Series 2007-1 Class A-1 Note Interest Rate	Interest Accrual Period (if applicable)	Notation Made By

EXHIBIT A-1-3-2

FORM OF SERIES 2007-1 CLASS A-1-X L/C NOTE

THIS SERIES 2007-1 VARIABLE FUNDING SENIOR NOTE, CLASS A-1 (THIS "NOTE"), WHICH IS A SERIES 2007-1 CLASS A-1-X L/C 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS KANSAS LLC, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC OR APPLEBEE'S RESTAURANTS VERMONT, INC. (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 IN ACCORDANCE WITH THE PROVISIONS OF THE CLASS A-1 NOTE PURCHASE AGREEMENT, DATED AS OF NOVEMBER 29, 2007 BY AND AMONG THE CO-ISSUERS, APPLEBEE'S SERVICES, INC., AS SERVICER, THE CONDUIT INVESTORS, THE COMMITTED NOTE PURCHASERS AND THE FUNDING AGENTS NAMED THEREIN, THE L/C PROVIDER NAMED THEREIN, LEHMAN COMMERCIAL PAPER, INC., AS SWINGLINE LENDER AND AS CLASS A-1 ADMINISTRATIVE AGENT.

THE PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN AND SUBJECT TO SUBFACILITY INCREASES AND SUBFACILITY DECREASES AS SET FORTH HEREIN. ACCORDINGLY, THE SERIES 2007-1 CLASS A-1-X OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE face HEREOF. ALL L/C OBLIGATIONS RELATING TO LETTERS OF CREDIT ISSUED BY THE HOLDER OF THIS NOTE (WHETHER IN RESPECT OF UNDRAWN L/C FACE AMOUNTS OR UNREIMBURSED L/C DRAWINGS) SHALL BE DEEMED TO BE PRINCIPAL OUTSTANDING UNDER THIS NOTE FOR ALL PURPOSES OF THIS AGREEMENT, THE INDENTURE AND THE OTHER TRANSACTION DOCUMENTS OTHER THAN, IN THE CASE OF UNDRAWN L/C FACE AMOUNTS, FOR PURPOSES OF ACCRUAL OF INTEREST. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE INDENTURE TRUSTEE.

REGISTERED

No. [ ] up to $[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

APPLEBEE'S ENTERPRISES LLC,
APPLEBEE'S IP LLC,
APPLEBEE'S RESTAURANTS NORTH LLC,
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC,
APPLEBEE'S RESTAURANTS WEST LLC,
APPLEBEE'S RESTAURANTS VERMONT, INC.,
APPLEBEE'S RESTAURANTS TEXAS LLC,
APPLEBEE'S RESTAURANTS INC.,
and
APPLEBEE'S RESTAURANTS KANSAS LLC,

SERIES 2007-1 VARIABLE FUNDING SENIOR NOTES, CLASS A-1
SUB-CLASS: SERIES 2007-1 CLASS A-1-X L/C NOTE

APPLEBEE'S ENTERPRISES LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of

the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS VERMONT, INC., corporation formed under the laws of the state of Vermont, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., corporation formed under the laws of the State of Kansas and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to Lehman Brothers Bank, FSB, as Funding Agent, or registered assigns, up to the principal sum of [ ] ($[ ]) or such lesser amount as shall equal the portion of the Series 2007-1 Class A-1 Outstanding Principal Amount evidenced by this Note as provided in the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement . Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on December 21, 2037 (the " Series 2007-1 Legal Final Maturity Date"). Pursuant to the Series 2007-1 Class A-1 Note Purchase Agreement and the Series 2007-1 Supplement, the principal amount of this Note may be subject to Subfacility Increases or Subfacility Decreases on any Business Day during the Commitment Term, and principal with respect to the Series 2007-1 Class A-1 Notes may be paid earlier than the Series 2007-1 Legal Final Maturity Date as described in the Indenture. The Co-Issuers will pay interest on this Series 2007-1 Class A-1-X L/C Note (this " Note") at the Series 2007-1 Class A-1 Note Interest Rate and the Series 2007-1 Class A-1-X Monthly L/C Fees, in each case, for each Interest Accrual Period in accordance with the terms of the Indenture. Such amounts due on this Note will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each January, February, March, April, May, June, July, August, September, October, November and December commencing January 20, 2008 (each, a " Payment Date"). Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the day that is two (2), Business Days prior to the first Accounting Date and (ii) thereafter, any period commencing on and including the day that is two (2) Business Days prior to an Accounting Date and ending on but excluding the day that is two (2) Business Days prior to the next succeeding Accounting Date (each, an " Interest Accrual Period"). Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest and fees on this Note at the Series 2007-1 Class A-1 Extension Contingent Additional Rate or the Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Rate, as applicable, and such contingent additional interest and fees shall be computed and shall be payable in the amounts and at the times set forth in the Indenture. In addition to and not in limitation of the foregoing and the provisions of the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement, the Co-Issuers further jointly and severally agree to pay to the holder of this Note such holder's portion of the other fees, costs and expense reimbursements, indemnification amounts and other amounts due and payable in accordance with the Indenture and the Series 2007-1 Class A-1 Note Purchase Agreement.

The holder of this Note is authorized to endorse on the schedules annexed hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof the date and amount of each Increase and Decrease with respect thereto and the

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Series 2007-1 Class A-1 Note Interest Rate applicable thereto. Each such endorsement shall constitute prima facie evidence of the accuracy of the information endorsed. The failure to make any such endorsement or any error in any such endorsement shall not affect the obligations of the Co-Issuers in respect of the Series 2007-1 Class A-1 Outstanding Principal Amount.

The amounts due on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional prepayment and mandatory liquidation (referred to in the Indenture as the "Auction Call Redemption") as set forth in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161 Minneapolis, MN 55479, Attention: Corporate Trust Services / Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Co-Issuers has caused this instrument to be signed, manually or in facsimile, by its Authorized Officer.

Date:

APPLEBEE'S ENTERPRISES LLC, as Co- Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S IP LLC, as Co-Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC, as Co-Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, as Co-Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC, as Co-Issuer

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT, INC., as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC., as Co-Issuer

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Class A-1-X L/C Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Class A-1 Notes of the Co-Issuers designated as their Series 2007-1 Variable Funding Senior Notes, Class A-1 (herein called the "Series 2007-1 Class A-1 Notes"), and is one of the Sub-Classes thereof designated as the Series 2007-1 Class A-1-X L/C Notes (herein called the "Series 2007-1 Class A-1-X L/C Notes"), all issued under (i) the Base Indenture, dated as of November 29, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) the Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (the " Series 2007-1 Supplement"), among the Co-Issuers and the Indenture Trustee. The Base Indenture and the Series 2007-1 Supplement are referred to herein as the " Indenture". The Series 2007-1 Class A-1-X L/C Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Class A-1-X L/C Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture.

All L/C Obligations relating to Letters of Credit issued by the holder of this Note (whether in respect of Undrawn L/C face Amounts or Unreimbursed L/C Drawings) shall be deemed to be principal outstanding under this Note for all purposes of this Agreement, the Indenture and the other Related Documents other than, in the case of Undrawn L/C Face Amounts, for purposes of accrual of interest. As provided for in the Indenture, the Series 2007-1 Class A-1-X L/C Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Class A-1-X L/C Notes are subject to mandatory prepayment as provided for in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal of the Series 2007-1 Class A-1-X L/C Notes will be made pro rata to the holders of Series 2007-1 Class A-1-X L/C Notes entitled thereto.

Amounts due on this Note which are payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date or Prepayment Record Date, as the case may be.

Interest and fees and contingent additional interest and fees, if any, will each accrue on the Series 2007-1 Class A-1-X L/C Notes at the rates set forth in the Indenture. Such amounts will be computed on the basis set forth in the Indenture. Amounts payable on the Series 2007-1 Class A-1-X L/C Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of amounts due on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Class A-1-X Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an “eligible guarantor institution” meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“ STAMP”) or such other “signature guarantee program” as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Class A-1-X L/C Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Series 2007-1 Class A-1-X Noteholder, by acceptance of a Series 2007-1 Class A-1-X Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Class A-1-X Noteholder 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 federal or state bankruptcy or similar law; provided, however, that nothing herein 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.

It is the intent of the Co-Issuers and each Series 2007-1 Class A-1-X Noteholder that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Class A-1-X Notes will evidence indebtedness of the Co-Issuers secured by the Indenture Collateral. Each Series 2007-1 Class A-1-X Noteholder, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Series 2007-1 Class A-1-X Noteholders under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as

applicable) and without the consent of any Series 2007-1 Class A-1-X Noteholders. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences without the consent of any Series 2007-1 Class A-1-X Noteholders. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon such Series 2007-1 Class A-1-X Noteholders and upon all future Series 2007-1 Class A-1-X Noteholders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Co-Issuer" as used in this Note includes any successor to the Co-Issuers and any Additional Co-Issuers under the Indenture.

The Series 2007-1 Class A-1-X Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the amounts due on this Note at the times, place and rate, and in the coin or currency herein prescribed.

[Remainder of page intentionally left blank]

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints , attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________ By: ____________________(1)

Signature Guaranteed:

____

(1) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

INCREASES AND DECREASES

Date	Unpaid Principal Amount	Subfacility Increase	Subfacility Decrease	Total	Series 2007-1 Class A-1 Note Interest Rate	Interest Accrual Period (if applicable)	Notation Made By

EXHIBIT A-2-I-1

FORM OF RULE 144A SERIES 2007-1 CLASS A-2-I-X GLOBAL NOTE

THIS SERIES 2007-1 FIXED RATE TERM SENIOR NOTE, CLASS A-2-I-X 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, APPLEBEE'S RESTAURANTS VERMONT, INC. AND APPLEBEE'S RESTAURANTS KANSAS LLC, (THE "CO-ISSUERS") HAS 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 (I) IN THE UNITED STATES TO EITHER THE 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 THE 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 (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE CO-ISSUERS (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT

COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE CO-ISSUERS (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A OR (II) OUTSIDE THE UNITED STATES TO THE 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 ("REGULATIONS") 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. THE 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 OR A RULE 144A GLOBAL NOTE WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE IN THE FORM REQUIRED BY THE INDENTURE AND WILL BE DEEMED OR 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 INDENTURE TRUSTEE OR ANY INTERMEDIARY.

THE CO-ISSUERS MAY REQUIRE ANY HOLDER OF THIS NOTE WHO IS DETERMINED NOT TO HAVE BEEN (I) IF THIS NOTE IS ACQUIRED IN THE UNITED STATES, BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER OR (II) IF THIS NOTE WAS ACQUIRED OUTSIDE OF THE UNITED STATES, BOTH A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT 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 OR (II) A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATIONS.

THE OFFERED NOTES MAY NOT BE SOLD TO ANY RESIDENT OF THE REPUBLIC OF IRELAND.

[THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO THE SERVICER AT ITS ADDRESS SET FORTH IN THE INDENTURE.](7)

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.

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(7) Insert as applicable.

RULE 144A GLOBAL NOTE
SERIES 2007-1 SENIOR NOTE CLASS A-2-I-X

No. [ ] $[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

CUSIP Number: 037898 AA1
ISIN Number: US037898AA13

APPLEBEE'S ENTERPRISES LLC
APPLEBEE'S IP LLC
APPLEBEE'S RESTAURANTS NORTH LLC
APPLEBEE'S RESTAURANTS WEST LLC
APPLEBEE'S RESTAURANTS TEXAS LLC
APPLEBEE'S RESTAURANTS INC.
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC
APPLEBEE'S RESTAURANTS VERMONT, INC.
APPLEBEE'S RESTAURANTS KANSAS LLC

SERIES 2007-1 7.2836% FIXED RATE TERM SENIOR NOTE, CLASS A-2-I-X

APPLEBEE'S ENTERPRISES LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., a corporation incorporated under the laws of the State of Kansas, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS VERMONT, INC., a corporation incorporated under the laws of the State of Vermont and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to CEDE & CO. or registered assigns, the principal sum of [ ] ($[ ]) as provided below and in the Indenture referred to herein. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on the Payment Date (as defined below) occurring in December 2037 (the " Series 2007-1 Legal Final Maturity Date"). The Co-Issuers will pay interest on this Series 2007-1 Fixed Rate Term Senior Note, Class A-2-I-X (this "Note") at the Series 2007-1 Class A-2-I Note Interest Rate, as such rate may be adjusted in accordance with the terms of the Indenture, for each Interest Accrual Period in accordance with the terms of the Indenture. Such interest will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business

Day, the next succeeding Business Day) of each calendar month (each, a "Payment Date"), commencing on the Payment Date occurring in January 2008. Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the Payment Date occurring in January 2008 (which pursuant to Section 16.12 of the Base Indenture and Section 7.16 of the Series 2007-1 Supplement shall be January 22, 2008) and (ii) thereafter, the period commencing on and including a Payment Date and ending on but excluding the next succeeding Payment Date (each, an "Interest Accrual Period"), subject to the terms set forth in the Indenture. Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note in the form of the Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest, as applicable, which shall be computed and shall be payable in the amounts and at the times set forth in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional principal prepayments and mandatory liquidation (referred to in the Indenture as the "Auction Call Redemption"), as set forth in the Indenture.

Interests in this Note are exchangeable or transferable in whole or in part for interests in a Regulation S Global Note; provided that such transfer or exchange complies with the applicable provisions of the Indenture relating to the transfer of the Notes. Interests in this Note in certain circumstances may also be exchangeable or transferable in whole but not in part for duly executed and issued registered Definitive Notes; provided that such transfer or exchange complies with Article II of the Base Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Corporate Trust Services/Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have

happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Co-Issuers have caused this Note to be duly executed.

Dated:[ ]

APPLEBEE'S ENTERPRISES LLC

By: ______________________________
Name:
Title:

APPLEBEE'S IP LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC.

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-
ATLANTIC LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT,
INC.

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-I-X of the Co-Issuers designated as their Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-I-X (herein called the "Series 2007-1 Notes") all issued under (i) a Base Indenture, dated as of November 29, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) a Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (such Series 2007-1 Supplement, as amended, supplemented or modified from time to time, is herein called the (" Series 2007-1 Supplement"), among the Co-Issuers and the Indenture Trustee. The Base Indenture, Series 2007-1 Supplement and such other Series Supplement or Supplemental Indenture as may be executed from time to time are referred to herein as the "Indenture". The Series 2007-1 Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture and in the respective Guaranty and Collateral Agreements.

The Notes will be issued in minimum denominations of $200,000 and integral multiples of $ 1,000 in excess thereof.

As provided for in the Indenture, subject to certain specified conditions, the Series 2007-1 Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Notes are subject to mandatory principal prepayment provisions as provided for in the Indenture. With certain exceptions, the Co-Issuers will be obligated to pay the Make-Whole Amount relating to the Series 2007-1 Notes on any prepayment of principal of any Series 2007-1 Notes prior to the Series 2007-1 Anticipated Prepayment Date as described in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal relating to any Class of Series 2007-1 Notes will be made pro rata to the Holders of such Class of Series 2007-1 Notes.

Principal of and interest on this Note which is payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date.

Interest and contingent additional interest, if any, will each accrue on the Series 2007-1 Notes at the rates set forth in the Indenture. The interest and contingent additional interest, if any, will be computed on the basis set forth in the Indenture. The amount of interest payable on the Series 2007-1 Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of principal of and interest on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments in the Indenture.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Holder of Series 2007-1 Notes, by acceptance of a Series 2007-1 Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Noteholder 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 federal Insolvency Law; provided, however, that nothing herein 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

It is the intent of the Co-Issuers and each Holder of Series 2007-1 Notes that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Notes will evidence indebtedness of the Co-Issuers secured by the Collateral. Each Holder of Series 2007-1 Notes, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Holders of Series 2007-1 Notes under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Holders of Series 2007-1 Notes. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture without the consent of any Holders of Series 2007-1 Notes. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon the Holder of this Note and all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Co-Issuer" as used in this Note includes any successor to the Co-Issuers under the Indenture.

The Series 2007-1 Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

---

(name and address of assignee)

The within Note and all rights thereunder, and hereby irrevocably constitutes and appoints , attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ___________________ By: ____ (8)

Signature Guaranteed:

____

(8) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the withinNote, without alteration, enlargement or any change whatsoever.

SCHEDULE OF EXCHANGES IN RULE 144A GLOBAL NOTE

The initial principal balance of this Rule 144A Global Note is $[ ]. The following exchanges of an interest in this Rule 144A Global Note for an interest in a corresponding Regulation S Global Note have been made:

Date	Amount of Increase (or Decrease) in the Principal Amount of this Rule 144A Global Note	Remaining Principal Amount of this Rule 144A Global Note following the Increase or Decrease	Signature of Authorized Officer of Indenture Trustee of Note Registrar

EXHIBIT A-2-I-2

FORM OF REGULATION S SERIES 2007-1 CLASS A-2-I-X GLOBAL NOTE

THIS SERIES 2007-1 FIXED RATE TERM SENIOR NOTE, CLASS A-2-I-X 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, APPLEBEE'S RESTAURANTS VERMONT, INC. AND APPLEBEE'S RESTAURANTS KANSAS LLC, (THE "CO-ISSUERS") HAS 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 (I) IN THE UNITED STATES TO EITHER THE 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 THE 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 (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE CO-ISSUERS (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT

COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE CO-ISSUERS (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A OR (II) OUTSIDE THE UNITED STATES TO THE 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 ("REGULATIONS") 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. THE 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 OR A RULE 144A GLOBAL NOTE WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE IN THE FORM REQUIRED BY THE INDENTURE AND WILL BE DEEMED OR 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 INDENTURE TRUSTEE OR ANY INTERMEDIARY.

THE CO-ISSUERS MAY REQUIRE ANY HOLDER OF THIS NOTE WHO IS DETERMINED NOT TO HAVE BEEN (I) IF THIS NOTE IS ACQUIRED IN THE UNITED STATES, BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER OR (II) IF THIS NOTE WAS ACQUIRED OUTSIDE OF THE UNITED STATES, BOTH A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT 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 OR (II) A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATIONS.

THE OFFERED NOTES MAY NOT BE SOLD TO ANY RESIDENT OF THE REPUBLIC OF IRELAND.

[THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO THE SERVICER AT ITS ADDRESS SET FORTH IN THE INDENTURE.](9)

UNTIL 40 DAYS AFTER THE INITIAL PURCHASER NOTIFIES THE CO-ISSUERS THAT THE RESALE OF THE OFFERED NOTES HAS BEEN COMPLETED (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.

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(9) Insert as applicable.

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.

REGULATION S GLOBAL NOTE
SERIES 2007-1 SENIOR NOTE CLASS A-2-I-X

No. [ ] $[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

CUSIP Number: U00540 AA9
ISIN Number: USU00540AA99

APPLEBEE'S ENTERPRISES LLC
APPLEBEE'S IP LLC
APPLEBEE'S RESTAURANTS NORTH LLC
APPLEBEE'S RESTAURANTS WEST LLC
APPLEBEE'S RESTAURANTS TEXAS LLC
APPLEBEE'S RESTAURANTS INC.
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC
APPLEBEE'S RESTAURANTS VERMONT, INC.
APPLEBEE'S RESTAURANTS KANSAS LLC

SERIES 2007-1 7.2836% FIXED RATE TERM SENIOR NOTE, CLASS A-2-I-X

APPLEBEE'S ENTERPRISES LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., a corporation incorporated under the laws of the State of Kansas, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS VERMONT, INC., a corporation incorporated under the laws of the State of Vermont and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to CEDE & CO. or registered assigns, the principal sum of [ ] ($[ ]) as provided below and in the Indenture referred to herein. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on the Payment Date (as defined below) occurring in December 2037 (the "Series 2007-1 Legal Final Maturity Date"). The Co-Issuers will pay interest on this Series 2007-1 Fixed Rate Term Senior Note, Class A-2-I-X (this "Note") at the Series 2007-1 Class A-2-I Note Interest Rate, as such rate may be adjusted in accordance with the terms of the Indenture, for each Interest Accrual Period in accordance with the terms of the Indenture. Such interest will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business

Day, the next succeeding Business Day) of each calendar month (each, a "Payment Date"), commencing on the Payment Date occurring in January 2008. Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the Payment Date occurring in January 2008 (which pursuant to Section 16.12 of the Base Indenture and Section 7.16 of the Series 2007-1 Supplement shall be January 22, 2008) and (ii) thereafter, the period commencing on and including a Payment Date and ending on but excluding the next succeeding Payment Date (each, an "Interest Accrual Period"), subject to the terms set forth in the Indenture. Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note in the form of the Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest, as applicable, which shall be computed and shall be payable in the amounts and at the times set forth in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional principal prepayments and mandatory liquidation (referred to in the Indenture as the " Auction Call Redemption"), as set forth in the Indenture.

Interests in this Note are exchangeable or transferable in whole or in part for interests in a Regulation S Global Note; provided that such transfer or exchange complies with the applicable provisions of the Indenture relating to the transfer of the Notes. Interests in this Note in certain circumstances may also be exchangeable or transferable in whole but not in part for duly executed and issued registered Definitive Notes; provided that such transfer or exchange complies with Article II of the Base Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Corporate Trust Services/Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have

happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Co-Issuers have caused this Note to be duly executed.

Dated: ______________________________

APPLEBEE'S ENTERPRISES LLC

By: ______________________________
Name:
Title:

APPLEBEE'S IP LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC.

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-
ATLANTIC LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT,
INC.

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-I-X of the Co-Issuers designated as their Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-I-X (herein called the "Series 2007-1 Notes") all issued under (i) a Base Indenture, dated as of November 29, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) a Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (such Series 2007-1 Supplement, as amended, supplemented or modified from time to time, is herein called the ("Series 2007-1 Supplement"), among the Co-Issuers and the Indenture Trustee. The Base Indenture, Series 2007-1 Supplement and such other Series Supplement or Supplemental Indenture as may be executed from time to time are referred to herein as the "Indenture". The Series 2007-1 Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture and in the respective Guaranty and Collateral Agreements.

The Notes will be issued in minimum denominations of $200,000 and integral multiples of $ 1,000 in excess thereof.

As provided for in the Indenture, subject to certain specified conditions, the Series 2007-1 Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Notes are subject to mandatory principal prepayment provisions as provided for in the Indenture. With certain exceptions, the Co-Issuers will be obligated to pay the Make-Whole Amount relating to the Series 2007-1 Notes on any prepayment of principal of any Series 2007-1 Notes prior to the Series 2007-1 Anticipated Prepayment Date as described in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal relating to any Class of Series 2007-1 Notes will be made pro rata to the Holders of such Class of Series 2007-1 Notes.

Principal of and interest on this Note which is payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date.

Interest and contingent additional interest, if any, will each accrue on the Series 2007-1 Notes at the rates set forth in the Indenture. The interest and contingent additional interest, if any, will be computed on the basis set forth in the Indenture. The amount of interest payable on the Series 2007-1 Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of principal of and interest on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments in the Indenture.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Holder of Series 2007-1 Notes, by acceptance of a Series 2007-1 Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Noteholder 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 federal Insolvency Law ; provided, however, that nothing herein 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

It is the intent of the Co-Issuers and each Holder of Series 2007-1 Notes that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Notes will evidence indebtedness of the Co-Issuers secured by the Collateral. Each Holder of Series 2007-1 Notes, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Holders of Series 2007-1 Notes under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Holders of Series 2007-1 Notes. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture without the consent of any Holders of Series 2007-1 Notes. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon the Holder of this Note and all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Co-Issuer" as used in this Note includes any successor to the Co- Issuers under the Indenture.

The Series 2007-1 Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORKWITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

The within Note and all rights thereunder, and hereby irrevocably constitutes and appoints , attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ___________________ By: ______________________________________ (10)

Signature Guaranteed:

____

(10) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

SCHEDULE OF EXCHANGES IN REGULATION S GLOBAL NOTE

The initial principal balance of this Regulation S Global Note is $[ ]. The following exchanges of an interest in this Regulation S Global Note for an interest in a corresponding Rule 144A Global Note have been made:

Date	Amount of Increase (or Decrease) in the Principal Amount of this Regulation S Global Note	Remaining Principal Amount of this Regulation S Global Note following the Increase or Decrease	Signature of Authorized Officer of Indenture Trustee of Note Registrar

EXHIBIT A-2-II-1

FORM OF RULE 144A SERIES 2007-1 CLASS A-2-II-A GLOBAL NOTE

THIS SERIES 2007-1 FIXED RATE TERM SENIOR NOTE, CLASS A-2-II-A 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, APPLEBEE'S RESTAURANTS VERMONT, INC. AND APPLEBEE'S RESTAURANTS KANSAS LLC, (THE "CO-ISSUERS") HAS 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 (I) IN THE UNITED STATES TO EITHER THE 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 THE 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 (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE CO-ISSUERS (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT

COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE CO-ISSUERS (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A OR (II) OUTSIDE THE UNITED STATES TO THE 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. THE 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 OR A RULE 144A GLOBAL NOTE WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE IN THE FORM REQUIRED BY THE INDENTURE AND WILL BE DEEMED OR 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 INDENTURE TRUSTEE OR ANY INTERMEDIARY.

THE CO-ISSUERS MAY REQUIRE ANY HOLDER OF THIS NOTE WHO IS DETERMINED NOT TO HAVE BEEN (I) IF THIS NOTE IS ACQUIRED IN THE UNITED STATES, BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER OR (II) IF THIS NOTE WAS ACQUIRED OUTSIDE OF THE UNITED STATES, BOTH A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT 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 OR (II) A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S.

THE OFFERED NOTES MAY NOT BE SOLD TO ANY RESIDENT OF THE REPUBLIC OF IRELAND.

[THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO THE SERVICER AT ITS ADDRESS SET FORTH IN THE INDENTURE.](11)

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.

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(11) Insert as applicable.

RULE 144A GLOBAL NOTE
SERIES 2007-1 SENIOR NOTE CLASS A-2-II-A

No. [ ] $[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

CUSIP Number: 037898 AB9
ISIN Number: US037898AB95

APPLEBEE'S ENTERPRISES LLC
APPLEBEE'S IP LLC
APPLEBEE'S RESTAURANTS NORTH LLC
APPLEBEE'S RESTAURANTS WEST LLC
APPLEBEE'S RESTAURANTS TEXAS LLC
APPLEBEE'S RESTAURANTS INC.
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC
APPLEBEE'S RESTAURANTS VERMONT, INC.
APPLEBEE'S RESTAURANTS KANSAS LLC

SERIES 2007-1 6.4267% FIXED RATE TERM SENIOR NOTE, CLASS A-2-II-A

APPLEBEE'S ENTERPRISES LLC , a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., a corporation incorporated under the laws of the State of Kansas, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS VERMONT, INC., a corporation incorporated under the laws of the State of Vermont and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to CEDE & CO. or registered assigns, the principal sum of [ ] ($[ ]) as provided below and in the Indenture referred to herein. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on the Payment Date (as defined below) occurring in December 2037 (the "Series 2007-1 Legal Final Maturity Date"). The Co-Issuers will pay interest on this Series 2007-1 Fixed Rate Term Senior Note, Class A-2-II-A (this "Note") at the Series 2007-1 Class A-2-II-A Note Initial Interest Rate, as such rate may be adjusted in accordance with the terms of the Indenture, for each Interest Accrual Period in accordance with the terms of the Indenture. Such interest will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business

Day, the next succeeding Business Day) of each calendar month (each, a "Payment Date"), commencing on the Payment Date occurring in January 2008. Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the Payment Date occurring in January 2008 (which pursuant to Section 16.12 of the Base Indenture and Section 7.16 of the Series 2007-1 Supplement shall be January 22, 2008) and (ii) thereafter, the period commencing on and including a Payment Date and ending on but excluding the next succeeding Payment Date (each, an "Interest Accrual Period"), subject to the terms set forth in the Indenture. Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note in the form of the Series 2007-1 Class A-2-II Contingent Additional Interest or the Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest, as applicable, which shall be computed and shall be payable in the amounts and at the times set forth in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional principal prepayments and mandatory liquidation (referred to in the Indenture as the " Auction Call Redemption"), as set forth in the Indenture.

Interests in this Note are exchangeable or transferable in whole or in part for interests in a Regulation S Global Note; provided that such transfer or exchange complies with the applicable provisions of the Indenture relating to the transfer of the Notes. Interests in this Note in certain circumstances may also be exchangeable or transferable in whole but not in part for duly executed and issued registered Definitive Notes; provided that such transfer or exchange complies with Article II of the Base Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Corporate Trust Services/Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Co-Issuers have caused this Note to be duly executed.

Dated: [ ]

APPLEBEE'S ENTERPRISES LLC

By: ______________________________

Name:

Title:

APPLEBEE'S IP LLC

By: ______________________________

Name:

Title:

APPLEBEE'S RESTAURANTS NORTH LLC

By: ______________________________

Name:

Title:

APPLEBEE'S RESTAURANTS WEST LLC

By: ______________________________

Name:

Title:

APPLEBEE'S RESTAURANTS TEXAS LLC

By: ______________________________

Name:

Title:

APPLEBEE'S RESTAURANTS INC.

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-
ATLANTIC LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT,
INC.

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-II-A of the Co-Issuers designated as their Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-II-A (herein called the "Series 2007-1 Notes") all issued under (i) a Base Indenture, dated as of November 29, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) a Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (such Series 2007-1 Supplement, as amended, supplemented or modified from time to time, is herein called the ("Series 2007-1 Supplement"), among the Co-Issuers and the Indenture Trustee. The Base Indenture, Series 2007-1 Supplement and such other Series Supplement or Supplemental Indenture as may be executed from time to time are referred to herein as the "Indenture". The Series 2007-1 Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture and in the respective Guaranty and Collateral Agreements.

The Notes will be issued in minimum denominations of $200,000 and integral multiples of $ 1,000 in excess thereof.

As provided for in the Indenture, subject to certain specified conditions, the Series 2007-1 Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Notes are subject to mandatory principal prepayment provisions as provided for in the Indenture. With certain exceptions, the Co-Issuers will be obligated to pay the Make-Whole Amount relating to the Series 2007-1 Notes on any prepayment of principal of any Series 2007-1 Notes prior to the Series 2007-1 Anticipated Prepayment Date as described in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal relating to any Class of Series 2007-1 Notes will be made pro rata to the Holders of such Class of Series 2007-1 Notes.

Principal of and interest on this Note which is payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date.

Interest and contingent additional interest, if any, will each accrue on the Series 2007-1 Notes at the rates set forth in the Indenture. The interest and contingent additional interest, if any, will be computed on the basis set forth in the Indenture. The amount of interest payable on the Series 2007-1 Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of principal of and interest on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments in the Indenture.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Holder of Series 2007-1 Notes, by acceptance of a Series 2007-1 Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Noteholder 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 federal Insolvency Law ; provided, however, that nothing herein 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

It is the intent of the Co-Issuers and each Holder of Series 2007-1 Notes that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Notes will evidence indebtedness of the Co-Issuers secured by the Collateral. Each Holder of Series 2007-1 Notes, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Holders of Series 2007-1 Notes under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Holders of Series 2007-1 Notes. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture without the consent of any Holders of Series 2007-1 Notes. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon the Holder of this Note and all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Co-Issuer" as used in this Note includes any successor to the Co- Issuers under the Indenture.

The Series 2007-1 Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

The within Note and all rights thereunder, and hereby irrevocably constitutes and appoints ____________, attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ______________________________

By: ______________________________ (12)

Signature Guaranteed:

____

(12) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

SCHEDULE OF EXCHANGES IN RULE 144A GLOBAL NOTE

The initial principal balance of this Rule 144A Global Note is $[ ]. The following exchanges of an interest in this Rule 144A Global Note for an interest in a corresponding Regulation S Global Note have been made:

Date	Amount of Increase (or Decrease) in the Principal Amount of this Rule 144A Global Note	Remaining Principal Amount of this Rule 144A Global Note following the Increase or Decrease	Signature of Authorized Officer of Indenture Trustee of Note Registrar

EXHIBIT A-2-II-2

FORM OF REGULATION S SERIES 2007-1 CLASS A-2-II-A GLOBAL NOTE

THIS SERIES 2007-1 FIXED RATE TERM SENIOR NOTE, CLASS A-2-II-A 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, APPLEBEE'S RESTAURANTS VERMONT, INC. AND APPLEBEE'S RESTAURANTS KANSAS LLC, (THE "CO-ISSUERS") HAS 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 (I) IN THE UNITED STATES TO EITHER THE 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 THE 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 (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE CO-ISSUERS (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT

COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE CO-ISSUERS (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A OR (II) OUTSIDE THE UNITED STATES TO THE 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. THE 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 OR A RULE 144A GLOBAL NOTE WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE IN THE FORM REQUIRED BY THE INDENTURE AND WILL BE DEEMED OR 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 INDENTURE TRUSTEE OR ANY INTERMEDIARY.

THE CO-ISSUERS MAY REQUIRE ANY HOLDER OF THIS NOTE WHO IS DETERMINED NOT TO HAVE BEEN (I) IF THIS NOTE IS ACQUIRED IN THE UNITED STATES, BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER OR (II) IF THIS NOTE WAS ACQUIRED OUTSIDE OF THE UNITED STATES, BOTH A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT 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 OR (II) A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATIONS.

THE OFFERED NOTES MAY NOT BE SOLD TO ANY RESIDENT OF THE REPUBLIC OF IRELAND.

[THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO THE SERVICER AT ITS ADDRESS SET FORTH IN THE INDENTURE.](13)

UNTIL 40 DAYS AFTER THE INITIAL PURCHASER NOTIFIES THE CO-ISSUERS THAT THE RESALE OF THE OFFERED NOTES HAS BEEN COMPLETED (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.

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(13) Insert as applicable.

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.

REGULATION S GLOBAL NOTE
SERIES 2007-1 SENIOR NOTE CLASS A-2-II-A

No. [ ] $[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

CUSIP Number: U00540 AB7
ISIN Number: USU00540AB72

APPLEBEE'S ENTERPRISES LLC
APPLEBEE'S IP LLC
APPLEBEE'S RESTAURANTS NORTH LLC
APPLEBEE'S RESTAURANTS WEST LLC
APPLEBEE'S RESTAURANTS TEXAS LLC
APPLEBEE'S RESTAURANTS INC.
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC
APPLEBEE'S RESTAURANTS VERMONT, INC.
APPLEBEE'S RESTAURANTS KANSAS LLC

SERIES 2007-1 6.4267% FIXED RATE TERM SENIOR NOTE, CLASS A-2-II-A

APPLEBEE'S ENTERPRISES LLC , a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., a corporation incorporated under the laws of the State of Kansas, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS VERMONT, INC., a corporation incorporated under the laws of the State of Vermont and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to CEDE & CO. or registered assigns, the principal sum of [ ] ($[ ]) as provided below and in the Indenture referred to herein. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on the Payment Date (as defined below) occurring in December 2037 (the "Series 2007-1 Legal Final Maturity Date"). The Co-Issuers will pay interest on this Series 2007-1 Fixed Rate Term Senior Note, Class A-2-II-A (this "Note") at the Series 2007-1 Class A-2-II-A Note Initial Interest Rate, as such rate may be adjusted in accordance with the terms of the Indenture, for each Interest Accrual Period in accordance with the terms of the Indenture. Such interest will be payable in arrears on

each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each calendar month (each, a "Payment Date"), commencing on the Payment Date occurring in January 2008. Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the Payment Date occurring in January 2008 (which pursuant to Section 16.12 of the Base Indenture and Section 7.16 of the Series 2007-1 Supplement shall be January 22, 2008) and (ii) thereafter, the period commencing on and including a Payment Date and ending on but excluding the next succeeding Payment Date (each, an " Interest Accrual Period"), subject to the terms set forth in the Indenture. Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note in the form of the Series 2007-1 Class A-2-II Contingent Additional Interest or the Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest, as applicable, which shall be computed and shall be payable in the amounts and at the times set forth in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional principal prepayments and mandatory liquidation (referred to in the Indenture as the " Auction Call Redemption"), as set forth in the Indenture.

Interests in this Note are exchangeable or transferable in whole or in part for interests in a Regulation S Global Note; provided that such transfer or exchange complies with the applicable provisions of the Indenture relating to the transfer of the Notes. Interests in this Note in certain circumstances may also be exchangeable or transferable in whole but not in part for duly executed and issued registered Definitive Notes; provided that such transfer or exchange complies with Article II of the Base Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Corporate Trust Services/Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Co-Issuers have caused this Note to be duly executed.

Dated: [ ]

APPLEBEE'S ENTERPRISES LLC

By: ______________________________
Name:
Title:

APPLEBEE'S IP LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC.

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT, INC.

By: ________________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC

By: ________________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-II-A of the Co-Issuers designated as their Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-II-A (herein called the "Series 2007-1 Notes") all issued under (i) a Base Indenture, dated as of November 29, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) a Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (such Series 2007-1 Supplement, as amended, supplemented or modified from time to time, is herein called the ("Series 2007-1 Supplement"), among the Co-Issuers and the Indenture Trustee. The Base Indenture, Series 2007-1 Supplement and such other Series Supplement or Supplemental Indenture as may be executed from time to time are referred to herein as the "Indenture". The Series 2007-1 Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture and in the respective Guaranty and Collateral Agreements.

The Notes will be issued in minimum denominations of $200,000 and integral multiples of $ 1,000 in excess thereof.

As provided for in the Indenture, subject to certain specified conditions, the Series 2007-1 Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Notes are subject to mandatory principal prepayment provisions as provided for in the Indenture. With certain exceptions, the Co-Issuers will be obligated to pay the Make-Whole Amount relating to the Series 2007-1 Notes on any prepayment of principal of any Series 2007-1 Notes prior to the Series 2007-1 Anticipated Prepayment Date as described in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal relating to any Class of Series 2007-1 Notes will be made pro rata to the Holders of such Class of Series 2007-1 Notes.

Principal of and interest on this Note which is payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date.

Interest and contingent additional interest, if any, will each accrue on the Series 2007-1 Notes at the rates set forth in the Indenture. The interest and contingent additional interest, if any, will be computed on the basis set forth in the Indenture. The amount of interest payable on the Series 2007-1 Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of principal of and interest on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments in the Indenture.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Holder of Series 2007-1 Notes, by acceptance of a Series 2007-1 Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Noteholder 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 federal Insolvency Law ; provided, however, that nothing herein 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

It is the intent of the Co-Issuers and each Holder of Series 2007-1 Notes that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Notes will evidence indebtedness of the Co-Issuers secured by the Collateral. Each Holder of Series 2007-1 Notes, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Holders of Series 2007-1 Notes under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Holders of Series 2007-1 Notes. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture without the consent of any Holders of Series 2007-1 Notes. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon the Holder of this Note and all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term “Co-Issuer” as used in this Note includes any successor to the Co- Issuers under the Indenture.

The Series 2007-1 Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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(name and address of assignee)

The within Note and all rights thereunder, and hereby irrevocably constitutes and appoints , attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ______________________________

By: ______________________________(14)

Signature Guaranteed:

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(14) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

SCHEDULE OF EXCHANGES IN REGULATION S GLOBAL NOTE

The initial principal balance of this Regulation S Global Note is $[ ]. The following exchanges of an interest in this Regulation S Global Note for an interest in a corresponding Rule 144A Global Note have been made:

Date	**Amount of Increase (or Decrease) in the Principal Amount of this Regulation S Global Note**	**Remaining Principal Amount of this Regulation S Global Note following the Increase or Decrease**	**Signature of Authorized Officer of Indenture Trustee of Note Registrar**

EXHIBIT A-2-II-3

FORM OF RULE 144A SERIES 2007-1 CLASS A-2-II-X GLOBAL NOTE

THIS SERIES 2007-1 FIXED RATE TERM SENIOR NOTE, CLASS A-2-II-X 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, APPLEBEE'S RESTAURANTS VERMONT, INC. AND APPLEBEE'S RESTAURANTS KANSAS LLC, (THE "CO-ISSUERS") HAS 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 (I) IN THE UNITED STATES TO EITHER THE 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 THE 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 (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE CO-ISSUERS (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT

COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE CO-ISSUERS (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A OR (II) OUTSIDE THE UNITED STATES TO THE 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. THE 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 OR A RULE 144A GLOBAL NOTE WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE IN THE FORM REQUIRED BY THE INDENTURE AND WILL BE DEEMED OR 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 INDENTURE TRUSTEE OR ANY INTERMEDIARY.

THE CO-ISSUERS MAY REQUIRE ANY HOLDER OF THIS NOTE WHO IS DETERMINED NOT TO HAVE BEEN (I) IF THIS NOTE IS ACQUIRED IN THE UNITED STATES, BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER OR (II) IF THIS NOTE WAS ACQUIRED OUTSIDE OF THE UNITED STATES, BOTH A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT 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 OR (II) A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S.

THE OFFERED NOTES MAY NOT BE SOLD TO ANY RESIDENT OF THE REPUBLIC OF IRELAND.

[THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT (" OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO THE SERVICER AT ITS ADDRESS SET FORTH IN THE INDENTURE.](15)

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.

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(15) Insert as applicable.

RULE 144A GLOBAL NOTE
SERIES 2007-1 SENIOR NOTE CLASS A-2-II-X

No. [$[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

CUSIP Number: 037898 AD5
ISIN Number: US037898AD51

APPLEBEE'S ENTERPRISES LLC
APPLEBEE'S IP LLC
APPLEBEE'S RESTAURANTS NORTH LLC
APPLEBEE'S RESTAURANTS WEST LLC
APPLEBEE'S RESTAURANTS TEXAS LLC
APPLEBEE'S RESTAURANTS INC.
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC
APPLEBEE'S RESTAURANTS VERMONT, INC.
APPLEBEE'S RESTAURANTS KANSAS LLC

SERIES 2007-1 7.0588% FIXED RATE TERM SENIOR NOTE, CLASS A-2-II-X

APPLEBEE'S ENTERPRISES LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., a corporation incorporated under the laws of the State of Kansas, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS VERMONT, INC., a corporation incorporated under the laws of the State of Vermont and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to CEDE & CO. or registered assigns, the principal sum of [ ] ($[ ]) as provided below and in the Indenture referred to herein. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on the Payment Date (as defined below) occurring in December 2037 (the "Series 2007-1 Legal Final Maturity Date"). The Co-Issuers will pay interest on this Series 2007-1 Fixed Rate Term Senior Note, Class A-2-II-X (this "Note") at the Series 2007-1 Class A-2-II-X Note Initial Interest Rate, as such rate may be adjusted in accordance with the terms of the Indenture, for each Interest Accrual Period in accordance with the terms of the Indenture. Such interest will be payable in arrears on each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business

Day, the next succeeding Business Day) of each calendar month (each, a "Payment Date"), commencing on the Payment Date occurring in January 2008. Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the Payment Date occurring in January 2008 (which pursuant to Section 16.12 of the Base Indenture and Section 7.16 of the Series 2007-1 Supplement shall be January 22, 2008) and (ii) thereafter, the period commencing on and including a Payment Date and ending on but excluding the next succeeding Payment Date (each, an "Interest Accrual Period"), subject to the terms set forth in the Indenture. Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note in the form of the Series 2007-1 Class A-2-II Contingent Additional Interest or the Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest, as applicable, which shall be computed and shall be payable in the amounts and at the times set forth in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional principal prepayments and mandatory liquidation (referred to in the Indenture as the " Auction Call Redemption"), as set forth in the Indenture.

Interests in this Note are exchangeable or transferable in whole or in part for interests in a Regulation S Global Note; provided that such transfer or exchange complies with the applicable provisions of the Indenture relating to the transfer of the Notes. Interests in this Note in certain circumstances may also be exchangeable or transferable in whole but not in part for duly executed and issued registered Definitive Notes; provided that such transfer or exchange complies with Article II of the Base Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Corporate Trust Services/Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Co-Issuers have caused this Note to be duly executed.

Dated: [ ]

APPLEBEE’S ENTERPRISES LLC

By: ____________________
Name:
Title:

APPLEBEE’S IP LLC

By: ____________________
Name:
Title:

APPLEBEE’S RESTAURANTS NORTH LLC

By: ____________________
Name:
Title:

APPLEBEE’S RESTAURANTS WEST LLC

By: ____________________
Name:
Title:

APPLEBEE’S RESTAURANTS TEXAS LLC

By: ____________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC.

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-
ATLANTIC LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT,
INC.

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-II-X of the Co-Issuers designated as their Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-II-X (herein called the "Series 2007-1 Notes") all issued under (i) a Base Indenture, dated as of November 29, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) a Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (such Series 2007-1 Supplement, as amended, supplemented or modified from time to time, is herein called the ("Series 2007-1 Supplement"), among the Co-Issuers and the Indenture Trustee. The Base Indenture, Series 2007-1 Supplement and such other Series Supplement or Supplemental Indenture as may be executed from time to time are referred to herein as the "Indenture". The Series 2007-1 Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture and in the respective Guaranty and Collateral Agreements.

The Notes will be issued in minimum denominations of $200,000 and integral multiples of $ 1,000 in excess thereof.

As provided for in the Indenture, subject to certain specified conditions, the Series 2007-1 Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Notes are subject to mandatory principal prepayment provisions as provided for in the Indenture. With certain exceptions, the Co-Issuers will be obligated to pay the Make-Whole Amount relating to the Series 2007-1 Notes on any prepayment of principal of any Series 2007-1 Notes prior to the Series 2007-1 Anticipated Prepayment Date as described in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal relating to any Class of Series 2007-1 Notes will be made pro rata to the Holders of such Class of Series 2007-1 Notes.

Principal of and interest on this Note which is payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date.

Interest and contingent additional interest, if any, will each accrue on the Series 2007-1 Notes at the rates set forth in the Indenture. The interest and contingent additional interest, if any, will be computed on the basis set forth in the Indenture. The amount of interest payable on the Series 2007-1 Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of principal of and interest on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments in the Indenture.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Holder of Series 2007-1 Notes, by acceptance of a Series 2007-1 Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Noteholder 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 federal Insolvency Law ; provided, however, that nothing herein 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

It is the intent of the Co-Issuers and each Holder of Series 2007-1 Notes that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Notes will evidence indebtedness of the Co-Issuers secured by the Collateral. Each Holder of Series 2007-1 Notes, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Holders of Series 2007-1 Notes under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Holders of Series 2007-1 Notes. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture without the consent of any Holders of Series 2007-1 Notes. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon the Holder of this Note and all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term “Co-Issuer” as used in this Note includes any successor to the Co- Issuers under the Indenture.

The Series 2007-1 Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORKWITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

The within Note and all rights thereunder, and hereby irrevocably constitutes and appoints , attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ______________________________

By: ______________________________ (16)

Signature Guaranteed:

____

(16) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

SCHEDULE OF EXCHANGES IN RULE 144A GLOBAL NOTE

The initial principal balance of this Rule 144A Global Note is $[ ]. The following exchanges of an interest in this Rule 144A Global Note for an interest in a corresponding Regulation S Global Note have been made:

Date	**Amount of Increase (or Decrease) in the Principal Amount of this Rule 144A Global Note**	**Remaining Principal Amount of this Rule 144A Global Note following the Increase or Decrease**	**Signature of Authorized Officer of Indenture Trustee of Note Registrar**

EXHIBIT A-2-II-4

FORM OF REGULATION S SERIES 2007-1 CLASS A-2-II-X GLOBAL NOTE

THIS SERIES 2007-1 FIXED RATE TERM SENIOR NOTE, CLASS A-2-II-X 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, APPLEBEE'S RESTAURANTS VERMONT, INC. AND APPLEBEE'S RESTAURANTS KANSAS LLC, (THE "CO-ISSUERS") HAS 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 (I) IN THE UNITED STATES TO EITHER THE 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 THE 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 (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE CO-ISSUERS (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT

COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE CO-ISSUERS (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A OR (II) OUTSIDE THE UNITED STATES TO THE 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. THE 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 OR A RULE 144A GLOBAL NOTE WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE IN THE FORM REQUIRED BY THE INDENTURE AND WILL BE DEEMED OR 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 INDENTURE TRUSTEE OR ANY INTERMEDIARY.

THE CO-ISSUERS MAY REQUIRE ANY HOLDER OF THIS NOTE WHO IS DETERMINED NOT TO HAVE BEEN (I) IF THIS NOTE IS ACQUIRED IN THE UNITED STATES, BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER OR (II) IF THIS NOTE WAS ACQUIRED OUTSIDE OF THE UNITED STATES, BOTH A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT 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 OR (II) A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S.

THE OFFERED NOTES MAY NOT BE SOLD TO ANY RESIDENT OF THE REPUBLIC OF IRELAND.

[THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO THE SERVICER AT ITS ADDRESS SET FORTH IN THE INDENTURE.](17)

UNTIL 40 DAYS AFTER THE INITIAL PURCHASER NOTIFIES THE CO-ISSUERS THAT THE RESALE OF THE OFFERED NOTES HAS BEEN COMPLETED (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.

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(17) Insert as applicable.

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.

REGULATION S GLOBAL NOTE
SERIES 2007-1 SENIOR NOTE CLASS A-2-II-X

No. [ ] $[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

CUSIP Number: U00540 AD3
ISIN Number: USU00540AD39

APPLEBEE'S ENTERPRISES LLC
APPLEBEE'S IP LLC
APPLEBEE'S RESTAURANTS NORTH LLC
APPLEBEE'S RESTAURANTS WEST LLC
APPLEBEE'S RESTAURANTS TEXAS LLC
APPLEBEE'S RESTAURANTS INC.
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC
APPLEBEE'S RESTAURANTS VERMONT, INC.
APPLEBEE'S RESTAURANTS KANSAS LLC

SERIES 2007-1 7.0588% FIXED RATE TERM SENIOR NOTE, CLASS A-2-II-X

APPLEBEE'S ENTERPRISES LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., a corporation incorporated under the laws of the State of Kansas, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS VERMONT, INC., a corporation incorporated under the laws of the State of Vermont and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to CEDE & CO. or registered assigns, the principal sum of [ ] ($[ ]) as provided below and in the Indenture referred to herein. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on the Payment Date (as defined below) occurring in December 2037 (the "Series 2007-1 Legal Final Maturity Date"). The Co-Issuers will pay interest on this Series 2007-1 Fixed Rate Term Senior Note, Class A-2-II-X (this "Note") at the Series 2007-1 Class A-2-II-X Note Initial Interest Rate, as such rate may be adjusted in accordance with the terms of the Indenture, for each Interest Accrual Period in accordance with the terms of the Indenture. Such interest will be payable in arrears on

each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each calendar month (each, a "Payment Date"), commencing on the Payment Date occurring in January 2008. Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the Payment Date occurring in January 2008 (which pursuant to Section 16.12 of the Base Indenture and Section 7.16 of the Series 2007-1 Supplement shall be January 22, 2008) and (ii) thereafter, the period commencing on and including a Payment Date and ending on but excluding the next succeeding Payment Date (each, an " Interest Accrual Period"), subject to the terms set forth in the Indenture. Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note in the form of the Series 2007-1 Class A-2-II Contingent Additional Interest or the Series 2007-1 Class A-2 Post-ARD Contingent Additional Interest, as applicable, which shall be computed and shall be payable in the amounts and at the times set forth in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional principal prepayments and mandatory liquidation (referred to in the Indenture as the " Auction Call Redemption"), as set forth in the Indenture.

Interests in this Note are exchangeable or transferable in whole or in part for interests in a Regulation S Global Note; provided that such transfer or exchange complies with the applicable provisions of the Indenture relating to the transfer of the Notes. Interests in this Note in certain circumstances may also be exchangeable or transferable in whole but not in part for duly executed and issued registered Definitive Notes; provided that such transfer or exchange complies with Article II of the Base Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Corporate Trust Services/Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Co-Issuers have caused this Note to be duly executed.

Dated: [ ]

APPLEBEE'S ENTERPRISES LLC

By: ____________________
Name:
Title:

APPLEBEE'S IP LLC

By: ____________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC

By: ____________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC

By: ____________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS LLC

By: ____________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC.

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT, INC.

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Indenture Trustee

By: ______________________________

Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-II-X of the Co-Issuers designated as their Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-II-X (herein called the "Series 2007-1 Notes") all issued under (i) a Base Indenture, dated as of November 29, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) a Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (such Series 2007-1 Supplement, as amended, supplemented or modified from time to time, is herein called the ("Series 2007-1 Supplement"), among the Co-Issuers and the Indenture Trustee. The Base Indenture, Series 2007-1 Supplement and such other Series Supplement or Supplemental Indenture as may be executed from time to time are referred to herein as the "Indenture". The Series 2007-1 Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture and in the respective Guaranty and Collateral Agreements.

The Notes will be issued in minimum denominations of $200,000 and integral multiples of $ 1,000 in excess thereof.

As provided for in the Indenture, subject to certain specified conditions, the Series 2007-1 Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Notes are subject to mandatory principal prepayment provisions as provided for in the Indenture. With certain exceptions, the Co-Issuers will be obligated to pay the Make-Whole Amount relating to the Series 2007-1 Notes on any prepayment of principal of any Series 2007-1 Notes prior to the Series 2007-1 Anticipated Prepayment Date as described in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal relating to any Class of Series 2007-1 Notes will be made pro rata to the Holders of such Class of Series 2007-1 Notes.

Principal of and interest on this Note which is payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date.

Interest and contingent additional interest, if any, will each accrue on the Series 2007-1 Notes at the rates set forth in the Indenture. The interest and contingent additional interest, if any, will be computed on the basis set forth in the Indenture. The amount of interest payable on the Series 2007-1 Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of principal of and interest on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments in the Indenture.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Holder of Series 2007-1 Notes, by acceptance of a Series 2007-1 Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Noteholder 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 federal Insolvency Law ; provided, however, that nothing herein 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

It is the intent of the Co-Issuers and each Holder of Series 2007-1 Notes that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Notes will evidence indebtedness of the Co-Issuers secured by the Collateral. Each Holder of Series 2007-1 Notes, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Holders of Series 2007-1 Notes under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Holders of Series 2007-1 Notes. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture without the consent of any Holders of Series 2007-1 Notes. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon the Holder of this Note and all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Co-Issuer" as used in this Note includes any successor to the Co- Issuers under the Indenture.

The Series 2007-1 Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

The within Note and all rights thereunder, and hereby irrevocably constitutes and appoints , attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ______________________________

By: ______________________________ (18)

Signature Guaranteed:

____

(18) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

SCHEDULE OF EXCHANGES IN REGULATION S GLOBAL NOTE

The initial principal balance of this Regulation S Global Note is $[_________]. The following exchanges of an interest in this Regulation S Global Note for an interest in a corresponding Rule 144A Global Note have been made:

Date	**Amount of Increase (or Decrease) in the Principal Amount of this Regulation S Global Note**	**Remaining Principal Amount of this Regulation S Global Note following the Increase or Decrease**	**Signature of Authorized Officer of Indenture Trustee of Note Registrar**

EXHIBIT M-1-1

FORM OF RULE 144A SERIES 2007-1 CLASS M-1 GLOBAL NOTE

THIS SERIES 2007-1 FIXED RATE TERM SUBORDINATED NOTE, CLASS M-1 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, APPLEBEE'S RESTAURANTS VERMONT, INC. AND APPLEBEE'S RESTAURANTS KANSAS LLC, (THE "CO-ISSUERS") HAS 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 (I) IN THE UNITED STATES TO EITHER THE 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 THE 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 (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE CO-ISSUERS (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT

COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE CO-ISSUERS (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A OR (II) OUTSIDE THE UNITED STATES TO THE 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. THE 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 OR A RULE 144A GLOBAL NOTE WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE IN THE FORM REQUIRED BY THE INDENTURE AND WILL BE DEEMED OR 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 INDENTURE TRUSTEE OR ANY INTERMEDIARY.

THE CO-ISSUERS MAY REQUIRE ANY HOLDER OF THIS NOTE WHO IS DETERMINED NOT TO HAVE BEEN (I) IF THIS NOTE IS ACQUIRED IN THE UNITED STATES, BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER OR (II) IF THIS NOTE WAS ACQUIRED OUTSIDE OF THE UNITED STATES, BOTH A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT 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 OR (II) A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S.

THE OFFERED NOTES MAY NOT BE SOLD TO ANY RESIDENT OF THE REPUBLIC OF IRELAND.

[THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO THE SERVICER AT ITS ADDRESS SET FORTH IN THE INDENTURE.](19)

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.

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(19) Insert as applicable.

RULE 144A GLOBAL NOTE
SERIES 2007-1 SUBORDINATED NOTE
CLASS M-1

No. [ ] $[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

CUSIP Number: 037898 AC7
ISIN Number: US037898AC78

APPLEBEE'S ENTERPRISES LLC
APPLEBEE'S IP LLC
APPLEBEE'S RESTAURANTS NORTH LLC
APPLEBEE'S RESTAURANTS WEST LLC
APPLEBEE'S RESTAURANTS TEXAS LLC
APPLEBEE'S RESTAURANTS INC.
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC
APPLEBEE'S RESTAURANTS VERMONT, INC.
APPLEBEE'S RESTAURANTS KANSAS LLC

SERIES 2007-1 8.4044% FIXED RATE TERM SUBORDINATED NOTE, CLASS M-1

APPLEBEE'S ENTERPRISES LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., a corporation incorporated under the laws of the State of Kansas, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS VERMONT, INC., a corporation incorporated under the laws of the State of Vermont and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to CEDE & CO. or registered assigns, the principal sum of [ ] ($[ ]) as provided below and in the Indenture referred to herein. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on the Payment Date (as defined below) occurring in December 2037 (the " Series 2007-1 Legal Final Maturity Date"). The Co-Issuers will pay interest on this Series 2007-1 Fixed Rate Term Subordinated Note, Class M-1 (this "Note") at the Series 2007-1 Class M-1 Note Initial Interest Rate, as such rate may be adjusted in accordance with the terms of the Indenture, for each Interest Accrual Period in accordance with the terms of the Indenture. Such interest will be payable in arrears on

each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each calendar month (each, a "Payment Date"), commencing on the Payment Date occurring in January 2008. Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the Payment Date occurring in January 2008 (which pursuant to Section 16.12 of the Base Indenture and Section 7.16 of the Series 2007-1 Supplement shall be January 22, 2008) and (ii) thereafter, the period commencing on and including a Payment Date and ending on but excluding the next succeeding Payment Date (each, an " Interest Accrual Period"), subject to the terms set forth in the Indenture. Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note in the form of the Series 2007-1 Class M-1 Contingent Additional Interest or the Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest, as applicable, which shall be computed and shall be payable in the amounts and at the times set forth in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional principal prepayments and mandatory liquidation (referred to in the Indenture as the " Auction Call Redemption"), as set forth in the Indenture.

Interests in this Note are exchangeable or transferable in whole or in part for interests in a Regulation S Global Note; provided that such transfer or exchange complies with the applicable provisions of the Indenture relating to the transfer of the Notes. Interests in this Note in certain circumstances may also be exchangeable or transferable in whole but not in part for duly executed and issued registered Definitive Notes; provided that such transfer or exchange complies with Article II of the Base Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Corporate Trust Services/Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Co-Issuers have caused this Note to be duly executed.

Dated: [ ]

APPLEBEE'S ENTERPRISES LLC

By: ______________________________
Name:
Title:

APPLEBEE'S IP LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC.

By: ______________________________

Name:
Title:

APPLEBEE'S RESTAURANTS MID-
ATLANTIC LLC

By: ______________________________

Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT,
INC.

By: ______________________________

Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC

By: ______________________________

Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-I-X of the Co-Issuers designated as their Series 2007-1 Fixed Rate Term Senior Notes, Class A-2-I-X (herein called the "Series 2007-1 Notes") all issued under (i) a Base Indenture, dated as of November 29, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) a Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (such Series 2007-1 Supplement, as amended, supplemented or modified from time to time, is herein called the (" Series 2007-1 Supplement"), among the Co-Issuers and the Indenture Trustee. The Base Indenture, Series 2007-1 Supplement and such other Series Supplement or Supplemental Indenture as may be executed from time to time are referred to herein as the "Indenture". The Series 2007-1 Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture and in the respective Guaranty and Collateral Agreements.

The Notes will be issued in minimum denominations of $200,000 and integral multiples of $ 1,000 in excess thereof.

As provided for in the Indenture, subject to certain specified conditions, the Series 2007-1 Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Notes are subject to mandatory principal prepayment provisions as provided for in the Indenture. With certain exceptions, the Co-Issuers will be obligated to pay the Make-Whole Amount relating to the Series 2007-1 Notes on any prepayment of principal of any Series 2007-1 Notes prior to the Series 2007-1 Anticipated Prepayment Date as described in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal relating to any Class of Series 2007-1 Notes will be made pro rata to the Holders of such Class of Series 2007-1 Notes.

Principal of and interest on this Note which is payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date.

Interest and contingent additional interest, if any, will each accrue on the Series 2007-1 Notes at the rates set forth in the Indenture. The interest and contingent additional interest, if any, will be computed on the basis set forth in the Indenture. The amount of interest payable on the Series 2007-1 Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of principal of and interest on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments in the Indenture.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Holder of Series 2007-1 Notes, by acceptance of a Series 2007-1 Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Noteholder 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 federal Insolvency Law; provided, however, that nothing herein 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

It is the intent of the Co-Issuers and each Holder of Series 2007-1 Notes that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Notes will evidence indebtedness of the Co-Issuers secured by the Collateral. Each Holder of Series 2007-1 Notes, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Holders of Series 2007-1 Notes under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Holders of Series 2007-1 Notes. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture without the consent of any Holders of Series 2007-1 Notes. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon the Holder of this Note and all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Co-Issuer" as used in this Note includes any successor to the Co-Issuers under the Indenture.

The Series 2007-1 Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

The within Note and all rights thereunder, and hereby irrevocably constitutes and appoints ________________, attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ______________________________

By: ______________________________(20)

Signature Guaranteed:

____

____

(20) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

SCHEDULE OF EXCHANGES IN RULE 144A GLOBAL NOTE

The initial principal balance of this Rule 144A Global Note is $[ ]. The following exchanges of an interest in this Rule 144A Global Note for an interest in a corresponding Regulation S Global Note have been made:

Date	Amount of Increase (or Decrease) in the Principal Amount of this Rule 144A Global Note	Remaining Principal Amount of this Rule 144A Global Note following the Increase or Decrease	Signature of Authorized Officer of Indenture Trustee of Note Registrar

EXHIBIT M-1-2

FORM OF REGULATION S SERIES 2007-1 CLASS M-1 GLOBAL NOTE

THIS SERIES 2007-1 FIXED RATE TERM SUBORDINATED NOTE, CLASS M-1 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 NONE OF APPLEBEE'S ENTERPRISES LLC, APPLEBEE'S IP LLC, APPLEBEE'S RESTAURANTS NORTH LLC, APPLEBEE'S RESTAURANTS WEST LLC, APPLEBEE'S RESTAURANTS TEXAS LLC, APPLEBEE'S RESTAURANTS INC., APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, APPLEBEE'S RESTAURANTS VERMONT, INC. AND APPLEBEE'S RESTAURANTS KANSAS LLC, (THE "CO-ISSUERS") HAS 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 (I) IN THE UNITED STATES TO EITHER THE 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 THE 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 (1) 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, (2) 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, UNLESS INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (3) FORMED OR CAPITALIZED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE CO-ISSUERS (EXCEPT WHERE EACH BENEFICIAL OWNER IS A QUALIFIED PURCHASER), (4) A CORPORATION, PARTNERSHIP, COMMON TRUST FUND, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN IN WHICH THE SHAREHOLDERS, EQUITY OWNERS, PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, (5) IF FORMED ON OR BEFORE APRIL 30, 1996, AN INVESTMENT COMPANY THAT RELIES ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT

COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(7) WITH RESPECT TO THOSE OF ITS HOLDERS THAT ARE U.S. PERSONS), UNLESS, WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER, IT HAS, IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS THAT ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996 OR (6) AN ENTITY THAT, IMMEDIATELY SUBSEQUENT TO ITS PURCHASE OR OTHER ACQUISITION OF A BENEFICIAL INTEREST IN THIS NOTE, WILL HAVE INVESTED MORE THAN 40% OF ITS ASSETS IN BENEFICIAL INTERESTS IN THIS NOTE AND/OR IN OTHER SECURITIES OF THE CO-ISSUERS (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE QUALIFIED PURCHASERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY RULE 144A OR (II) OUTSIDE THE UNITED STATES TO THE 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. THE 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 OR A RULE 144A GLOBAL NOTE WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE IN THE FORM REQUIRED BY THE INDENTURE AND WILL BE DEEMED OR 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 INDENTURE TRUSTEE OR ANY INTERMEDIARY.

THE CO-ISSUERS MAY REQUIRE ANY HOLDER OF THIS NOTE WHO IS DETERMINED NOT TO HAVE BEEN (I) IF THIS NOTE IS ACQUIRED IN THE UNITED STATES, BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER OR (II) IF THIS NOTE WAS ACQUIRED OUTSIDE OF THE UNITED STATES, BOTH A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT 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 OR (II) A QUALIFIED PURCHASER AND NEITHER A U.S. PERSON NOR A U.S. RESIDENT IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S.

THE OFFERED NOTES MAY NOT BE SOLD TO ANY RESIDENT OF THE REPUBLIC OF IRELAND.

[THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO THE SERVICER AT ITS ADDRESS SET FORTH IN THE INDENTURE.](21)

UNTIL 40 DAYS AFTER THE INITIAL PURCHASER NOTIFIES THE CO-ISSUERS THAT THE RESALE OF THE OFFERED NOTES HAS BEEN COMPLETED (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.

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(21) Insert as applicable

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.

REGULATION S GLOBAL NOTE
SERIES 2007-1 SUBORDINATED NOTE
CLASS M-1

No. [ ] $[ ]

SEE REVERSE FOR CERTAIN CONDITIONS

CUSIP Number: U00540 AC5
ISIN Number: USU00540AC55

APPLEBEE'S ENTERPRISES LLC
APPLEBEE'S IP LLC
APPLEBEE'S RESTAURANTS NORTH LLC
APPLEBEE'S RESTAURANTS WEST LLC
APPLEBEE'S RESTAURANTS TEXAS LLC
APPLEBEE'S RESTAURANTS INC.
APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC
APPLEBEE'S RESTAURANTS VERMONT, INC.
APPLEBEE'S RESTAURANTS KANSAS LLC

SERIES 2007-1 8.4044% FIXED RATE TERM SUBORDINATED NOTE, CLASS M-1

APPLEBEE'S ENTERPRISES LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S IP LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS NORTH LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS WEST LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS TEXAS LLC, a limited liability company formed under the laws of the State of Texas, APPLEBEE'S RESTAURANTS INC., a corporation incorporated under the laws of the State of Kansas, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a limited liability company formed under the laws of the State of Delaware, APPLEBEE'S RESTAURANTS VERMONT, INC., a corporation incorporated under the laws of the State of Vermont and APPLEBEE'S RESTAURANTS KANSAS LLC, a limited liability company formed under the laws of the State of Kansas (herein referred to, collectively, as the "Co-Issuers"), for value received, hereby jointly and severally promise to pay to CEDE & CO. or registered assigns, the principal sum of [ ] ($[ ]) as provided below and in the Indenture referred to herein. Payments of principal shall be payable in the amounts and at the times set forth in the Indenture described herein; provided, however, that the entire unpaid principal amount of this Note shall be due on the Payment Date (as defined below) occurring in December 2037 (the " Series 2007-1 Legal Final Maturity Date"). The Co-Issuers will pay interest on this Series 2007-1 Fixed Rate Term Subordinated Note, Class M-1 (this "Note") at the Series 2007-1 Class M-1 Note Initial Interest Rate, as such rate may be adjusted in accordance with the terms of the Indenture, for each Interest Accrual Period in accordance with the terms of the Indenture. Such interest will be payable in arrears on

each Payment Date, which will be on the 20th day (or, if such 20th day is not a Business Day, the next succeeding Business Day) of each calendar month (each, a "Payment Date"), commencing on the Payment Date occurring in January 2008. Such amounts due on this Note will accrue for each Payment Date with respect to (i) initially, the period from and including November 29, 2007 to but excluding the Payment Date occurring in January 2008 (which pursuant to Section 16.12 of the Base Indenture and Section 7.16 of the Series 2007-1 Supplement shall be January 22, 2008) and (ii) thereafter, the period commencing on and including a Payment Date and ending on but excluding the next succeeding Payment Date (each, an " Interest Accrual Period"), subject to the terms set forth in the Indenture. Such amounts due on this Note with respect to the Note (and interest on any defaulted payments of amounts due on this Note at the same rate) will be computed in accordance with the Indenture. In addition, under the circumstances set forth in the Indenture, the Co-Issuers shall also pay contingent additional interest on this Note in the form of the Series 2007-1 Class M-1 Contingent Additional Interest or the Series 2007-1 Class M-1 Post-ARD Contingent Additional Interest, as applicable, which shall be computed and shall be payable in the amounts and at the times set forth in the Indenture.

The principal of and interest on this Note are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Co-Issuers with respect to this Note shall be applied as provided in the Indenture.

This Note is subject to mandatory and optional principal prepayments and mandatory liquidation (referred to in the Indenture as the " Auction Call Redemption"), as set forth in the Indenture.

Interests in this Note are exchangeable or transferable in whole or in part for interests in a Regulation S Global Note; provided that such transfer or exchange complies with the applicable provisions of the Indenture relating to the transfer of the Notes. Interests in this Note in certain circumstances may also be exchangeable or transferable in whole but not in part for duly executed and issued registered Definitive Notes; provided that such transfer or exchange complies with Article II of the Base Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof, which shall have the same effect as though fully set forth on the face of this Note. Although a summary of certain provisions of the Indenture is set forth below and on the reverse hereof and made a part hereof, this Note does not purport to summarize the Indenture and reference is made to the Indenture for information with respect to the interests, rights, benefits, obligations, proceeds and duties evidenced hereby and the rights, duties and obligations of the Co-Issuers and the Indenture Trustee. A copy of the Indenture may be requested from the Indenture Trustee by writing to the Indenture Trustee at: Wells Fargo Bank, National Association, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Corporate Trust Services/Asset Backed Administration. To the extent not defined herein, the capitalized terms used herein have the meanings ascribed to them in the Indenture (as defined on the reverse hereof).

Subject to the next following paragraph, the Co-Issuers hereby certify and declare that all acts, conditions and things required to be done and performed and to have happened prior to the creation of this Note and to constitute it as the valid obligation of the Co-Issuers enforceable in accordance with its terms, have been done and performed and have happened in due compliance with all applicable laws and in accordance with the terms of the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual or facsimile signature, this Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Co-Issuers have caused this Note to be duly executed.

Dated: [ ]

APPLEBEE’S ENTERPRISES LLC

By: ______________________________
Name:
Title:

APPLEBEE’S IP LLC

By: ______________________________
Name:
Title:

APPLEBEE’S RESTAURANTS NORTH LLC

By: ______________________________
Name:
Title:

APPLEBEE’S RESTAURANTS WEST LLC

By: ______________________________
Name:
Title:

APPLEBEE’S RESTAURANTS TEXAS LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC.

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT, INC.

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC

By: ______________________________
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2007-1 Notes issued under the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Indenture Trustee

By: ______________________________
Authorized Signatory

[REVERSE OF NOTE]

This Note is one of a duly authorized issue of Series 2007-1 Fixed Rate Term Subordinated Notes, Class M-1 of the Co-Issuers designated as their Series 2007-1 Fixed Rate Term Subordinated Notes, Class M-1 (herein called the " Series 2007-1 Notes") all issued under (i) a Base Indenture, dated as of November 29, 2007 (such Base Indenture, as amended, supplemented or modified, is herein called the " Base Indenture"), among the Co-Issuers and Wells Fargo Bank, National Association as indenture trustee (the "Indenture Trustee", which term includes any successor Indenture Trustee under the Base Indenture), and (ii) a Series 2007-1 Supplement to the Base Indenture, dated as of November 29, 2007 (such Series 2007-1 Supplement, as amended, supplemented or modified from time to time, is herein called the (" Series 2007-1 Supplement"), among the Co-Issuers and the Indenture Trustee. The Base Indenture, Series 2007-1 Supplement and such other Series Supplement or Supplemental Indenture as may be executed from time to time are referred to herein as the "Indenture". The Series 2007-1 Notes are subject to all terms of the Indenture. All terms used in this Note that are defined in the Indenture, as supplemented, modified or amended, shall have the meanings assigned to them in or pursuant to the Indenture, as so supplemented, modified or amended.

The Series 2007-1 Notes are and will be secured by the Collateral pledged as security therefor as provided in the Indenture and in the respective Guaranty and Collateral Agreements.

The Notes will be issued in minimum denominations of $200,000 and integral multiples of $ 1,000 in excess thereof.

As provided for in the Indenture, subject to certain specified conditions, the Series 2007-1 Notes may be prepaid, in whole or in part, at the option of the Co-Issuers. In addition, the Series 2007-1 Notes are subject to mandatory principal prepayment provisions as provided for in the Indenture. With certain exceptions, the Co-Issuers will be obligated to pay the Make-Whole Amount relating to the Series 2007-1 Notes on any prepayment of principal of any Series 2007-1 Notes prior to the Series 2007-1 Anticipated Prepayment Date as described in the Indenture. As described above, the entire unpaid principal amount of this Note shall be due and payable on the Series 2007-1 Legal Final Maturity Date. All payments of principal relating to any Class of Series 2007-1 Notes will be made pro rata to the Holders of such Class of Series 2007-1 Notes.

Principal of and interest on this Note which is payable on a Payment Date or on any date on which payments are permitted to be made as provided for in the Indenture shall be paid to the Person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the applicable Record Date.

Interest and contingent additional interest, if any, will each accrue on the Series 2007-1 Notes at the rates set forth in the Indenture. The interest and contingent additional interest, if any, will be computed on the basis set forth in the Indenture. The amount of interest payable on the Series 2007-1 Notes on each Payment Date will be calculated as set forth in the Indenture.

Payments of principal of and interest on this Note are subordinated to the payment of certain other amounts in accordance with the Priority of Payments in the Indenture.

If an Event of Default shall occur and be continuing, this Note may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Amounts payable in respect of this Note shall be made by wire transfer of immediately available funds to a Dollar account maintained by the Noteholder or its nominee, subject to the terms set forth in the Indenture.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered on the Note Register upon surrender of this Note for registration of transfer at the office or agency designated by the Co-Issuers pursuant to the Indenture, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the Series 2007-1 Noteholder hereof or his attorney duly authorized in writing, with such signature guaranteed by an "eligible guarantor institution" meeting the requirements of the Note Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended, and accompanied by such other documents as the Indenture Trustee and the Note Registrar may require and as may be required by the Indenture, and thereupon one or more new Series 2007-1 Notes of authorized denominations in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Note, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange.

Each Holder of Series 2007-1 Notes, by acceptance of a Series 2007-1 Note, covenants and agrees that by accepting the benefits of the Indenture that prior to the date that is one year and one day after the payment in full of the latest maturing note issued under the Indenture, such Series 2007-1 Noteholder 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 federal Insolvency Law; provided, however, that nothing herein 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

It is the intent of the Co-Issuers and each Holder of Series 2007-1 Notes that, for federal, state and local income and franchise tax purposes only, the Series 2007-1 Notes will evidence indebtedness of the Co-Issuers secured by the Collateral. Each Holder of Series 2007-1 Notes, by the acceptance of this Note, agrees to treat this Note (or beneficial interests herein) for purposes of federal, state and local income or franchise taxes and any other tax imposed on or measured by income, as indebtedness of the Co-Issuers or, if any Co-Issuer is treated as a division of another entity, such other entity.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Co-Issuers and the rights of the Holders of Series 2007-1 Notes under the Indenture at any time by the Co-Issuers with the consent of the Aggregate Controlling Party or each Series Controlling Party (as applicable) and without the consent of any Holders of Series 2007-1 Notes. The Indenture also contains provisions permitting the Aggregate Controlling Party or each Series Controlling Party (as applicable) to waive compliance by the Co-Issuers with certain provisions of the Indenture without the consent of any Holders of Series 2007-1 Notes. Any such consent or waiver of this Note (or any one or more predecessor Notes) shall be conclusive and binding upon the Holder of this Note and all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

The term "Co-Issuer" as used in this Note includes any successor to the Co-Issuers under the Indenture.

The Series 2007-1 Notes are issuable only in registered form in denominations as provided in the Indenture, subject to certain limitations set forth therein.

THIS NOTE AND THE INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORKWITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Co-Issuers, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency herein prescribed.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee:

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

____

(name and address of assignee)

The within Note and all rights thereunder, and hereby irrevocably constitutes and appoints   , attorney, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________

By: ____ (22)

Signature Guaranteed:

____

____

(22) NOTE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note, without alteration, enlargement or any change whatsoever.

SCHEDULE OF EXCHANGES IN REGULATION S GLOBAL NOTE

The initial principal balance of this Regulation S Global Note is $[ ]. The following exchanges of an interest in this Regulation S Global Note for an interest in a corresponding Rule 144A Global Note have been made:

Date	**Amount of Increase (or Decrease) in the Principal Amount of this Regulation S Global Note**	**Remaining Principal Amount of this Regulation S Global Note following the Increase or Decrease**	**Signature of Authorized Officer of Indenture Trustee of Note Registrar**

EXHIBIT C

FORM OF MONTHLY NOTEsHOLDERS' REPORT[DATE]

Series 2007-1 Notes
Monthly Collection Period: [MM/DD/YY] – [MM/DD/YY]
Payment Date: [MM/DD/YY]

Reference is hereby made to the Base Indenture, dated as of November 29, 2007 (the " Base Indenture"), among Applebee's Enterprises LLC, Applebee's IP LLC and the entities referred to therein as the "Restaurant Holders" (the "Co-Issuers") and Wells Fargo Bank, National Association, as indenture trustee (the "Indenture Trustee"), supplemented by the Series 2007-1 Series Supplement (the " Series Supplement" and, together with the Base Indenture, the "Indenture") and the Servicing Agreement, dated as of November 29, 2007, among the Co-Issuers, Applebee's Franchising LLC, Applebee's Services, Inc., Applebee's International, Inc., Assured Guaranty Corp., and the Indenture Trustee (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' Report is delivered pursuant to Section 12.1(c) of the Base Indenture and Section 3.1(b) of the Servicing Agreement. The undersigned, on behalf of the Servicer and the Master 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' Report.

By: ______________________________
Name:
Title:

[ATTACH MONTHLY SERVICER'S REPORT]

Exhibit 10.17

AMENDMENT NO. 1 TO SERVICING AGREEMENT

AMENDMENT NO. 1, dated as of November 28, 2007 (this "Amendment"), to the Servicing Agreement, dated as of March 16, 2007 (as amended by this Amendment, and as the same may be further amended, amended and restated or otherwise modified from time to time, the " Servicing Agreement"), by and among (i) IHOP FRANCHISING, LLC, a Delaware limited liability company, as the issuer (the " Issuer"), (ii) IHOP IP, LLC, a Delaware limited liability company, as the co-issuer (the "Co-Issuer" and, together with the Issuer, the "Co-Issuers"), (iii) IHOP PROPERTY LEASING, LLC, a Delaware limited liability company, (iv) IHOP PROPERTIES, LLC, a Delaware limited liability company, (v) IHOP REAL ESTATE, LLC, a Delaware limited liability company, (vi) INTERNATIONAL HOUSE OF PANCAKES, INC., a Delaware corporation, as servicer (in such capacity, the "Servicer"), (vii) IHOP Corp., a Delaware corporation, as the guarantor (in such capacity, the " Guarantor"), and (viii) WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as indenture trustee (in such capacity, the "Indenture Trustee").

RECITALS

WHEREAS, the parties hereto have previously executed and delivered the Servicing Agreement, pursuant to which the Servicer services and administers the Serviced Assets (such capitalized terms and the other capitalized terms used and not defined herein having the meanings assigned thereto pursuant to Section 1.1 hereof) on behalf of the Securitization Entities in the manner provided therein;

WHEREAS, the Guarantor, CHLH Corp., a Delaware corporation that is a wholly-owned subsidiary of IHOP Corp. (the " Merger Subsidiary"), and Applebee's International, Inc., a Delaware corporation ("Applebee's"), have previously executed and delivered an Agreement and Plan of Merger, dated July 15, 2007 (as the same may be amended or otherwise modified from time to time, the " Merger Agreement"), pursuant to which the Merger Subsidiary will be merged into Applebee's such that Applebee's will be a direct, wholly-owned subsidiary of the Guarantor following the consummation of the transactions contemplated by the Merger Agreement.

WHEREAS, on or after the date hereof, the Guarantor may enter into the documentation (the " Securitization Bridge Documentation") relating to the securitization bridge financing (the "Securitization Bridge Financing") to be made available by Lehman Brothers Commercial Bank (" LBCB") and Lehman Commercial Paper Inc. ("LCPI") as the initial securitization bridge lenders (the "Initial Securitization Bridge Lenders" and, together with the additional securitization bridge lenders identified by the Initial Securitization Bridge Lenders from time to time, the " Securitization Bridge Lenders") to, among other things, finance the transactions contemplated by the Merger Agreement;

WHEREAS, on or after the date hereof, Applebee's is expected to securitize certain assets (the " Applebee's Securitization") by transferring such assets through one or more subsidiaries to multiple newly formed, special purpose limited liability companies and corporations that will pledge such assets as collateral under a

master indenture pursuant to which such limited liability companies and corporations will co-issue one or more series of notes to raise proceeds for purposes of, among other things, (i) the repayment of the Securitization Bridge Financing (if the Securitization Bridge Financing is consummated) or (ii) directly financing the transactions contemplated by the Merger Agreement (if the Securitization Bridge Financing is not consummated);

WHEREAS, on or after the date hereof, the Co-Issuers, the Indenture Trustee and Financial Guaranty Insurance Company, a New York stock insurance company, not in its individual capacity but solely as the Series Insurer thereunder (the " Series Insurer"), shall execute and deliver the Series Supplement (the "Series 2007-3 Supplement") for the Series 2007-3 Fixed Rate Term Notes (the "Series 2007-3 Notes") pursuant to the Base Indenture, dated as of March 16, 2007 (as supplemented by the Supplement No. 1 thereto, dated as of November 28, 2007, and as the same may be further supplemented, amended or otherwise modified and in effect from time to time, the " Indenture"), which Series 2007-3 Notes are being issued to raise proceeds for purposes of, among other things, (i) the repayment of the Securitization Bridge Financing (if the Securitization Bridge Financing is consummated) or (ii) directly financing the transactions contemplated by the Merger Agreement (if the Securitization Bridge Financing is not consummated);

WHEREAS, Section 9.3 of the Servicing Agreement permits the parties hereto to amend the Servicing Agreement by written agreement, subject to the written consent of each Series Controlling Party, the Securitization Entities party hereto, the Servicer and the Indenture Trustee;

WHEREAS, in connection with (i) the Securitization Bridge Financing, (ii) the Applebee's Securitization and (iii) the Series 2007-3 Notes, the parties hereto desire to amend the Servicing Agreement in the manner provided in this Amendment pursuant to Section 9.3 of the Servicing Agreement;

WHEREAS, the written consent of (i) the Series Insurer, not in its individual capacity but solely in its capacity as the Series Controlling Party in respect of each Series of Notes Outstanding, (ii) each Securitization Entity, (iii) the Servicer and (iv) the Indenture Trustee to this Amendment are set forth on the signature pages hereof;

WHEREAS, promptly after the execution of this Amendment, the Servicer shall send a copy of this amendment to each of the Indenture Trustee, the Series Insurer, in its capacity as the Series Insurer in respect of each Series of Notes Outstanding, and each Rating Agency, pursuant to Section 9.3(b) of the Servicing Agreement; and

WHEREAS, the Indenture Trustee has received an opinion of counsel pursuant to Section 9.3(d) of the Servicing Agreement stating that (i) this Amendment is authorized pursuant to the Servicing Agreement and complies therewith; (ii) this 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 this Amendment have been satisfied in full.

NOW, THEREFORE, in consideration of the foregoing, other good and valuable consideration, and the mutual terms contained herein, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. The capitalized terms used herein (including the preamble and the recitals hereto) and not otherwise defined herein shall have the meanings assigned thereto or incorporated by reference in Section 1.1 of the Servicing Agreement.

ARTICLE II
AMENDMENTS

Section 2.1 Amendment to Section 1.1 of the Servicing Agreement. Section 1.1 of the Servicing Agreement is hereby amended by amending and restating the definition of “Weekly Servicing Fee” in its entirety to read as follows:

> ““ Weekly Servicing Fee” means, with respect to each Weekly Allocation Date, an amount equal to the quotient of (i) the sum of (a) $11,500,000, plus (b) $13,000 for every Restaurant (excluding any Restaurant owned or operated by FMS Management Systems, Inc.) located in the contiguous United States of America as of the last day of the immediately preceding Monthly Collection Period that is contributing cash flow to the Collection Account (excluding Restaurants subject to Type 2 Property Leases that are not contributing cash flow to the Collection Account unless such failure to contribute cash flow is solely as a result of a delinquency of a franchisee), divided by (ii) 52; provided, that, each of the amounts set forth in clauses (a) and (b) above will be subject to a 2% annual increase on the first day of the Monthly Collection Period that commences immediately following each anniversary of the Closing Date; provided, further, that no such increase will apply if after giving effect to such increase the sum of amounts set forth in clauses (a) and (b) above will exceed the product of (x) 35% and (y) the Collections (after giving effect to the application of the Collections in accordance with Sections 10.9(a) and (b) of the Base Indenture on such Weekly Allocation Date), calculated with respect to the immediately preceding Weekly Collections Allocation Period.
> ”

Section 2.2 Amendment to Section 3.1 of the Servicing Agreement. Section 3.1(g) of the Servicing Agreement is hereby amended by inserting the following at the end thereof:

> “In addition, the Servicer shall on an annual basis allow the Back-Up Servicer access to its books of account (as well as those pertaining to the Securitization Entities and Applebee’s) and records and permit the Back-Up

Servicer to discuss the affairs, finances and accounts relating to the IHOP and Applebee's inter-company arrangements with any of its officers, directors and other representatives"

Section 2.3 Amendment to Section 4.15 of the Servicing Agreement . Section 4.15 of the Servicing Agreement is hereby amended and restated in its entirety to read as follows:

"None of the Guarantor, IHOP, Inc., Applebee's International, Inc., a Delaware corporation ("Applebee's"), or their respective Affiliates shall incur Debt (including, but not limited to, guaranties or pledges of its property) other than (a) with respect to the Guarantor, IHOP, Inc., Applebee's and their respective Affiliates, but excluding the Securitization Entities (as such term is defined in the Indenture) (referred to herein as the "IHOP Securitization Entities") and the special purpose vehicles established by Applebee's (the "Applebee's Securitization Entities") in connection with the securitization of substantially all of the assets of Applebee's situated in the U.S. (the "Applebee's Securitization"), Debt (excluding from the definition of "Debt" for this purpose, any "capital leases" in effect as of November 29, 2007) not in excess of U.S. $95,000,000 in aggregate outstanding principal amount at any time; provided, that in the event that Applebee's is no longer affiliated with IHOP, Inc., the Debt allowed pursuant to this clause (a) shall not exceed U.S.$25,000,000 in aggregate outstanding principal amount at any time, (b) with respect to the Guarantor, IHOP, Inc., Applebee's and their respective Affiliates, including the Applebee's Securitization Entities but excluding the IHOP Securitization Entities, Debt incurred in connection with the sale-leaseback transactions contemplated by and in accordance with the requirements of the term sheet attached as a schedule to the letter, dated July 15, 2007, delivered by Financial Guaranty Insurance Company, a New York stock insurance company (the "Insurer"), and the other insurers identified therein, to the Guarantor and Applebee's (such term sheet being referred to herein as the "Applebee's Securitization Term Sheet"); provided, that, on a pro forma basis after giving effect to the sale-leaseback transaction, the ratio of the adjusted debt (calculated by capitalizing lease obligations whether treated as operating leases or capital leases under GAAP at 8x annual rent) to EBITDAR of the Guarantor is equal to or less than 7.30x to and including November 30, 2008 and 7.0x following such date, (c) Debt incurred by the Guarantor, IHOP, Inc., Applebee's and their respective Affiliates pursuant to (i) the Indenture, (ii) the Applebee's Securitization, and (iii) during the period from the date hereof to the date of the Applebee's Securitization (and thereafter to the extent provided in clause (B) below), the loans (the "Acquisition Loans") extended to the Guarantor pursuant to the securitization bridge financing (the "Securitization Bridge Financing") to be provided by Lehman Brothers Commercial Bank ("LBCB") and Lehman Commercial Paper Inc. ("LCPI"), as the initial securitization bridge lenders (together with their

successors and assigns in such capacity, the "Initial Securitization Bridge Lenders"), and such other securitization bridge lenders as may be identified by the Initial Securitization Bridge Lenders from time to time; provided, that (A) the aggregate outstanding principal amount of the Acquisition Loans may in no event exceed U.S. $2,150,000,000 (including any unfunded commitment under any revolving credit facility that is a part of the Securitization Bridge Financing), (B) upon the consummation of the Applebee's Securitization, the aggregate outstanding principal amount of the Acquisition Loans shall be permanently reduced to no more than U.S. $175,000,000 (or such higher amount as may be consented to in writing by the Insurer, such consent not to be unreasonably withheld or delayed) less the proceeds, if any, from the offering and sale of the Series 2007-3 Fixed Rate Term Notes issued by the Co-Issuers pursuant to the Indenture or any other equity investment issued in substitution therefor, and (C) if the Applebee's Securitization is not consummated on or prior to January 15, 2008, or such later date, if any, to which the Insurer's commitment has been extended with its written consent, then the Guarantor, IHOP, Inc., Applebee's and their respective Affiliates (other than the IHOP Securitization Entities) shall repay the Acquisition Loans and other Debt from the net proceeds of the disposition of those certain assets, as would have been required pursuant to the Applebee's Securitization Term Sheet had the Applebee's Securitization been consummated, and the aggregate outstanding principal amount of the Acquisition Loans shall be permanently decreased by a corresponding amount; (d) trade debt incurred in the ordinary course of business, and (e) debt incurred in connection with any indemnification obligations of the Servicer; provided, that, for the avoidance of doubt, (x) clauses (a) through (e) of this Section 4.15 shall each constitute separate baskets of permitted Debt of the Guarantor, IHOP, Inc., Applebee's and their respective Affiliates and (y) the Debt permitted to be incurred by the Guarantor, IHOP, Inc., Applebee's and their respective Affiliates pursuant to clauses (a) through (e) of this Section 4.15 shall be subject to compliance with all applicable ratios, restrictions, tests and other requirements in effect under the Transaction Documents as amended or otherwise modified or waived from time to time."

Section 2.4 Amendment to Section 6.1 of the Servicing Agreement. Section 6.1(a)(xi) of the Servicing Agreement is hereby amended by deleting the two references therein to "or IHOP Holdings" and substituting therefor the following language:

", IHOP Holdings or any Applebee's Securitization Entity (as such term is defined in Section 4.15 hereof)".

ARTICLE III
MISCELLANEOUS

Section 3.1 Effectiveness of Amendment.

(a) This Amendment shall become effective upon (x) the consummation of the Securitization Bridge Financing and/or the Applebee's Securitization and (y) the satisfaction of the following conditions:

(i) the Series Insurer's receipt of written confirmation from each Rating Agency that the amendments contemplated by this Amendment will not have an adverse effect on the ratings of any Notes Outstanding (without giving effect to any Insurance Policy); and

(ii) the execution and delivery of this Amendment by each of the Series Insurer, the Co-Issuers, the Indenture Trustee, the Servicer, the Guarantor and its other Affiliates identified on the signature pages hereof.

(b) This Amendment shall cease to be effective if:

(i) the Guarantor executes and delivers the Securitization Bridge Documentation (as such term is defined in the recitals to this Amendment) and the Securitization Bridge Documentation does not include the "Acquisition Loan Covenants" to be made by the Securitization Bridge Lenders set forth in the term sheet attached as a schedule to the commitment letter, dated July 15, 2007, delivered to the Guarantor by the Series Insurer relating to, among other things, this Amendment and the issuance of the Series 2007-3 Notes;

(ii) the transactions contemplated by the Merger Agreement are not consummated and the Merger Agreement is terminated in the manner provided therein; or

(iii) Supplement No.1 dated as of the date hereof to the Indenture ceases to be in effect in accordance with Section 3.1(b) thereof.

Section 3.2 Ratification of Servicing Agreement. The Servicing Agreement as modified by this Amendment and all rights and remedies of the parties thereunder are and shall continue to be in full force and effect in accordance with the terms thereof, and the same as modified by this Amendment are hereby ratified and confirmed in all such respects by the parties hereto.

Section 3.3 Effect of Section Headings. The section headings in this Amendment are for convenience only and shall not affect the construction of this Amendment.

Section 3.4 Separability. In case any provision of this Amendment 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 3.5 Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CHOICE OF LAW RULES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 3.6 Counterparts. This Amendment may be executed in any number of counterparts (including by facsimile or other electronic means of communication), 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.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to the Servicing Agreement to be duly executed as of the date and year first above written.

IHOP FRANCHISING, LLC,
as the Issuer

By: /s/ Mark Weisberger
Name: Mark Weiseberger
Title: Vice President

IHOP IP, LLC,
as the Co-Issuer

By: /s/ Mark Weisberger
Name: Mark Weiseberger
Title: Vice President

IHOP PROPERTY LEASING, LLC

By: /s/ Mark Weisberger
Name: Mark Weiseberger
Title: Authorized Signatory

IHOP PROPERTIES, LLC

By: /s/ Mark Weisberger
Name: Mark Weiseberger
Title: Vice President

IHOP REAL ESTATE, LLC

By: /s/ Tom Conforti
Name: Tom Conforti
Title: Vice President

INTERNATIONAL HOUSE OF PANCAKES, INC.

By: /s/ Tom Conforti
Name: Tom Conforti
Title: Chief Financial Officer

IHOP CORP.

By: /s/ Tom Conforti
Name: Tom Conforti
Title: Chief Financial Officer

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity but as the Indenture Trustee

By: /s/ Jennifer C. Davis
Name: Jennifer C. Davis
Title: Assistant Vice President

Consented to for purposes of Section 7.8(a)(xvii) of the Indenture, Section 9.3 of the Servicing Agreement and Section 6.01 of the Insurance Agreement relating to the Series 2007-1 Notes and the Series 2007-2 Notes

FINANCIAL GUARANTY INSURANCE COMPANY, as Series Insurer in respect of the Series 2007-1 and 2007-2 Notes

By: /s/ Rajat Basu
Name: Rajat Basu
Title: Managing Director

Exhibit 10.20

AMENDMENT NO. 1 TO GUARANTY

AMENDMENT NO. 1, dated as of November 28, 2007 (this "Amendment"), to the Guaranty, made and entered into as of March 16, 2007 (as amended by this Amendment, and as the same may be further amended, amended and restated or otherwise modified from time to time, the "Guaranty"), by IHOP Corp., a Delaware corporation, as the guarantor (in such capacity, the "Guarantor"), in favor of IHOP HOLDINGS LLC, a Delaware limited liability company, as the beneficiary (in such capacity, the "Beneficiary").

RECITALS

WHEREAS, the Guarantor previously executed and delivered the Guaranty in favor of the Beneficiary, pursuant to which the Guarantor guarantees the obligations of International House of Pancakes, Inc., a Delaware corporation, as seller (the "Seller"), under the Asset Sale Agreement, dated as of March 16, 2007 (as the same may be amended, amended and restated or otherwise modified from time to time, the "Asset Sale Agreement"), by and between the Seller and IHOP Holdings, LLC, a Delaware limited liability company, as purchaser (the "Purchaser"), in the manner provided therein and subject to the terms thereof;

WHEREAS, the Guarantor, CHLH Corp., a Delaware corporation that is a wholly-owned subsidiary of IHOP Corp. (the "Merger Subsidiary"), and Applebee's International, Inc., a Delaware corporation ("Applebee's"), have previously executed and delivered an Agreement and Plan of Merger, dated July 15, 2007 (as the same may be amended or otherwise modified from time to time, the "Merger Agreement"), pursuant to which the Merger Subsidiary will be merged into Applebee's such that Applebee's will be a direct, wholly-owned subsidiary of the Guarantor following the consummation of the transactions contemplated by the Merger Agreement;

WHEREAS, on or after the date hereof, the Guarantor may enter into the documentation (the "Securitization Bridge Documentation") relating to the securitization bridge financing (the "Securitization Bridge Financing") to be made available by Lehman Brothers Commercial Bank ("LBCB") and Lehman Commercial Paper Inc. ("LCPI") as the initial securitization bridge lenders (the "Initial Securitization Bridge Lenders" and, together with the additional securitization bridge lenders identified by the Initial Securitization Bridge Lenders from time to time, the "Securitization Bridge Lenders") to, among other things, finance the transactions contemplated by the Merger Agreement;

WHEREAS, on or after the date hereof, Applebee's is expected to securitize certain assets (the "Applebee's Securitization") by transferring such assets through one or more subsidiaries to multiple newly formed, special purpose limited liability companies and corporations that will pledge such assets as collateral under a master indenture pursuant to which such limited liability companies and corporations will co-issue one or more series of notes to raise proceeds for purposes of, among other things, (i) the repayment of the Securitization Bridge Financing (if the Securitization Bridge

Financing is consummated) or (ii) directly financing the transactions contemplated by the Merger Agreement (if the Securitization Bridge Financing is not consummated);

WHEREAS, on or after the date hereof, the Co-Issuers, the Indenture Trustee and Financial Guaranty Insurance Company, a New York stock insurance company, not in its individual capacity but solely as the Series Insurer (such capitalized terms and the other capitalized terms used and not defined herein having the meanings assigned thereto pursuant to Section 1.1 hereof) thereunder, shall execute and deliver the Series Supplement (the "Series 2007-3 Supplement") for the Series 2007-3 Fixed Rate Term Notes (the "Series 2007-3 Notes") pursuant to the Base Indenture, dated as of March 16, 2007 (as supplemented by the Supplement No. 1 thereto, dated as of November 28, 2007, and as the same may be further supplemented, amended or otherwise modified and in effect from time to time, the "Indenture"), which Series 2007-3 Notes are being issued to raise proceeds for purposes of, among other things, (i) the repayment of the Securitization Bridge Financing (if the Securitization Bridge Financing is consummated) or (ii) directly financing the transactions contemplated by the Merger Agreement (if the Securitization Bridge Financing is not consummated); and

WHEREAS, in connection with (i) the Securitization Bridge Financing, (ii) the Applebee's Securitization and (iii) the Series 2007-3 Notes, the parties hereto desire to amend the Guaranty in the manner provided in this Amendment.

NOW, THEREFORE, in consideration of the foregoing, other good and valuable consideration, and the mutual terms contained herein, the receipt and sufficiency of which are hereby acknowledged by the undersigned, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. The capitalized terms used herein (including the preamble and the recitals hereto) and not otherwise defined herein shall have the meanings assigned thereto or incorporated by reference in the Guaranty.

ARTICLE II
AMENDMENTS

Section 2.1 Amendment to Section 3.3 of the Guaranty. Section 3.3 of the Guaranty is hereby amended and restated in its entirety to read as follows:

> "None of the Guarantor, IHOP, Inc., Applebee's International, Inc., a Delaware corporation ("Applebee's"), or their respective Affiliates shall incur Debt (including, but not limited to, guaranties or pledges of its property) other than (a) with respect to the Guarantor, IHOP, Inc., Applebee's and their respective Affiliates, but excluding the Securitization Entities (as such term is defined in the Indenture) (referred to herein as the "IHOP Securitization Entities") and the special purpose vehicles established by Applebee's (the "Applebee's Securitization Entities") in

connection with the securitization of substantially all of the assets of Applebee's located in the United States (the " Applebee's Securitization"), Debt (excluding from the definition of "Debt" for this purpose, any "capital leases" in effect as of November 29, 2007) not in excess of U.S. $95,000,000 in aggregate outstanding principal amount at any time; provided, that in the event that Applebee's is no longer affiliated with IHOP, Inc., the Debt allowed pursuant to this clause (a) shall not exceed U.S.$25,000,000 in aggregate outstanding principal amount at any time, (b) with respect to the Guarantor, IHOP, Inc., Applebee's and their respective Affiliates, including the Applebee's Securitization Entities but excluding the IHOP Securitization Entities, Debt incurred in connection with the sale-leaseback transactions contemplated by and in accordance with the requirements of the term sheet attached as a schedule to the letter, dated July 15, 2007, delivered by Financial Guaranty Insurance Company, a New York stock insurance company (the "Insurer"), and the other insurers identified therein, to the Guarantor and Applebee's (such term sheet being referred to herein as the " Applebee's Securitization Term Sheet"); provided, that, on a pro forma basis after giving effect to the sale-leaseback transaction, the ratio of the adjusted debt (calculated by capitalizing lease obligations whether treated as operating leases or capital leases under GAAP at 8x annual rent) to EBITDAR of the Guarantor, IHOP, Inc., Applebee's and their respective Affiliates is equal to or less than 7.30x to and including November 30, 2008 and 7.0x following such date, (c) Debt incurred by the Guarantor, IHOP, Inc., Applebee's and their respective Affiliates pursuant to (i) the Indenture, (ii) the Applebee's Securitization, and (iii) during the period from the date hereof to the date of the Applebee's Securitization (and thereafter to the extent provided in clause (B) below), the loans (the " Acquisition Loans") extended to the Guarantor pursuant to the securitization bridge financing (the "Securitization Bridge Financing") to be provided by Lehman Brothers Commercial Bank (" LBCB") and Lehman Commercial Paper Inc. ("LCPI"), as the initial securitization bridge lenders (together with their successors and assigns in such capacity, the "Initial Securitization Bridge Lenders"), and such other securitization bridge lenders as may be identified by the Initial Securitization Bridge Lenders from time to time; provided, that (A) the aggregate outstanding principal amount of the Acquisition Loans may in no event exceed U.S. $2,150,000,000 (including any unfunded commitment under any revolving credit facility that is a part of the Securitization Bridge Financing), (B) upon the consummation of the Applebee's Securitization, the aggregate outstanding principal amount of the Acquisition Loans shall be permanently reduced to no more than U.S. $175,000,000 (or such higher amount as may be consented to in writing by the Insurer, such consent not to be unreasonably withheld or delayed) less the proceeds, if any, from the offering and sale of the Series 2007-3 Fixed Rate Term Notes issued by the Co-Issuers pursuant to the Indenture or any other equity investment issued in substitution therefor, and (C) if the Applebee's Securitization is not consummated on or prior to January 15,

2008, or such later date, if any, to which the Insurer's commitment has been extended with its written consent, then the Guarantor, IHOP, Inc., Applebee's and their respective Affiliates (other than the IHOP Securitization Entities) shall repay the Acquisition Loans and other Debt from the net proceeds of the disposition of those certain assets, as would have been required pursuant to the Applebee's Securitization Term Sheet had the Applebee's Securitization been consummated, and the aggregate outstanding principal amount of the Acquisition Loans shall be permanently decreased by a corresponding amount; (d) trade debt incurred in the ordinary course of business, and (e) debt incurred in connection with any indemnification obligations of the Servicer; provided, that, for the avoidance of doubt, (x) clauses (a) through (e) of this Section 3.3 shall each constitute separate baskets of permitted Debt of the Guarantor, IHOP, Inc., Applebee's and their respective Affiliates and (y) the Debt permitted to be incurred by the Guarantor, IHOP, Inc., Applebee's and their respective Affiliates pursuant to clauses (a) through (e) of this Section 3.3 shall be subject to compliance with all applicable ratios, restrictions, tests and other requirements in effect under the Transaction Documents as amended or otherwise modified or waived from time to time."

ARTICLE III
MISCELLANEOUS

Section 3.1 Effectiveness of Amendment.

(a) This Amendment shall become effective upon (x) the consummation of the Securitization Bridge Financing and/or the Applebee's Securitization and (y) the satisfaction of the following conditions:

(i) the Series Insurer's receipt of written confirmation from each Rating Agency that the amendments contemplated by this Amendment will not have an adverse effect on the ratings of any Notes Outstanding (without giving effect to any Insurance Policy); and

(ii) the execution and delivery of this Amendment by each of the Series Insurer, the Guarantor and the Beneficiary.

(b) This Amendment shall cease to be effective if:

(i) the Guarantor executes and delivers the Securitization Bridge Documentation (as such term is defined in the recitals to this Amendment) and the Securitization Bridge Documentation does not include the "Acquisition Loan Covenants" to be made by the Securitization Bridge Lenders set forth in the term sheet attached as a schedule to the commitment letter, dated July 15, 2007, delivered to the Guarantor by the Series Insurer relating to, among other things, this Amendment and the issuance of the Series 2007-3 Notes;

(ii) the transactions contemplated by the Merger Agreement are not consummated and the Merger Agreement is terminated in the manner provided therein; or

(iii) Supplement No.1 dated as of the date hereof to the Indenture ceases to be in effect in accordance with such Section 3.1(b) thereof.

Section 3.2 Ratification of Guaranty. The Guaranty as modified by this Amendment and all rights and remedies of the Guarantor and the Beneficiary thereunder are and shall continue to be in full force and effect in accordance with the terms thereof, and the same as modified by this Amendment are hereby ratified and confirmed in all such respects by each of the Guarantor and the Beneficiary.

Section 3.3 Effect of Section Headings. The section headings in this Amendment are for convenience only and shall not affect the construction of this Amendment.

Section 3.4 Separability. In case any provision of this Amendment 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 3.5 Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CHOICE OF LAW RULES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 3.6 Counterparts. This Amendment may be executed in any number of counterparts (including by facsimile or other electronic means of communication), 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.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the undersigned have caused this Amendment No. 1 to the Guaranty to be duly executed as of the date and year first above written.

IHOP CORP., as the Guarantor

By: /s/ Tom Conforti
Name: Tom Conforti
Title: Chief Financial Officer

Consented to for purposes of the Guaranty:

IHOP HOLDINGS, LLC,
as the Beneficiary

By: /s/ Mark Weisberger
Name: Mark Weisberger
Title: Vice President

Consented to for purposes of Section 7.8(a)(xvii) of the Indenture and Section 6.01 of the Insurance Agreement relating to the Series 2007-1 Notes and the Series 2007-2 Notes:

FINANCIAL GUARANTY INSURANCE COMPANY, as Series Insurer in respect of the Series 2007-1 and 2007-2 Notes

By: /s/ Rajat Busu
Name: Rajat Busu
Title: Managing Director

EXHIBIT 10.28
EXECUTION COPY

$245,000,000

IHOP FRANCHISING, LLC
IHOP IP, LLC

7.0588% Series 2007-3 Fixed Rate Term Notes

PURCHASE AGREEMENT

November 29, 2007

Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

IHOP FRANCHISING, LLC, a Delaware limited liability company (the "Master Issuer"), and IHOP IP, LLC, a Delaware limited liability company (the "IP Holder", and together with the Master Issuer, the "Co-Issuers" and each a "Co-Issuer"), propose, upon the terms and conditions set forth in this agreement (the "Agreement"), to issue and sell to Lehman Brothers Inc. U.S. $245,000,000 principal amount of their Series 2007-3 Fixed Rate Term Notes due 2037 (the "Securities"), pursuant to the Series Supplement for the Securities, dated as of the date hereof (the "Supplement"), by and among the Co-Issuers and Wells Fargo Bank, National Association, as indenture trustee (the "Trustee"), to the Base Indenture, dated as of March 16, 2007 and supplemented on November 28, 2007 (as supplemented, the "Base Indenture" and, together with the Supplement, the "Indenture"), by and among the Co-Issuers and the Trustee.

Each of the Co-Issuers is a wholly-owned subsidiary of IHOP Corp., a Delaware corporation ("IHOP"), who is entering into this Agreement as the guarantor of the obligations of International House of Pancakes, Inc. ("IHOP Inc." and, together with IHOP, the "Parent Companies"), as Servicer under the Servicing Agreement, dated as of March 16, 2007 (as amended, the "Servicing Agreement"), among the Co-Issuers, IHOP Property Leasing LLC, a Delaware limited liability company, IHOP Properties, LLC, a Delaware limited liability company, IHOP Real Estate, LLC, a Delaware limited liability company, the Parent Companies and the Trustee. The Co-Issuers and the Parent Companies hereby confirm their agreement with Lehman Brothers Inc. (the "Initial Purchaser") concerning the purchase of the Securities from the Co-Issuers by the Initial Purchaser.

Pursuant to an Agreement and Plan of Merger, dated as of July 15, 2007 (the "Merger Agreement"), by and among Applebee's International, Inc., a Delaware

corporation ("Applebee's International"), IHOP and CHLH Corp., a Delaware corporation ("Merger Sub"), which is a wholly-owned subsidiary of IHOP, Merger Sub will merge with and into Applebee's International (the "Merger"), and each outstanding share of common stock of Applebee's International (except for shares held by IHOP and certain other shares), will be automatically converted into the right to receive $25.50 in cash, without interest, subject to certain adjustments (the "Acquisition"). Applebee's International will be the surviving corporation of the Merger and a wholly-owned subsidiary of IHOP. IHOP expects to finance the Acquisition with (i) the cash proceeds from the issuance of the Securities and (ii) cash proceeds from the issuance of $1,814 million aggregate principal amount of additional asset-backed securities (the " Applebee's Securitization") to be issued by subsidiaries of Applebee's International.

The Securities will be offered and sold to the Initial Purchaser without being registered under the Securities Act of 1933 (the " Securities Act"), in reliance upon an exemption therefrom. IHOP and the Co-Issuers have prepared a draft base offering circular, a draft supplemental offering circular and a term sheet, together attached hereto as Exhibit 1 (collectively, the "Draft Offering Memorandum"), materials circulated in connection with the syndication of bridge loans to finance the Acquisition listed on Schedule A-1 (collectively, the "Bridge Syndication Materials") and the preliminary marketing materials listed on Schedule A-2 (collectively, the "Preliminary Marketing Materials").

Pursuant to Sections 4(a) and (c) of this Agreement, the Co-Issuers intend to prepare a final base offering circular and a supplemental offering circular setting forth information concerning the Parent Companies, the Co-Issuers, certain affiliated entities, and the Securities. Such base offering circular, together with the supplemental offering circular, as amended to the Initial Date (as defined herein), each Supplemental Date (as defined herein) and each Bringdown Date (as defined herein) is referred to herein as the " Offering Memorandum".

Any reference to the Offering Memorandum or the Draft Offering Memorandum shall be deemed to refer to and include (i) the most recent Annual Report on Form 10-K, (ii) the Quarterly Reports on Form 10-Q filed since the most recent Annual Report on Form 10-K and (iii) the Current Reports on Form 8-K filed since the most recent Annual Report on Form 10-K, of IHOP, filed with the United States Securities and Exchange Commission (the "Commission") pursuant to Section 13(a) or 15(d) of the United States Securities Exchange Act of 1934 (the " Exchange Act"), on or prior to the date of the Offering Memorandum, as the case may be. All documents filed by IHOP under the Exchange Act and so deemed to be included in the Draft Offering Memorandum or the Offering Memorandum, as the case may be, or any amendment or supplement thereto are hereinafter called the " Exchange Act Documents."

"Free Writing Communication" means a written communication (as such term is defined in Rule 405 under the Securities Act) that constitutes an offer to sell or a solicitation of an offer to buy the Securities and is made by means other than the Offering Memorandum. " Issuer Free Writing Communication" means a Free Writing

Communication prepared by or on behalf of the Parent Companies or the Co-Issuers, used or referred to by the Parent Companies or the Co-Issuers or containing a description of the final terms of the Securities or of their offering, in the form retained in the Parent Companies' or the Co-Issuers' records.

Copies of the Offering Memorandum will be delivered by the Co-Issuers and the Parent Companies to the Initial Purchaser pursuant to the terms of this Agreement. Any references herein to the Offering Memorandum shall be deemed to include all amendments and supplements thereto. The Co-Issuers and the Parent Companies hereby confirm that they have authorized the use of the Offering Memorandum in connection with the offering and resale of the Securities by the Initial Purchaser in accordance with Section 2.

For purposes of this Agreement, (a) capitalized terms used but not defined herein shall have the meanings given to such terms in the Indenture, (b) the term "business day" means any day on which the New York Stock Exchange, Inc. is open for trading, (c) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act , (d) the term " Transaction Documents" means the "Transaction Documents," as defined in the Indenture, plus the Type 1 Residual Certificate, and (e) the " Relevant Date" means the date on which representations, warranties and agreements are being made by the Co-Issuers or the Parent Companies (as the case may be) in accordance with Section 1(c) or 1(d). The Base Indenture is attached hereto as Exhibit 2. The Supplement is attached hereto as Exhibit 3. As used herein

1. Representations, Warranties and Agreements of the Co-Issuers and the Parent Companies

(a) Each of the Co-Issuers, jointly and severally, represents and warrants to, and agrees with, the Initial Purchaser, as of the Closing Date, that:

(i) As of the Closing Date, the Draft Offering Memorandum presents fairly, in all material respects, the business, results of operations and financial condition of the Co-Issuers. As of the Relevant Date, the Offering Memorandum does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) As of the Relevant Date, the Offering Memorandum contains all of the information that, if requested by a prospective purchaser of the Securities, would be required to be provided to such prospective purchaser pursuant to Rule 144A(d)(4) under the Securities Act;

(iii) The Preliminary Marketing Materials and the Offering Memorandum have been or will have been prepared by the Co-Issuers and the Parent Companies for use by the Initial Purchaser in connection with the Exempt Resales (as defined below). No order or decree preventing the use of the Preliminary Marketing Materials or the Offering Memorandum, or any order asserting that the transactions

contemplated by this Agreement are subject to the registration requirements of the Securities Act has been issued, and no proceeding for that purpose has commenced or is pending or, to the knowledge of the Co-Issuers or the Parent Companies, is contemplated;

(iv) As of the Relevant Date, each of the Base Indenture, the Supplement and the Securities will conform in all material respects to the description thereof contained in the Offering Memorandum;

(v) Assuming the accuracy of the representations and warranties of the Initial Purchaser contained in Section 2 and their compliance with the agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Securities to the Initial Purchaser and the offer, resale and delivery of the Securities by the Initial Purchaser in the manner contemplated by this Agreement and the Indenture, to register the Securities under the Securities Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended;

(vi) Each of the Co-Issuers has been duly incorporated as a limited liability company and is validly existing and in good standing under the laws of the jurisdiction of its formation, is qualified to do business and is in good standing as a foreign limited liability company in each jurisdiction in which the ownership or lease of property or the conduct of its business requires such qualification except for such failures to qualify to do business or be in good standing as a foreign limited liability company as are not reasonably likely to result in a Material Adverse Effect, and has the requisite power and authority under its operating agreement to own or hold its properties and to conduct the business in which it is engaged as described in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date);

(vii) Each of the Co-Issuers has the requisite limited liability company power and authority under its operating agreement to execute and deliver this Agreement, the Securities, the Indenture and any other Transaction Document to which it is a party and perform its obligations hereunder and thereunder;

(viii) Neither Co-Issuer is in violation of (i) its respective Charter Documents, (ii) any Requirements of Law (as defined below) with respect to such party or (iii) any indenture, contract, agreement, mortgage, deed of trust or other instrument to which any of Co-Issuer or Guarantor is a party or by which either it or its assets is bound (each, a "Contractual Obligation"), except, solely with respect to clauses (ii) and (iii), to the extent such violation could not reasonably be expected to result in a Material Adverse Effect. The execution and delivery of this Agreement and the other Transaction Documents, the application of the proceeds from the sale of the Securities as described herein, in the Draft Offering Memorandum (as of the Closing Date) and in the Offering Memorandum (as of the Relevant Date) and the incurrence of the obligations and consummation of the transactions herein and therein contemplated (a) requires no action by or in respect of, or filing with, any Governmental Authority which has not been obtained, (b) will not conflict with, or constitute a breach of or default under, any Charter Documents of either Co-Issuer, and (c) do not contravene, or constitute a default under,

any Requirements of Law with respect to such Co-Issuer or any Contractual Obligation with respect to such Co-Issuer or result in the creation or imposition of any Lien on any property of either Co-Issuer, except for Liens created by the Transaction Documents and except, in the case of clause (a) and (c), solely with respect to the Asset Contribution Agreements, the violation of which could reasonably be expected to have a Material Adverse Effect. For purposes of this Agreement, "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 (as defined below), 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 usury laws, the Federal Truth in Lending Act, state franchise laws and retail installment sales acts, and " Governmental Authority" means 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;

(ix) Each Transaction Document to which a Co-Issuer is a party has been duly and validly authorized, executed and delivered by such Co-Issuer, and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the applicable Co-Issuer and is enforceable in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing). As of the Relevant Date, each of the Transaction Documents will conform in all material respects to the description thereof in the Offering Memorandum;

(x) (1) The Transaction Documents are in full force and effect; (2) there are no outstanding defaults thereunder; and (3) no events have occurred which, with the giving of notice, the passage of time or both, would constitute a default thereunder;

(xi) (a) Neither Co-Issuer is a party to any contract or agreement of any kind or nature and (b) neither Co-Issuer is subject to any material obligations or liabilities of any kind or nature in favor of any third party, including, without limitation, guarantees, keep well agreements, dividends, endorsements, letters of credit or other contingent obligations. Neither Co-Issuer has engaged in any activities since its formation (other than those incidental to its formation, the authorization and the issue of the Securities, the execution of the Transaction Documents to which such Co-Issuer is a party and the performance of the activities referred to in or contemplated by such agreements);

(xii) This Agreement has been duly authorized, executed and delivered by the Co-Issuers and constitutes the legal, valid and binding obligation of the Co-Issuers

enforceable in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing and except that any indemnification or contribution provisions herein may be deemed unenforceable);

(xiii) The Securities have been duly authorized for issuance, offer and sale by the Co-Issuers as contemplated by this Agreement and, when authenticated by the Trustee and issued and delivered against payment of the purchase price therefor, will constitute legal, valid and binding obligations of the Co-Issuers enforceable in accordance with their terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing);

(xiv) No consent, action by or in respect of, approval or other authorization of, or registration, declaration or filing with, any Governmental Authority or other Person is required for the issuance, offer or sale of the Securities by the Co-Issuers in accordance with the terms of this Agreement, the execution, delivery and performance by the Co-Issuers of the Securities, the Indenture, this Agreement and the Transaction Documents (to the extent they are parties thereto), the application of the proceeds from the sale of the Securities as described herein, in the Draft Offering Memorandum (as of the Closing Date) and in the Offering Memorandum (as of the Relevant Date) or for the consummation by the Co-Issuers of the transactions contemplated by this Agreement and the other Transaction Documents or for the performance of any of the Co-Issuers' obligations hereunder or thereunder other than such consents, approvals, authorizations, registrations, declarations or filings (a) as have been obtained prior to the Closing Date or as permitted to be obtained subsequent to the Closing Date or (b) relating to the performance of any Franchise Document the failure of which to obtain consent is not reasonably likely to have a Material Adverse Effect;

(xv) There is no action, suit, proceeding or investigation pending against or, to the knowledge of either Co-Issuer, threatened against or affecting either Co-Issuer or of which any property or assets of the Co-Issuers is the subject before any court or arbitrator or any Governmental Authority that would, individually or in the aggregate, affect the validity or enforceability of this Agreement or any of the Transaction Documents, materially adversely affect the performance by the Co-Issuers of their obligations hereunder or thereunder or which is reasonably likely to have a Material Adverse Effect;

(xvi) The Co-Issuers maintain insurance coverages in such amounts and covering such risks as is adequate for the conduct of their respective businesses and the value of their respective properties and as is customary for companies engaged in similar businesses in similar industries. All policies of insurance of the Co-Issuers are in full force and effect and the Co-Issuers are in compliance with the terms of such policies in

all material respects. Neither of the Co-Issuers has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not reasonably be expected to have a Material Adverse Effect. All such insurance is primary coverage, all premiums therefor due on or before the date hereof have been paid in full, and the terms and conditions thereof are no less favorable to the Co-Issuers than the terms and conditions of insurance maintained by their affiliates that are not Co-Issuers;

(xvii) (1) Each of the Co-Issuers owns and has good title to its Collateral, free and clear of all Liens other than Permitted Liens. The Co-Issuers' rights under the collateral documents relating to the security interests held by the Secured Parties constitute general intangibles under the applicable UCC. The Base Indenture constitutes a valid and continuing Lien on the Collateral in favor of the Trustee on behalf of and for the benefit of the Secured Parties, which Lien on the Collateral has been perfected (except as described on Schedule 7.16 to the Base Indenture) and is prior to all other Liens (other than Permitted Liens), and is enforceable as such as against creditors of and purchasers from each Co-Issuer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing. The Co-Issuers have received all consents and approvals required by the terms of the Collateral to the pledge of the Collateral to the Trustee under the Base Indenture. All actions necessary to perfect such first-priority security interest have been duly taken;

(2) Other than the security interest granted to the Trustee under the Base Indenture, pursuant to the other Transaction Documents or any other Permitted Lien, neither of the Co-Issuers has pledged, assigned, sold or granted a security interest in the Collateral. All action necessary (including the filing of UCC-1 financing statements and filings with the United States Patent and Trademark Office, the United States Copyright Office or any applicable foreign intellectual property office or agency) to protect and evidence the Trustee's security interest in the Collateral in the United States will have been duly and effectively taken consistent with the obligations of Section 7.16(d) of the Base Indenture, except as described on Schedule 7.16 to the Base Indenture). No security agreement, financing statement, equivalent security or lien instrument or continuation statement authorized by either Co-Issuer and listing such Co-Issuer as debtor covering all or any part of the Collateral is on file or of record in any jurisdiction in the United States, except in respect of Permitted Liens or such as may have been filed, recorded or made by such Co-Issuer in favor of the Trustee on behalf of the Secured Parties in connection with the Base Indenture, and neither Co-Issuer has authorized any such filing;

(xviii) Each of the Co-Issuers possesses all licenses, permits, orders, patents, franchises, certificates of need and other governmental and regulatory approvals to own or lease its properties and conduct its business in the jurisdictions in which such business is transacted as described in the Draft Offering Memorandum (as of the Closing

Date) and the Offering Memorandum (as of the Relevant Date) with only such exceptions as would not, individually or in the aggregate, have a Material Adverse Effect, and has not received any notice of proceedings relating to the revocation or modification of any such license, permit, order or approval, except for those whose revocation or modification would not individually or in the aggregate, have a Material Adverse Effect;

(xix) Except as described in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date), no labor disturbance by the employees of the Co-Issuers exists or, to the knowledge of the Co-Issuers, is imminent that would reasonably be expected to have a Material Adverse Effect;

(xx) 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 under the Indenture or (iii) material liabilities except where such liabilities are expressly permitted by the Transaction Documents;

(xxi) 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. 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 of 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. None of 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;

(xxii) Each of the Co-Issuers has filed, or caused to be filed, all federal, state, local and foreign Tax returns and all other Tax returns which, to the knowledge of either Co-Issuer, are required to be filed by, or with respect to the income, properties or operations of, such Co-Issuer (whether information returns or not), and has paid, or caused to be paid, all Taxes due, if any, pursuant to said returns or pursuant to any assessment received by either Co-Issuer or otherwise, except such Taxes, if any, as are being contested in good faith and by appropriate proceedings and for which adequate reserves have been set aside in accordance with GAAP. Except as would not reasonably be expected to have a Material Adverse Effect, no tax deficiency has been determined adversely to either Co-Issuer, nor does either Co-Issuer have any knowledge of any tax deficiencies. Each of the Co-Issuers has paid all fees and expenses required to be paid by it in connection with the conduct of its business, the maintenance of its existence and its qualification as a foreign entity authorized to do business in each state and each Foreign Country in which it is required to so qualify, except to the extent that the failure to pay such fees and expenses is not reasonably likely to result in a Material Adverse Effect;

(xxiii) There are no transfer taxes or other similar fees or charges under Federal law or the laws of any state, or any political subdivision thereof, required to be paid in connection with the execution and delivery of this Agreement or the issuance by the Co-Issuers or sale by the Co-Issuers of the Securities;

(xxiv) All certificates, reports, statements, notices, documents and other information furnished to the Trustee, or the Initial Purchaser by or on behalf of the Co-Issuers or the Parent Companies pursuant to any provision of the Indenture or any other Transaction Document, or in connection with or pursuant to any amendment or modification of, or waiver under, the Indenture or any other Transaction Document, are, at the time the same are so furnished, complete and correct in all material respects (when taken together with all other information furnished by or on behalf of the Co-Issuers) to the Trustee or the Initial Purchaser, as the case may be, and give the Trustee or the Initial Purchaser, as the case may be, true and accurate knowledge of the subject matter thereof in all material respects, and the furnishing of the same to the Trustee or the Initial Purchaser, as the case may be, shall constitute a representation and warranty by each of the Co-Issuers made on the date the same are furnished to the Trustee or the Initial Purchaser, as the case may be, to the effect specified herein;

(xxv) Neither Co-Issuer is, after giving effect to the issuance of the Securities, the transactions contemplated by the Transaction Documents and the application of the proceeds from the sale of the Securities as described herein, in the Draft Offering Memorandum (as of the Closing Date) and in the Offering Memorandum (as of the Relevant Date), an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended (the "1940 Act");

(xxvi) The proceeds of the Securities will not be used to purchase or carry any "margin stock" (as defined or used in the regulations of the Board of Governors of the Federal Reserve System, including Regulations T, U and X thereof) in such a way that could cause the transactions contemplated by the Transaction Documents to fail to comply with the regulations of the Board of Governors of the Federal Reserve System, including Regulations T, U, and X thereof. Neither Co-Issuer owns or is engaged in the business of extending credit for the purpose of purchasing or carrying any margin stock;

(xxvii) No subsidiary of the Co-Issuers is currently prohibited, directly or indirectly, from paying any dividends to its parent Co-Issuer, from making any other distribution on such subsidiary's capital stock or limited liability company interests, from repaying its parent Co-Issuer any loans or advances to such subsidiary from its parent Co-Issuer or from transferring any such subsidiary's property or assets to its parent Co-Issuer or any other subsidiary of the parent Co-Issuer, except as described in the Draft Offering Memorandum (as of the Closing Date) or in the Offering Memorandum (as of the Relevant Date);

(xxviii) The representations and warranties of each of the Co-Issuers contained in the Transaction Documents to which such Co-Issuer is a party are true and correct and are repeated herein as though fully set forth herein;

(xxix) Neither of the Co-Issuers (after giving effect to the issuance of the Securities and to the other transactions related thereto as described in the Draft Offering Memorandum) is insolvent within the meaning of the Bankruptcy Code or any applicable state law and neither of the Co-Issuers 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 either Co-Issuer;

(xxx) (A) All of the issued and outstanding limited liability company interests of the Master Issuer are owned by IHOP, all of which limited liability company interests have been validly issued and are owned of record by IHOP free and clear of all Liens other than Permitted Liens;

(B) All of the issued and outstanding limited liability company interests of the IP Holder are owned by the Master Issuer, all of which limited liability company interests have been validly issued and are owned of record by the Master Issuer, free and clear of all Liens other than Permitted Liens; and

(C) The Master Issuer has no subsidiaries and owns no Equity Interests in any other Person, other than the IP Holder, IHOP Real Estate, LLC, IHOP Properties, LLC and IHOP Property Leasing, LLC. The IP Holder has no subsidiaries and own no Equity Interests in any other Person (for purposes of this Agreement, the "Equity Interests" means (a) ownership, management or membership interests in any limited liability company or unlimited company, (b) general or limited partnership interest in any partnership, (c) common, preferred or other stock interest in any corporation, (d) share, participation, unit or other interest in the property or enterprise of an issuer that evidences ownership rights therein, (e) ownership or beneficial interest in any trust or (f) option, warrant or other right to convert into or otherwise receive any of the foregoing);

(xxxi) The Securities satisfy the eligibility requirements of Rule 144A(d)(3) under the Securities Act;

(xxxii) No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) of either Co-Issuer or of the Parent Companies contained in the Preliminary Marketing Materials, the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date) has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith;

(xxxiii) With respect to those Securities sold in reliance upon Regulation S of the Securities Act (" Regulation S") (i) none of the Co-Issuers or any of their affiliates or any other person acting on their behalf has engaged in any directed selling efforts within the meaning of Rule 902 of Regulation S and (ii) the Co-Issuers and their affiliates and each person acting on their behalf have complied with the offering restrictions set forth in Rule 902 of Regulation S;

(xxxiv) Except pursuant to this Agreement, none of the Co-Issuers or any of their affiliates or any other person acting on their behalf has, within the six-month period prior to the date hereof, offered or sold in the United States or to any U.S. person (as such terms are defined in Rule 902 of Regulation S) the Securities or any security of the same class or series as the Securities;

(xxxv) None of the Co-Issuers or any of their affiliates has participated in a plan or scheme to evade the registration requirements of the Securities Act through the sale of the Securities pursuant to Regulation S;

(xxxvi) Ernst & Young LLP ("E&Y"), who have audited or reviewed the consolidated financial statements of IHOP contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date), are independent certified public accountants with respect to the IHOP and Merger Sub within the meaning of Rule 101 of the Code of Professional Conduct of the AICPA and its interpretations and rulings thereunder. The historical consolidated financial statements (including the related notes and supporting schedules) of IHOP contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the

Relevant Date) have been prepared in accordance with generally accepted accounting principles in the United States consistently applied throughout the periods covered thereby and fairly present the financial position of the entities purported to be covered thereby at the respective dates indicated and the results of their operations and their cash flows for the respective periods indicated; and the financial information contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) under the headings "Capitalization of IHOP Corp. and its Subsidiaries," "Selected Historical and Pro Forma Financial Data of IHOP Corp. and its Subsidiaries," "Unaudited Pro Forma Condensed Combined Financial Information of IHOP Corp.," "Capitalization of IHOP Franchising, LLC," "Unaudited Pro Forma Condensed Consolidated Financial Information of IHOP Franchising, LLC," "IHOP Franchising, LLC Unaudited Supplemental Financial Information" and in the Exchange Act Documents under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations of IHOP" is derived from the accounting records of IHOP or the relevant subsidiary of IHOP (each, an "IHOP Entity") and fairly present the information purported to be shown thereby. The other historical financial and statistical information and data of IHOP and the other IHOP Entities contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) are, in all material respects, fairly presented;

(xxxvii) The pro forma financial information included in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) include assumptions that provide a reasonable basis for presenting the significant effects directly attributable to the transactions and events described therein (it being understood that the securities that are assumed to be issued in the pro forma financial information that is contained in the Draft Offering Memorandum as of the Closing Date are different from the securities being issued hereunder and in the Applebee's Securitization), the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma adjustments reflect the proper application of those adjustments to the historical financial statement amounts in the pro forma financial information included in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date). The pro forma financial information included in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) comply as to form in all material respects with the applicable requirements of Regulation S-X under the Securities Act;

(xxxviii) The Exchange Act Documents did not, when filed with the Commission, contain an untrue statement of material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The Exchange Act Documents, when filed with the Commission, conformed or will conform in all material respects to the applicable requirements of the Exchange Act and the applicable rules and regulations of the Commission thereunder;

(xxxix) The market-related and customer-related data and estimates included in the Preliminary Marketing Materials, the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) are based on

or derived from sources that the Co-Issuers believe to be reliable and accurate in all material respects or represent the Co-Issuers' good faith estimates made on the basis of data derived from such sources;

(xl) The Co-Issuers maintain and have maintained effective internal control over financial reporting, as defined in Rule 13a-15 under the Exchange Act, and a system of accounting controls that is sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in the United States and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(xli) (i) Each of the Co-Issuers has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-15 under the Exchange Act), (ii) such disclosure controls and procedures are designed to ensure that the information required to be disclosed by each Co-Issuer in the reports it files or submits under the Exchange Act (assuming each Co-Issuer was required to file or submit such reports under the Exchange Act) is accumulated and communicated to management of such Co-Issuer, including their respective principal executive officers and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure to be made; and (iii) such disclosure controls and procedures are effective in all material respects to perform the functions for which they were established.

(xlii) None of the Co-Issuers or any of their affiliates has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of any security (as such term is defined in the Securities Act), which is or will be integrated with the sale or resale of the Securities in a manner that would require registration of the resale of the Securities under the Securities Act;

(xliii) None of the Co-Issuers or any of their affiliates or any other person acting on their behalf has engaged, in connection with the offering of the Securities, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act (including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising);

(xliv) None of the Co-Issuers or any of their affiliates or any other person acting on their behalf has offered, sold, contracted to sell or otherwise disposed of, directly or indirectly, any securities under circumstances where such offer, sale, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act or Section 3(c)(7) of the 1940 Act to cease to be applicable to the offering, sale and resale of the Securities as contemplated by this Agreement, the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date);

(xlv) None of the Co-Issuers or any of their affiliates has taken and none of the Co-Issuers or any of their affiliates will take any action prohibited by Regulation M under the Exchange Act, in connection with the offering or resale of the Securities;

(xlvi) (A) Neither of the Co-Issuers is subject to any material liabilities or obligations pursuant to any Environmental Law, which could, individually or in the aggregate, reasonably be expected to result in the payment of a Material Environmental Amount; and

(B) The Co-Issuers 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 the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) and such as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Co-Issuers; and all assets held under lease by the Co-Issuers are held by them under valid, subsisting and enforceable leases, with such exceptions as do not materially interfere with the use made and proposed to be made of such assets by the Co-Issuers;

(xlvii) There is and has been no failure on the part of the Co-Issuers or any of the Co-Issuers' managers, directors or officers, in their capacities as such, to comply with the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith;

(xlviii) The section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies" contained in the Exchange Act Documents and in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) accurately and fully describes (A) the accounting policies that the Co-Issuers and IHOP believe are the most important in the portrayal of IHOP's financial condition and results of operations and that require management's most difficult, subjective or complex judgments; (B) the judgments and uncertainties affecting the application of critical accounting policies; and (C) the likelihood that materially different amounts would be reported under different conditions or using different assumptions and an explanation thereof;

(xlix) Neither of the Co-Issuers is in violation of or has received notice of any violation with respect to any federal or state law relating to discrimination in the hiring, promotion or pay of employees, or any applicable federal or state wage and hour laws, or any state law precluding the denial of credit due to the neighborhood in which a property is situated, the violation of any of which would reasonably be expected to have a Material Adverse Affect;

(l) The operations of the Co-Issuers are and have been conducted at all times in compliance with applicable financial record keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as

amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the " Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Co-Issuers with respect to the Money Laundering Laws is pending or, to the knowledge of the Co-Issuers, threatened, except, in each case, as would not reasonably be expected to have a Material Adverse Effect;

(li) Neither of the Co-Issuers or, to the knowledge of the Co-Issuers, any director, officer, agent, employee or affiliate of the Co-Issuers, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (" OFAC"); and the Co-Issuers will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC;

(lii) (A) All of the material registrations and applications included in the IP Assets are subsisting, unexpired and have not been abandoned in any applicable jurisdiction except where such abandonment could not reasonably be expected to have a Material Adverse Effect;

(B) (i) The use of the IP Assets does not infringe or violate the rights of any third party, (ii) the IP Assets are not being infringed or violated by any third party in a manner that could reasonably be expected to have a Material Adverse Effect and (iii) there is no action or proceeding pending or, to the Co-Issuers' knowledge, threatened alleging same that could reasonably be expected to have a Material Adverse Effect;

(C) No action or proceeding is pending or, to the Co-Issuers' knowledge, threatened that seeks to limit, cancel or question the validity of any material IP Assets, or the use thereof, that could reasonably be expected to have a Material Adverse Effect;

(D) The IP Holder is the exclusive owner of the IP Assets, free and clear of all Liens, set-offs, defenses and counterclaims of whatsoever kind or nature (other than licenses granted in the ordinary course of business and the rights granted under the IP License Agreements, the Franchise Agreements and the Permitted Liens);

(E) The Co-Issuers have not made and will not hereafter make any material assignment, pledge, mortgage, hypothecation or transfer of any of the IP Assets (other than licenses granted in the ordinary course of business and the rights granted under the IP License Agreements, the Franchise Agreements and the Permitted Liens);

(liii) The Co-Issuers have not taken any action or omitted to take any action (such as issuing any press release relating to any Securities without an appropriate

legend) which may result in the loss by the Initial Purchaser of the ability to rely on any stabilization safe harbor provided by the Financial Services Authority under the Financial Services and Markets Act 2000 (the "FSMA"). The Co-Issuers have been informed of the guidance relating to stabilization provided by the Financial Services Authority; and

(liv) Since the date as of which information is given in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date), there has not been any development in the condition, financial or otherwise, of the Securitization Entities, taken as a whole, or in the earnings, business affairs or management, whether or not arising in the course of business of the Securitization Entities, taken as a whole, that could reasonably be expected to result in a Material Adverse Effect.

(b) Each of the Parent Companies, jointly and severally, represents and warrants to, and agrees with, the Initial Purchaser, as of the Closing Date, that:

(i) As of the Closing Date, the Draft Offering Memorandum presents fairly, in all material respects, the business, results of operations and financial condition of the Co-Issuers. As of the Relevant Date, the Offering Memorandum does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) The Preliminary Marketing Materials and the Offering Memorandum have been or will have been prepared by the Co-Issuers and the Parent Companies for use by the Initial Purchaser in connection with the Exempt Resales (as defined below). No order or decree preventing the use of the Preliminary Marketing Materials or the Offering Memorandum, or any order asserting that the transactions contemplated by this Agreement are subject to the registration requirements of the Securities Act has been issued, and no proceeding for that purpose has commenced or is pending or, to the knowledge of the Parent Companies, is contemplated;

(iii) Each of the Parent Companies and the IHOP Securitization Entities has been duly formed as a corporation or limited liability company and is validly existing and in good standing under the laws of the State of Delaware, is qualified to do business and is in good standing as a foreign corporation or limited liability company in each jurisdiction in which the ownership or lease of property or the conduct of its business requires such qualification except for such failures to qualify to do business or be in good standing as are not reasonably likely to result in a Material Adverse Effect, and has the requisite corporate or limited liability company power and authority to own or hold its properties and to conduct the business in which it is engaged as described in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date);

(iv) Each of the Parent Companies has the requisite corporate or limited liability company power and authority to execute and deliver this Agreement and

all other Transaction Documents to which it is a party and perform its obligations hereunder and thereunder;

(v) None of the Parent Companies or the IHOP Securitization Entities (collectively the " Other Entities") is in violation of (i) its respective Securitization Entity Charter Documents, (ii) any Requirements of Law with respect to such Other Entity or (iii) any Contractual Obligation with respect to such Other Entity except, solely with respect to clauses (ii) and (iii), to the extent such violation could not reasonably be expected to result in a Material Adverse Effect. The execution and delivery of this Agreement and the other Transaction Documents, the application of the proceeds from the sale of the Securities as described as described herein and in the Offering Memorandum (as of the Relevant Date) and the incurrence of the obligations and consummation of the transactions herein and therein contemplated (a) will not conflict with, or constitute a breach of or default under, any Securitization Entity Charter Documents of any Other Entity, and (b) does not contravene, or constitute a default under, any Requirements of Law with respect to such Other Entity or any Contractual Obligation with respect to such Other Entity or result in the creation or imposition of any Lien on any property of any Other Entity, except for Liens created by the Transaction Documents;

(vi) Each of the Transaction Documents to which any Other Entity is a party has been duly and validly authorized, executed and delivered by it and, assuming due authorization, execution and delivery by the other parties thereto, constitutes its legal, valid and binding obligation enforceable in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing) . Each of the Transaction Documents to which an Other Entity is a party will conform in all material respects to the description thereof in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date);

(vii) (1) The Transaction Documents to which an Other Entity is a party are in full force and effect; (2) there are no outstanding defaults thereunder; and (3) no events shall have occurred which, with the giving of notice, the passage of time or both, would constitute a default thereunder;

(viii) This Agreement has been duly authorized, executed and delivered by each Parent Company party hereto and constitutes the legal, valid and binding obligation of each Parent Company enforceable in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing and except that any indemnification or contribution provisions herein may be deemed unenforceable);

(ix) There is no consent, approval, authorization, order, registration or qualification of or with any court or any regulatory authority or other governmental agency or body which is required for, and the absence of which would materially affect, the consummation of the transactions contemplated by this Agreement and the other Transaction Documents, the issuance of the Securities, the execution, delivery and performance by the Parent Companies of this Agreement and by the Other Entities of the Transaction Documents (to the extent they are parties thereto) or the application of the proceeds from the sale of the Securities as described herein and in the Offering Memorandum (as of the Relevant Date);

(x) Each of the Other Entities possesses all licenses, permits, orders, patents, franchises, certificates of need and other governmental and regulatory approvals to own or lease its properties and conduct its business in the jurisdictions in which such business is transacted as described in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date), with only such exceptions as would not individually or in the aggregate have a Material Adverse Effect, and has not received any notice of proceedings relating to the revocation or modification of any such license, permit, order or approval, except for those whose revocation or modification would not, individually or in the aggregate, have a Material Adverse Effect;

(xi) Except as described in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date), no labor disturbance by the employees of the Other Entities exists or, to the knowledge of the Other Entities, is imminent that would reasonably be expected to have a Material Adverse Effect;

(xii) 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 under the Indenture or (iii) material liabilities except where such liabilities are expressly permitted by the Transaction Documents;

(xiii) 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 Other Entities, 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. 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 Other Entities nor any affiliate thereof have had a complete or partial withdrawal from any Multiemployer Plan, and the Other Entities would not become subject to any liability under ERISA if an Other Entity 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 Other Entities, 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 Other Entities 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 Other Entities does not, in the aggregate, exceed the assets under all such Plans allocable to such benefits. Neither the Other Entities 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 Other Entities 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;

(xiv) There is no action, suit, proceeding or investigation pending against or, to the knowledge of each Parent Company, threatened against or affecting any Other Entity or of which any property or assets of the Other Entities is the subject before any court or arbitrator or any Governmental Authority that would, individually or in the aggregate, affect the validity or enforceability of this Agreement or any of the Transaction Documents, materially adversely affect the performance by the Parent Companies of their obligations hereunder or by the Other Entities thereunder or which is reasonably likely to have a Material Adverse Effect;

(xv) None of the Other Entities is, after giving effect to the issuance of the Securities, the transactions contemplated by the Transaction Documents and the application of the proceeds from the sale of the Securities as described herein, in the Draft Offering Memorandum (as of the Closing Date) and in the Offering Memorandum (as of the Relevant Date), an "investment company", or a company "controlled" by an "investment company", within the meaning of the 1940 Act;

(xvi) Each of the Other Entities (after giving effect to the transactions contemplated by the Transaction Documents) is not insolvent within the meaning of the Bankruptcy Code and none of the Other Entities 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 of the Other Entities;

(xvii) No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date) has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith;

(xviii) Since the date as of which information is given in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date), there has not been any development in the condition, financial or otherwise, of the Securitization Entities, taken as a whole, or in the earnings, business affairs or management, whether or not arising in the course of business of the Securitization Entities, taken as a whole, that could reasonably be expected to result in a Material Adverse Effect;

(xix) E&Y, who have audited or reviewed the consolidated financial statements of IHOP contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date), are independent certified public accountants with respect to IHOP and Merger Sub within the meaning of Rule 101 of the Code of Professional Conduct of the AICPA and its interpretations and rulings thereunder. The historical consolidated financial statements (including the related notes and supporting schedules) of IHOP contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) have been prepared in accordance with generally accepted accounting principles in the United States consistently applied throughout the periods covered thereby and fairly present the financial position of the entities purported to be covered thereby at the respective dates indicated and the results of their operations and their cash flows for the respective periods indicated; and the financial information contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) under the headings "Capitalization of IHOP Corp. and its Subsidiaries," "Selected Historical and Pro Forma Financial Data of IHOP Corp. and its Subsidiaries," "Unaudited Pro Forma Condensed Combined Financial Information of IHOP Corp.," "Capitalization of IHOP Franchising, LLC," "Unaudited Pro Forma Condensed Consolidated Financial Information of IHOP Franchising, LLC," "IHOP Franchising, LLC Unaudited Supplemental Financial Information" and in the Exchange Act Documents under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations of IHOP" is derived from the accounting records of the applicable IHOP Entities and fairly present the information purported to be shown thereby. The other historical financial and statistical information and data of IHOP and the other IHOP Entities contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) are, in all material respects, fairly presented;

(xx) The pro forma financial information included in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) include assumptions that provide a reasonable basis for presenting the significant effects directly attributable to the transactions and events described therein (it being understood that the securities that are assumed to be issued in the pro forma

financial information that is contained in the Draft Offering Memorandum as of the Closing Date are different from the securities being issued hereunder and in the Applebee's Securitization), the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma adjustments reflect the proper application of those adjustments to the historical financial statement amounts in the pro forma financial information included in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date). The pro forma financial information included in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) comply as to form in all material respects with the applicable requirements of Regulation S-X under the Securities Act;

(xxi) The Exchange Act Documents did not, when filed with the Commission, contain an untrue statement of material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The Exchange Act Documents, when filed with the Commission, conformed or will conform in all material respects to the applicable requirements of the Exchange Act and the applicable rules and regulations of the Commission thereunder;

(xxii) The market-related and customer-related data and estimates included in the Preliminary Marketing Materials, in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) are based on or derived from sources that the Parent Companies believe to be reliable and accurate in all material respects or represent the Parent Companies' good faith estimates made on the basis of data derived from such sources;

(xxiii) The Other Entities maintain and have maintained effective internal control over financial reporting, as defined in Rule 13a-15 under the Exchange Act, and a system of accounting controls that is sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in the United States and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(xxiv) (i) Each of the Parent Companies and each of their respective subsidiaries have established and maintain disclosure controls and procedures (as such term is defined in Rule 13a-15 under the Exchange Act), (ii) such disclosure controls and procedures are designed to ensure that the information required to be disclosed by the Parent Companies in the reports they file or submit under the Exchange Act (assuming the Parent Companies were required to file or submit such reports under the Exchange Act) is accumulated and communicated to management of the Parent Companies, including their respective principal executive officers and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure to be made; and

(iii) such disclosure controls and procedures are effective in all material respects to perform the functions for which they were established;

(xxv) Since the date of the most recent balance sheet of IHOP and its consolidated subsidiaries reviewed or audited by E&Y and the audit committee of the board of directors of IHOP, (i) IHOP has not been advised of (A) any significant deficiencies in the design or operation of internal control over financial reporting that would adversely affect the ability of IHOP or any of its subsidiaries to record, process, summarize and report financial data, or any material weaknesses in internal control over financial reporting and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the internal controls of IHOP and each of its subsidiaries, and (ii) since that date, there have been no significant changes in internal control over financial reporting or in other factors that would significantly affect internal control over financial reporting, including any corrective actions with regard to significant deficiencies and material weaknesses;

(xxvi) The representations and warranties of each of the Other Entities, contained in the Transaction Documents to which it is a party are true and correct and are repeated as though fully set forth herein;

(xxvii) With respect to those Securities sold in reliance upon Regulation S, (i) none of the Other Entities or any of their affiliates or any other person acting on their behalf has engaged in any directed selling efforts within the meaning of Rule 902 of Regulation S and (ii) the Other Entities and their affiliates and each person acting on their behalf have complied with the offering restrictions set forth in Regulation S;

(xxviii) None of the Other Entities or any of their affiliates or any other person acting on their behalf have engaged, in connection with the offering of the Securities, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act (including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising);

(xxix) None of the Other Entities or any of their affiliates or any other person acting on their behalf have offered, sold, contracted to sell or otherwise disposed of, directly or indirectly, any securities under circumstances where such offer, sale, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act or Section 3(c)(7) of the 1940 Act to cease to be applicable to the offering, sale and resale of the Securities as contemplated by this Agreement, the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date);

(xxx) There is and has been no failure on the part of the Other Entities or any of the Other Entities' managers, directors or officers, in their capacities as such, to comply with the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith;

(xxxi) The section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations –Critical Accounting Policies" in the Exchange Act Documents, the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) accurately and fully describes (A) the accounting policies that IHOP believes are the most important in the portrayal of IHOP's financial condition and results of operations and that require management's most difficult, subjective or complex judgments; (B) the judgments and uncertainties affecting the application of critical accounting policies; and (C) the likelihood that materially different amounts would be reported under different conditions or using different assumptions and an explanation thereof;

(xxxii) None of the Other Entities is in violation of or has received notice of any violation with respect to any federal or state law relating to discrimination in the hiring, promotion or pay of employees, or any applicable federal or state wage and hour laws, or any state law precluding the denial of credit due to the neighborhood in which a property is situated, the violation of any of which would reasonably be expected to have a Material Adverse Affect;

(xxxiii) The operations of the Other Entities are and have been conducted at all times in compliance with the Money Laundering Laws and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Other Entities with respect to the Money Laundering Laws is pending or, to the knowledge of the Other Entities, threatened, except, in each case, as would not reasonably be expected to have a Material Adverse Effect;

(xxxiv) None of the Other Entities or, to the knowledge of the Other Entities, any director, officer, agent, employee or affiliate of the Other Entities is currently subject to any U.S. sanctions administered by OFAC; and the Other Entities will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC;

(xxxv) The Other Entities have not taken any action or omitted to take any action (such as issuing any press release relating to any Securities without an appropriate legend) which may result in the loss by the Initial Purchaser of the ability to rely on any stabilization safe harbor provided by the FSMA. The Other Entities have been informed of the guidance relating to stabilization provided by the Financial Services Authority;

(xxxvi) As of the Closing Date, no Parent Company is aware of any proposed Tax assessments against any Applebee's Entity or any IHOP Entity, except for those Tax assessments that would not have a Material Adverse Effect;

(c) Each of the Co-Issuers, jointly and severally, shall make the representations and warranties to the Initial Purchaser and agreements with the Initial Purchaser contained in Section 1(a) as of the Initial Date and each Bringdown Date; and

(d) Each of the Parent Companies, jointly and severally, shall make the representations and warranties to the Initial Purchaser and agreements with the Initial Purchaser contained in Section 1(b) as of the Initial Date and each Bringdown Date.

2. Purchase and Resale of the Securities

(a) On the basis of the representations, warranties and agreements contained herein, and subject to the terms and conditions set forth herein, each of the Co-Issuers, jointly and severally, agrees to issue and sell to the Initial Purchaser, and the Initial Purchaser agrees to purchase from the Co-Issuers, U.S. $245,000,000 principal amount of Series 2007-3 Fixed Rate Term Notes at a purchase price of 99.999707% of the aggregate principal amount thereof. The Co-Issuers shall not be obligated to deliver any of the Securities except upon payment for all of the Securities to be purchased as provided herein. The Securities will accrue interest at an annual rate of 7.0588%. In connection with the above purchase and sale, the Co-Issuers shall pay, on the Closing Date, to the Initial Purchaser $5,019,121, in immediately available funds.

(b) The Initial Purchaser has advised the Co-Issuers that it proposes to offer the Securities for resale upon the terms and subject to the conditions set forth herein. The Initial Purchaser represents and warrants to, and agrees with, the Co-Issuers , on the basis of the representations, warranties and agreement of the Co-Issuers, IHOP, the Parent Companies and the IHOP Securitization Entities that (i) it is purchasing the Securities pursuant to a private sale exempt from registration under the Securities Act, (ii) neither it nor any of its affiliates, nor any person acting on the Initial Purchaser's behalf, has solicited offers for, or offered or sold, and neither it, nor any of its affiliates, nor any person acting on the Initial Purchaser's behalf, will solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D under the Securities Act ("Regulation D") or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act, and (iii) it has solicited and will solicit offers (the "Exempt Resales") for the Securities only from, and have offered or sold and will offer, sell or deliver the Securities, as part of its initial offering, only to persons whom it reasonably believes to be: (A) (i) qualified institutional buyers (" Qualified Institutional Buyers") as defined in Rule 144A under the Securities Act ("Rule 144A"), or if any such person is buying for one or more institutional accounts for which such person is acting as fiduciary or agent, only when such person has represented to it that each such account is a Qualified Institutional Buyer to whom notice has been given that such sale or delivery is being made in reliance on Rule 144A and, in each case in transactions in accordance with Rule 144A and (ii) qualified purchasers ("Qualified Purchasers") within the meaning of Section 2(a)(51) of the 1940 Act or (B) (i) neither "U.S. Persons" (as such term is defined in Regulation S) nor U.S. Residents (within the meaning of the 1940 Act) who acquire the Securities outside the U.S. in a transaction meeting the requirements of Regulation S or (ii) Qualified Purchasers. Those persons specified in clauses (A) and (B) above are referred to herein as the " Eligible Purchasers". In addition to the foregoing, the Initial Purchaser acknowledges and agrees that the Co-Issuers and, for purposes of the opinions to be delivered to the Initial Purchaser pursuant to Section 5, counsel for the Co-Issuers and for the Initial Purchaser, respectively, may rely upon the accuracy of the

representations and warranties of the Initial Purchaser and its compliance with its agreements contained in this Section 2 (except clause (i) of this subsection (b)), and the Initial Purchaser hereby consents to such reliance.

(c) The Co-Issuers acknowledge and agree that the Initial Purchaser may sell Securities to any affiliate of the Initial Purchaser and that any such affiliate may sell Securities purchased by it to the Initial Purchaser. The Co-Issuers acknowledge and agree that the Initial Purchaser may, from time to time, make one or more Exempt Resales following the Closing Date, with respect to which the Initial Purchaser may deliver a copy of the Offering Memorandum.

(d) The Initial Purchaser also represents and agrees that (i) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom, and (ii) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities, in circumstances in which section 21(1) of the FSMA does not apply to the Co-Issuers.

(e) The Initial Purchaser also represents and agrees that, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), it has not made and will not make an offer of the Securities to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Securities to the public in that Relevant Member State at any time:

(i) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(ii) to any legal entity which has two or more of (A) an average of at least 250 employees during the last financial year; (B) a total balance sheet of more than €43,000,000 and (C) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(iii) in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this representation, the expression an "offer of the Securities to the public" in any Relevant Member State means the communication in any form and

by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe to the Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

(f) The Initial Purchaser also represents and agrees that that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

(g) The Initial Purchaser also represents and agrees that it has not made and, unless it obtains the prior consent of the Parent Companies and the Co-Issuers, will not make any offer relating to the Securities that would constitute a Free Writing Communication, it being understood that a Free Writing Communication that (i) contains only information that describes the final terms of the Securities or their offering and that is included in the Offering Memorandum or (ii) does not contain any material information about the Co-Issuers or their securities that was provided by or on behalf of the Co-Issuers, shall not be an Issuer Free Writing Communication for purposes of this Agreement.

3. Delivery of and Payment for the Securities

(a) Delivery of and payment for the Securities shall be made at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York, 10036 or at such other place as shall be agreed upon by the Initial Purchaser and the Co-Issuers, at 10:00 A.M., New York City time, on November 29, 2007 or at such other time or date as shall be agreed upon by the Initial Purchaser and the Co-Issuers (such date and time of payment and delivery being referred to herein as the "Closing Date").

(b) On the Closing Date, payment of the purchase price for the Securities shall be made to the Co-Issuers by wire or book-entry transfer of same-day funds to such account or accounts as the Co-Issuers shall specify prior to the Closing Date or by such other means as the parties hereto shall agree prior to the Closing Date against delivery to the Initial Purchaser of the Securities through the facilities of The Depository Trust Company ("DTC"). Time shall be of the essence and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of the Initial Purchaser hereunder. Upon delivery, the Securities shall be in global form, registered in such names and in such denominations as the Initial Purchaser shall have requested.

4. Further Agreements of the Co-Issuers, the Parent Companies and the IHOP Securitization Entities

Each of the Parent Companies and each of the Co-Issuers, jointly and severally, agrees with the Initial Purchaser:

(a) to provide, as soon as practicable after the Closing Date, a final Offering Memorandum for the Securities, to be dated as of a date to be specified by the Initial Purchaser (the "Initial Date"), (i) which shall not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (ii) which shall contain all financial statements and other data, including audited financial statements, all unaudited financial statements (which shall have been reviewed by independent registered public accountants as provided in Statement on Auditing Standards No. 100) and all appropriate pro forma financial statements prepared in accordance with Regulation S-X under the Securities Act of 1933, as amended (to the extent deemed reasonably necessary by the Initial Purchaser), and all other data (including selected financial data), in each case, that the Commission would require in a registered offering of any or all of the Securities (in each case, except as otherwise agreed) or that would be necessary for the Initial Purchaser to receive customary "comfort" (including, without limitation, "negative assurance" comfort) from independent registered public accountants (collectively, the " Required Financial Information");

(b) on the Initial Date, to use its best efforts:

(i) to cause to be furnished to the Initial Purchaser a letter (the " E&Y Initial Comfort Letter") of E&Y, in form and substance satisfactory to the Initial Purchaser, addressed to the Initial Purchaser and dated the Initial Date, (i) concerning the accounting, financial and certain of the statistical information with respect to the Parent Companies and the Co-Issuers set forth in the Offering Memorandum and (ii) covering such other matters as are ordinarily covered by accountants' "comfort letters" to initial purchasers in connection with such offerings of securities;

(ii) to cause to be furnished to the Initial Purchaser a letter (the " Initial AUP Letter") of FTI Consulting, Inc., addressed to the Initial Purchaser and dated the Initial Date, in form and substance satisfactory to the Initial Purchaser, concerning certain agreed-upon procedures performed in respect of the information presented in the Preliminary Marketing Materials, the Supplemental Materials (if any), the Offering Memorandum and the Investor Model Runs;

(iii) to cause Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Co-Issuers, to furnish to the Initial Purchaser (1) a "10b-5" disclosure letter, substantially in the form attached hereto as Exhibit 4 and (2) customary opinions with respect to (A) the exemption from registration under the Securities Act of the offer and sale of the Securities by the Co-Issuers and the initial resale of the Securities by the Initial Purchaser and (B) the conformity of the Transaction Documents (as defined

herein) to the descriptions thereof and certain tax disclosures in the Offering Memorandum, in a form to be agreed reasonably between IHOP and the Initial Purchaser, in each case, dated as of the Initial Date; and

(iv) to cause to be furnished to the Initial Purchaser certificates with respect to the Initial Date that are substantially similar to those to be furnished on the Closing Date pursuant to Sections 5(s), (t), and (u), except that such certificates shall pertain to the Offering Memorandum rather than the Draft Offering Memorandum, and shall state that the relevant officer has no reason to believe that (A) the Offering Memorandum, as of the Initial Date, included any untrue statement of a material fact or omitted 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 or (B) since the date of the Offering Memorandum, any event has occurred which should have been set forth in a supplement or amendment to the Offering Memorandum;

(c) if the Exempt Resales of the Securities by the Initial Purchaser as contemplated by this Agreement has not been completed by the date on which the independent registered public accountants for IHOP are no longer able to deliver a comfort letter with respect to the financial information for the quarter ended September 30, 2007 contained in the Offering Memorandum, to provide, as soon as practicable after the filing of IHOP's annual report on Form 10-K for the year ended December 31, 2007, an updated version of the Offering Memorandum, (i) which shall not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (ii) which shall contain all Required Financial Information;

(d) (i) to advise the Initial Purchaser promptly and, if requested, confirm such advice in writing, of the happening of any event which makes any statement of a material fact made in the Offering Memorandum untrue or which requires the making of any additions to or changes in the Offering Memorandum in order to make the statements therein, in light of the circumstances under which they were made, not misleading, (ii) to advise the Initial Purchaser promptly of any order preventing or suspending the use of the Preliminary Materials, the Supplemental Materials (as defined herein) or the Offering Memorandum, of any suspension of the qualification of the Securities for offering or sale in any jurisdiction and of the initiation or threatening of any proceeding for any such purpose and (iii) to use commercially reasonable efforts to prevent the issuance of any such order preventing or suspending the use of the Preliminary Materials, the Supplemental Materials or the Offering Memorandum or suspending any such qualification and, if any such suspension is issued, to obtain the lifting thereof at the earliest possible time;

(e) to prepare the Offering Memorandum in a form reasonably acceptable to the Initial Purchaser and to furnish promptly to the Initial Purchaser and counsel for the Initial Purchaser, without charge, as many copies of the Offering Memorandum (and any amendments or supplements thereto) as may be reasonably requested;

(f) prior to making any amendment or supplement to the Offering Memorandum, to furnish a copy thereof to the Initial Purchaser and counsel for the Initial Purchaser and not to effect any such amendment or supplement without the consent of the Initial Purchaser, which consent shall not be unreasonably withheld or delayed;

(g) if, at any time prior to completion of the resale of the Securities by the Initial Purchaser (it being agreed that upon request by the Co-Issuers, the Initial Purchaser will promptly advise the Co-Issuers as to when such resale has been completed), any event shall occur or condition exist as a result of which it is necessary, in the opinion of counsel for the Initial Purchaser or counsel for the Co-Issuers, to amend or supplement the Offering Memorandum in order that the Offering Memorandum will not include an 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 existing at the time it is delivered to a purchaser, not misleading, or if it is necessary, in the opinion of such counsel, at any such time to amend or supplement the Offering Memorandum to comply with applicable law, to promptly prepare such amendment or supplement as may be necessary to correct such untrue statement or omission or so that the Offering Memorandum, as so amended or supplemented, will comply with applicable law;

(h) on the date of each supplement furnished in accordance with Section 4(g) hereof and on each date requested by the Initial Purchaser in connection with the resale of the Securities (each of the foregoing, a " Bringdown Date"), to use its best efforts:

(i) to cause to be furnished to the Initial Purchaser a letter of E&Y, in form and substance satisfactory to the Initial Purchaser, addressed to the Initial Purchaser and dated such Bringdown Date (i) confirming that it is a firm of independent public accountants with respect to IHOP, IHOP Franchising and the Merger Sub within the meaning of Rule 101 of the Code of Professional Conduct of the AICPA and its interpretations and rulings thereunder and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the SEC, (ii) stating, as of such Bringdown Date (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Offering Memorandum, as of a date not more than three business days prior to such Bringdown Date), that the conclusions and findings of such accountants with respect to the financial information and other matters covered by the E&Y Initial Comfort Letter are accurate and (iii) confirming in all material respects the conclusions and findings set forth in the E&Y Initial Comfort Letter;

(ii) to cause to be furnished to the Initial Purchaser a letter of FTI Consulting, Inc., in form and substance satisfactory to the Initial Purchaser, addressed to the Initial Purchaser and dated such Bringdown Date (i) stating, as of such Bringdown Date (or, with respect to matters involving changes or developments since the respective dates as of which specified information is given in the Offering Memorandum, as of a date not more than three business days prior to such Bringdown Date), that the conclusions, procedures and findings of such company with respect to the information and other matters covered by the Initial AUP Letter are accurate and (ii) confirming in all

material respects the conclusions, procedures and findings set forth in the Initial AUP Letter;

(iii) to cause Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Co-Issuers, to furnish to the Initial Purchaser a (1) a "10b-5" disclosure letter, substantially in the form attached hereto as Exhibit 4 and (2) customary opinions with respect to (A) the exemption from registration under the Securities Act of the offer and sale of the Securities by the Co-Issuers and the initial resale of the Securities by the Initial Purchaser and (B) the conformity of the Transaction Documents (as defined herein) to the descriptions thereof and certain tax disclosures in the Offering Memorandum, in a form to be agreed reasonably between IHOP and the Initial Purchaser, in each case dated as of such Bringdown Date, and

(iv) to cause to be furnished to the Initial Purchaser certificates with respect to such Bringdown Date that are substantially similar to those to be furnished on the Closing Date pursuant to Sections 5(s), (t), and (u) except that such certificates shall pertain to the Offering Memorandum rather than the Draft Offering Memorandum, and shall state that nothing has come to each relevant officer's attention that would lead such officer to believe that (A) the Offering Memorandum, as of such Bringdown Date, included any untrue statement of a material fact or omitted 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 or (B) since the date of the Offering Memorandum, any event has occurred which should have been set forth in a supplement or amendment to the Offering Memorandum;

(i) to cause the senior executive officers of IHOP, Applebee's International and the Co-Issuers (including, without limitation, Julia Stewart and Thomas Conforti) to be available to participate in such investor presentations and roadshows as the Initial Purchaser may reasonably request in connection with the resale of the Securities;

(j) to provide such other supplemental marketing material (the " Supplemental Materials") as may be reasonably requested by the Initial Purchaser in connection with the resales of the Securities and agreed reasonably in writing by IHOP;

(k) for a period commencing on the date hereof and ending on the 180th day after the completion of the resale of the Securities by the Initial Purchaser, not to, directly or indirectly, (A) offer for sale, sell, or otherwise dispose of (or enter into any transaction or device that is designed to, or would be expected to, result in the disposition by any person at any time in the future of) any debt securities of the Co-Issuers or the Parent Companies substantially similar to the Securities or securities convertible into or exchangeable for such debt securities of the Co-Issuers or the Parent Companies, or sell or grant options, rights or warrants with respect to such debt securities of the Co-Issuers or the Parent Companies or securities convertible into or exchangeable for such debt securities of the Co-Issuers or the Parent Companies, (B) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such debt securities of the Co-Issuers or the Parent Companies, whether any such transaction described in clause (1) or (2) above is to be

settled by delivery of debt securities of the Co-Issuers or the Parent Companies or other securities, in cash or otherwise, (C) file or cause to be filed a registration statement, including any amendments, with respect to the registration of debt securities of the Co-Issuers or the Parent Companies substantially similar to the Securities or securities convertible, exercisable or exchangeable into debt securities of the Co-Issuers or the Parent Companies or (D) publicly announce an offering of any debt securities of the Co-Issuers or the Parent Companies substantially similar to the Securities or securities convertible or exchangeable into such debt securities, in each case without the prior written consent of the Initial Purchaser;

(l) for so long as the Securities are outstanding, to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Parent Companies after the date hereof pursuant to the Exchange Act;

(m) for so long as the Securities are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, to furnish to holders of the Securities and prospective purchasers of the Securities designated by such holders, upon request of such holders or such prospective purchasers, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act, unless the Co-Issuers are then subject to and in compliance with Section 13 or 15(d) of the Exchange Act (the foregoing agreement being for the benefit of the holders from time to time of the Securities and prospective purchasers of the Securities designated by such holders);

(n) to promptly take from time to time such actions as the Initial Purchaser may reasonably request to qualify the Securities for offering and sale under the securities or Blue Sky laws of such jurisdictions as the Initial Purchaser may designate and to continue such qualifications in effect for so long as required for the resale of the Securities; and to arrange for the determination of the eligibility for investment of the Securities under the laws of such jurisdictions as the Initial Purchaser may reasonably request; provided that none of the Co-Issuers shall be obligated to qualify as foreign corporations in any jurisdiction in which they are not so qualified or to file a general consent to service of process in any jurisdiction;

(o) to assist the Initial Purchaser in arranging for the Securities to be eligible for clearance and settlement in the United States through DTC and in Europe through Euroclear Bank, S.A./N.V., or Clearstream Banking, société anonyme;

(p) to comply with all the terms and conditions of all agreements set forth in the representation letters of the Co-Issuers to DTC relating to the approval of the Securities by DTC for "book entry" transfer;

(q) not to take any action or omit to take any action (such as issuing any press release relating to the Securities without an appropriate legend) which may result in the loss by the Initial Purchaser of the ability to rely on any stabilization safe harbor provided by the Financial Services Authority under the FSMA;

(r) not to, and to cause their affiliates not to, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as such term is defined in the Securities Act) which could reasonably be expected to be integrated with the sale of the Securities in a manner which would require registration of the Securities under the Securities Act;

(s) not to, and to cause its affiliates not to, engage in any directed selling efforts within the meaning of Regulation S;

(t) to comply, and to cause its affiliates to comply, with the offering restrictions set forth in Regulation S;

(u) not to, and to cause their affiliates not to, authorize or knowingly permit any person acting on their behalf to solicit any offer to buy or offer to sell the Securities by means of any form of general solicitation or general advertising within the meaning of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; and not to offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any securities under circumstances where such offer, sale, contract or disposition would cause the exemption afforded by Section 4(2) or of Rule 144A of the Securities Act or Section 3(c)(7) of the 1940 Act to cease to be applicable to the offering and sale of the Securities as contemplated by this Agreement , the Draft Offering Memorandum and the Offering Memorandum;

(v) in connection with the offering of the Securities, until the Initial Purchaser shall have notified the Co-Issuers of the completion of the resale of the Securities, not to, and to cause their affiliated purchasers (as defined in Regulation M under the Exchange Act) not to, either alone or with one or more other persons, bid for or purchase, for any account in which they or any of their affiliated purchasers have a beneficial interest, any Securities, or attempt to induce any person to purchase any Securities; and not to, and to cause their affiliated purchasers not to, make bids or purchase for the purpose of creating actual, or apparent, active trading in or of raising the price of the Securities;

(w) in connection with the offering of the Securities, to make their officers, employees, independent accountants and legal counsel available upon reasonable request by the Initial Purchaser;

(x) to furnish to the Initial Purchaser, prior to the date of each Offering Memorandum, a copy of each signed independent accountants' report to be included in such Offering Memorandum;

(y) to apply the net proceeds from the sale of the Securities as set forth in herein (as of the Closing Date) and the Offering Memorandum under the heading "Use of Proceeds" (as of the Initial Date and each Bringdown Date);

(z) to the extent that the ratings to be provided with respect to the Securities by Moody's Investors Service, Inc. (" Moody's"), Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (" S&P") and Fitch, Inc. ("Fitch", and together with Moody's and S&P, the "Rating Agencies") are conditional upon the

furnishing of documents or the taking of any other actions by the Co-Issuers, the Parent Companies or any of their affiliates, to furnish such documents and take any such other action that is reasonably requested by the Rating Agencies;

(aa) for a period from the date of this Agreement until the retirement of the Securities, or until such time as the Initial Purchaser shall cease to maintain a secondary market in the Securities, whichever occurs first, to furnish to the Initial Purchaser, as soon as available, (i) copies of each report and certificate and any financial information delivered to the holders of the Securities or filed with any stock exchange or regulatory body and (ii) from time to time such other information concerning the Co-Issuers and the Parent Companies as the Initial Purchaser may reasonably request;

(bb) unless it obtains the prior consent of the Initial Purchaser, not to make (and each such party represents that it has not made), any offer relating to the Securities that would constitute a Free Writing Communication; if at any time following issuance of a Free Writing Communication any event occurred or occurs as a result of which such Free Writing Communication conflicts with the information in the Offering Memorandum or, when taken together with the information in the Offering Memorandum, includes an untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, as promptly as practicable after becoming aware thereof, to give notice thereof to the Initial Purchaser and, if requested by the Initial Purchaser, to prepare and furnish without charge to the Initial Purchaser a Free Writing Offering Communication or other document which will correct such conflict, statement or omission;

(cc) to consent to the use by the Initial Purchaser of (1) the Offering Memorandum, (2) the Preliminary Marketing Materials, (3) the Supplemental Materials and (4) additional marketing materials to be provided to prospective investors, consisting of model runs (" Investor Model Runs"), which will be subject to the procedures set forth in the Initial AUP Letter (as defined below);

(dd) to use its best efforts to assist the Initial Purchaser in marketing the Securities after the Closing Date;

(ee) to cooperate reasonably in any due diligence investigations by representatives of the Initial Purchaser that may be required in connection with the use of the Offering Memorandum; and

(ff) to promptly update the Offering Memorandum, upon the request of the Initial Purchaser, until such time as the Initial Purchaser shall cease to own any of the Securities.

5. Conditions of Initial Purchaser's Obligations

The obligations of the Initial Purchaser hereunder are subject (i) to the accuracy, on and as of the date hereof, of the representations and warranties of the Co-Issuers, the

Guarantors, IHOP and the Merger Sub contained herein, and on and as of the Closing Date of the representations and warranties of the Co-Issuers, the Guarantors, the Parent Companies and the IHOP Securitization Entities contained herein, (ii) to the accuracy of the statements of each of the Co-Issuers, the Guarantors, the Parent Companies and their respective officers made in any certificates delivered pursuant hereto, (iii) to the performance by the Co-Issuers, the Guarantors, the Parent Companies and the IHOP Securitization Entities of their obligations hereunder and (iv) to each of the following additional terms and conditions:

(a) No stop order suspending the sale of the Securities in any jurisdiction shall have been issued and no proceeding for that purpose shall have been commenced or shall be pending or threatened.

(b) The Initial Purchaser shall not have discovered and disclosed to the Co-Issuers or the Parent Companies on or prior to the Closing Date that the Draft Offering Memorandum or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of counsel for the Initial Purchaser, is material or omits to state any fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Securities, each of the Transaction Documents and the Offering Memorandum, and all other legal matters relating to this Agreement, the Transaction Documents and the transactions contemplated thereby, shall be satisfactory in all material respects to the Initial Purchaser, and the Co-Issuers and the Parent Companies shall have furnished to the Initial Purchaser all documents and information that the Initial Purchaser or its counsel may reasonably request to enable it to pass upon such matters.

(d) The Supplement shall have been duly executed and delivered by the Co-Issuers and the Trustee, and the Securities shall have been duly executed and delivered by the Co-Issuers and duly authenticated by the Trustee.

(e) Each of the Transaction Documents shall have been duly executed and delivered by the respective parties thereto and the Initial Purchaser shall have received an original copy of each Transaction Document, duly executed and delivered by the respective parties thereto.

(f) The Initial Purchaser shall have received a letter from each Rating Agency stating that the Securities have received the ratings indicated in the table below:

Moody's Rating	S&P Rating
Baa2	BBB-

(g) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange, the American Stock Exchange, the Nasdaq Global Market or in the over-the-counter market, or trading in any securities of IHOP, the Master Issuer or Applebee's International on any exchange or in the over-the-counter market, shall have been suspended or materially limited or the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction (except that a suspension of trading in the securities of Applebee's International as a result of the completion of the Merger shall be permitted), (ii) a banking moratorium shall have been declared by federal or state authorities, (iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States, (iv) a material disruption in securities settlement or clearing or payment systems shall have occurred or (v) there shall have occurred such a material adverse change in general economic, political or financial conditions, including, without limitation, as a result of terrorist activities after the date hereof (or the effect of international conditions on the financial markets in the United States shall be such), as to make it, in the judgment of the Initial Purchaser, impracticable or inadvisable to proceed with the offering or delivery of the Securities being delivered on the Closing Date on the terms and in the manner contemplated hereby or that, in the judgment of the Initial Purchaser, would materially and adversely affect the financial markets or the markets for the Securities and other debt securities.

(h) None of (i) the issuance and sale of the Securities pursuant to this Agreement, (ii) the transactions contemplated by the Transaction Documents or (iii) the use of the Preliminary Marketing Materials, the Supplemental Materials or the Offering Memorandum shall be subject to an injunction (temporary or permanent) and no restraining order or other injunctive order shall have been issued; and there shall not have been any legal action, order, decree or other administrative proceeding instituted or threatened against the Co-Issuers or the Parent Companies or the Initial Purchaser that would be reasonably likely to adversely impact the issuance or resale of the Securities or the Initial Purchaser's activities in connection therewith or any other transactions contemplated hereby or by the Transaction Documents.

(i) The Initial Purchaser shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Co-Issuers and the Parent Companies, dated the Closing Date and addressed to the Initial Purchaser, substantially in the form attached hereto as Exhibit 5.

(j) The Initial Purchaser shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Co-Issuers, the Guarantors and the Parent Companies, dated the Closing Date and addressed to the Initial Purchaser, substantially in the form attached hereto as Exhibit 6 regarding the substantive nonconsolidation of the assets and liabilities of the Co-Issuers, the other Securitization Entities and their affiliates.

(k) The Initial Purchaser shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Co-Issuers, the other Securitization Entities and the Parent Companies, dated the Closing Date and addressed to the Initial Purchaser, substantially in the form attached hereto as Exhibit 7 regarding the treatment of the transfers of assets as "true contributions" or other absolute transfers.

(l) The Initial Purchaser shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Co-Issuers, dated the Closing Date and addressed to the Initial Purchaser, substantially in the form attached hereto as Exhibit 8 regarding the U.S. federal income tax treatment of the Securities, among other things.

(m) The Initial Purchaser shall have received an opinion of Blackwell Sanders LLP, as franchise counsel to the Co-Issuers and the Parent Companies, dated the Closing Date and addressed to the Initial Purchaser, regarding compliance with applicable franchising laws and regulations and such other matters as the Initial Purchaser may request, in form and substance satisfactory to the Initial Purchaser and its counsel.

(n) The Initial Purchaser shall have received an opinion of in-house counsel to the Co-Issuers and the Parent Companies dated the Closing Date and addressed to the Initial Purchaser, regarding compliance with applicable franchising laws and regulations and such other matters as the Initial Purchaser may request, in form and substance satisfactory to the Initial Purchaser and its counsel.

(o) The Initial Purchaser shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special Delaware counsel to the Co-Issuers, dated the Closing Date and addressed to the Initial Purchaser, regarding the filing of UCC-1 financing statements, the perfection and priority of the security interests created under the Indenture and the absence of any prior financing statements of record against any of the Co-Issuer organized in Delaware identifying any of the Collateral (based on a review of UCC filings), in form and substance satisfactory to the Initial Purchaser and its counsel.

(p) The Initial Purchaser shall have received an opinion of Chapman and Cutler LLP, counsel to the Trustee, dated the Closing Date and addressed to the Initial Purchaser, in form and substance satisfactory to the Initial Purchaser and its counsel.

(q) The Initial Purchaser shall have received an opinion of inhouse counsel to the Back-Up Servicer, dated the Closing Date and addressed to the Initial Purchaser, in form and substance satisfactory to the Initial Purchaser and its counsel.

(r) The Initial Purchaser shall have received an opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP, dated the Closing Date and addressed to the Initial Purchaser, with respect to the validity of the Securities and such other matters as the Initial Purchaser may reasonably request.

(s) The Initial Purchaser shall have received a certificate from each Co-Issuer executed on behalf of such Co-Issuer by any two of the President, any Manager, the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Secretary,

the General Counsel or the Treasurer of such Co-Issuer, dated the Closing Date, to the effect that, to the best of each such officer's knowledge (i) the representations and warranties of such Co-Issuer in this Agreement are true and correct on and as of the date hereof and the Closing Date and the representations and warranties of such Co-Issuer in any other Transaction Documents to which such Co-Issuer is a party are true and correct on and as of the date hereof and the Closing Date; (ii) that such Co-Issuer has complied in all material respects with all agreements and satisfied all conditions on such Co-Issuer's part to be performed or satisfied hereunder or under the Transaction Documents at or prior to the Closing Date; (iii) subsequent to the date as of which information is given in the Draft Offering Memorandum, there has not been any development in the general affairs, business, properties, capitalization, condition (financial or otherwise) or results of operation of such Co-Issuer except as set forth or contemplated in the Draft Offering Memorandum or as described in such certificate or certificates that could reasonably be expected to result in a Material Adverse Effect; and (iv) nothing has come to such officer's attention that would lead such officer to believe that (A) as of the Closing Date, the Draft Offering Memorandum did not present fairly, in all material respects, the business, results of operations and financial condition of the Co-Issuers or (B) since the date of the Draft Offering Memorandum, any event has occurred which should have been set forth in a supplement or amendment to the Draft Offering Memorandum so that it would present fairly, in all material respects, the business, results of operations and financial condition of the Co-Issuers.

(t) The Initial Purchaser shall have received a certificate from each Parent Company executed on behalf of such Parent Company by any two of the President, any Manager, the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Secretary, the General Counsel or the Treasurer of such Parent Company, dated the Closing Date, to the effect that, to the best of each such officer's knowledge (i) the representations and warranties of such Parent Company in this Agreement are true and correct on and as of the date hereof (to the extent made on and as of the date hereof) and the Closing Date, and the representations and warranties of such Parent Company in any other Transaction Documents to which such Parent Company is a party are true and correct on and as of the date hereof (to the extent made on and as of the date hereof) and the Closing Date; (ii) the representations and warranties of each Securitization Entity in any Transaction Documents to which such Securitization Entity is a party are true and correct on and as of the date hereof and the Closing Date; (iii) that such Parent Company has complied in all material respects with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder or under the Transaction Documents at or prior to the Closing Date; (iv) subsequent to the date as of which information is given in the Draft Offering Memorandum, there has not been any development in or affecting particularly the business or assets of such Parent Company and their subsidiaries considered as a whole or in the financial position or results of operations of such Parent Company and its subsidiaries considered as a whole, otherwise than as set forth or contemplated in the Draft Offering Memorandum or as described in such certificate or certificates that could reasonably be expected to result in a Material Adverse Effect and (v) nothing has come to such officer's attention that would lead such officer to believe that (A) as of the Closing Date, the Draft Offering Memorandum did not present fairly, in all material respects, the business, results of operations and financial condition of the Co-

Issuers or (B) since the date of the Draft Offering Memorandum, any event has occurred which should have been set forth in a supplement or amendment to the Draft Offering Memorandum so that it would present fairly, in all material respects, the business, results of operations and financial condition of the Co-Issuers.

(u) The Initial Purchaser shall have received a certificate from each Securitization Entity that is not a Co-Issuer signed by any two of the President, any Manager, the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Secretary, the General Counsel or the Treasurer of such Securitization Entity, dated the Closing Date, in which each such officer shall state that, to the best of each such officer's knowledge (i) the representations and warranties of such Securitization Entity in this Agreement are true and correct on and as of the Closing Date and the representations and warranties of such Securitization Entity in any other Transaction Documents to which such Securitization Entity is a party are true and correct on and as of the Closing Date; (ii) that such Securitization Entity has complied in all material respects with all agreements and satisfied all conditions on such Securitization Entity's part to be performed or satisfied hereunder or under the Transaction Documents at or prior to the Closing Date and (iii) subsequent to the date as of which information is given in the Draft Offering Memorandum, there has not been any development in the general affairs, business, properties, capitalization, condition (financial or otherwise) or results of operation of such Securitization Entity except as set forth or contemplated in the Draft Offering Memorandum or as described in such certificate or certificates that could reasonably be expected to result in a Material Adverse Effect.

(v) The Merger shall have been completed on the Closing Date on the terms specified in the Merger Agreement and as contemplated by the Draft Offering Memorandum.

(w) The Applebee's Securitization shall have been completed on the Closing Date as contemplated by the Draft Offering Memorandum.

(x) All necessary waivers, consents and approvals for the issuance of the Securities and the completion of the transactions contemplated by the Transaction Documents shall have been obtained, including, without limitation, (i) waivers and consents by Financial Guaranty Insurance Company, a New York stock insurance corporation and (ii) confirmations and approvals by the Rating Agencies with respect to such waivers and consents.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchaser.

6. Termination.

The obligations of the Initial Purchaser hereunder may be terminated at the sole discretion of the Initial Purchaser by notice given to and received by the Co-Issuers prior to delivery of and payment for the Securities if, prior to that time, any of the events

described in Sections 5(g) and 5(h) shall have occurred and be continuing, any of the certifications in Sections 5(s)(iii), (t)(iv), and (u)(iii) cease to be true and correct, or if the Initial Purchaser shall decline to purchase the Securities for any reason permitted under this Agreement, including, but not limited to, the failure, refusal or inability by any of the Co-Issuers or the Parent Companies to satisfy all conditions on its part to be performed or satisfied hereunder on or prior to the Closing Date.

7. Indemnification

(a) Each of the Co-Issuers and the Parent Companies shall, jointly and severally, indemnify and hold harmless the Initial Purchaser, its affiliates, its officers, directors, shareholders, partners, trustees, employees, representatives and agents, and each person, if any, who controls the Initial Purchaser within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of Sections 7(a) and 8 as the Initial Purchaser), from and against any loss, claim, damage or liability, or any action in respect thereof (including, without limitation, any loss, claim, damage, liability or action relating to purchases and sales of the Securities), to which the Initial Purchaser may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in (A) the Bridge Syndication Materials, the Preliminary Marketing Materials, the Supplemental Materials or the Offering Memorandum or in any amendment or supplement thereto, or in any Issuer Free Writing Communication, (B) any other information provided pursuant to Section 4(j) or 4(cc) hereof or (C) other materials provided to potential investors with the prior written consent of the Co-Issuers or Parent Companies (collectively, the items in (A), (B) and (C) above, the " Offering Materials"), (ii) the omission or alleged omission to state in the Offering Materials a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or (iii) any act or failure to act or any alleged act or failure to act by the Initial Purchaser in connection with, or relating in any manner to, the Securities or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon matters covered by clause (i) or (ii) above (provided that the Co-Issuers and the Parent Companies shall not be liable under this clause (iii) to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by the Initial Purchaser through its gross negligence or willful misconduct), and shall reimburse the Initial Purchaser and each such director, officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred by the Initial Purchaser, director, officer, employee or controlling person in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Co-Issuers and the Parent Companies shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged

omission made in the Offering Materials, in reliance upon and in conformity with written information concerning the Initial Purchaser furnished to the Co-Issuers by the Initial Purchaser specifically for inclusion therein, which information consists solely of the information specified in Section 13 (the " Initial Purchaser's Information").

(b) The Initial Purchaser shall indemnify and hold harmless each of the Parent Companies and each of the Co-Issuers, and their respective officers, directors, employees, representatives and agents, and each person, if any, who controls any of the Parent Companies or any of the Co-Issuers within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of Sections 7(b) and 8 as the " IHOP Parties"), from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the IHOP Parties may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Offering Materials or (ii) the omission or alleged omission to state in the Offering Materials a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with the information relating to the Initial Purchaser furnished to the Co-Issuers by the Initial Purchaser specifically for use therein (as set forth in Section 13 below), and shall reimburse the IHOP Parties, for any legal or other expenses reasonably incurred by the IHOP Parties in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party pursuant to Section 7(a) or 7(b), notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 7 except to the extent that it has been materially prejudiced (through the forfeiture of substantive or procedural rights or defenses) by such failure; and, provided, further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 7. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. Except as otherwise set forth in this Section 7(c), after notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 7 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than

reasonable costs of investigation. Any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying parties and an indemnified party and the indemnified party has reasonably concluded that representation of both parties by the same counsel would be inappropriate due to material actual or potential differing interests between them. It is understood that the indemnifying parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all indemnified parties, and that all such reasonable fees and expenses shall be reimbursed as they are incurred and paid. In the case of any such separate firm for the indemnified parties, such firm shall be designated in writing by the indemnified parties. No indemnifying party shall be liable for any settlement of any such action or claim effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment for the plaintiff in any such action or claim, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment in accordance with the terms hereof. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an explicit and unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding 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) The obligations of the Parent Companies, the Co-Issuers and the Initial Purchaser in this Section 7 and in Section 8 are in addition to any other liability that the Parent Companies, the Co-Issuers or the Initial Purchaser, as the case may be, may otherwise have, including in respect of any breaches of representations, warranties and agreements made herein by any such party.

8. Contribution

If the indemnification provided for in Section 7 is unavailable or insufficient to hold harmless an indemnified party under Section 7(a) or 7(b), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the IHOP Parties on the one hand and the Initial Purchaser on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the IHOP Parties on the one hand and the Initial Purchaser on the other with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative

benefits received by the IHOP Parties on the one hand and the Initial Purchaser on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Securities purchased under this Agreement (before deducting expenses) received by or on behalf of the Co-Issuers on the one hand, and the total discounts and commissions received by the Initial Purchaser with respect to the Securities purchased under this Agreement, on the other, bear to the total gross proceeds from the sale of the Securities under this Agreement as set forth on the cover page of the Offering Memorandum. 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 IHOP Parties or information supplied by the IHOP Parties on the one hand or to the Initial Purchaser's Information on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. For purpose of the preceding two sentences, the net proceeds deemed to be received by the Co-Issuers shall be deemed to be also for the benefit of the Parent Companies, and information supplied by the Co-Issuers shall also be deemed to have been supplied by the Parent Companies. The Parent Companies, the Co-Issuers and the Initial Purchaser agree that it would not be just and equitable if contributions pursuant to this Section 8 were to be determined by *pro rata* allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 8 shall be deemed to include, for purposes of this Section 8, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending or preparing to defend any such action or claim. Notwithstanding the provisions of this Section 8, the Initial Purchaser shall not be required to contribute any amount in excess of the amount by which the total discounts and commissions received by the Initial Purchaser with respect to the Securities purchased by it under this Agreement exceeds the amount of any damages which the Initial Purchaser has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

9. Persons Entitled to Benefit of Agreement

This Agreement shall inure to the benefit of and be binding upon the Initial Purchaser, the Co-Issuers, the Parent Companies and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except as provided in Sections 7 and 8 with respect to controlling persons of the Co-Issuers and the Initial Purchaser and in Section 4(k) with respect to holders and prospective purchasers of the Securities. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 9, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

10. Expenses

(a) The Co-Issuers, jointly and severally, in accordance with this Agreement, agree to pay (i) the costs incident to the authorization, issuance, sale, resale, preparation and delivery of the Securities and any taxes payable in that connection; (ii) the costs incident to the preparation, printing and distribution of the Preliminary Marketing Materials, the Supplemental Materials and the Offering Memorandum and any amendments or supplements thereto; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the costs incident to the preparation, printing and delivery of the global certificates evidencing the Securities, including stamp duties and transfer taxes, if any, payable upon issuance of the Securities; (v) the fees and expenses of counsel to the Co-Issuers; (vi) the fees and expenses of qualifying the Securities under the securities laws of the several jurisdictions and of preparing, printing and distributing Blue Sky memoranda (including related fees and expenses of counsel for the Initial Purchaser); (vii) any fees charged by the Rating Agencies in connection with their rating of the Securities; (viii) the fees and expenses of the Trustee and any paying agent (including related fees and expenses of any counsel to such parties); (ix) all expenses and application fees incurred in connection with the approval of the Securities for book-entry transfer by DTC; (x) fees and expenses incurred by the Co-Issuers in connection with any "roadshow" presentations to investors, including, without limitation, expenses related to the use of any aircraft in connection therewith; and (xi) all other costs and expenses incident to the performance of the obligations of the Co-Issuers under this Agreement which are not otherwise specifically provided for in this Section 10.

(b) The Parent Companies, in accordance with this Agreement, agree to pay (i) the fees and expenses of counsel to the Parent Companies, (ii) the fees and expenses of the independent accountants of the IHOP Entities; (iii) the fees and expenses of the accountants incurred in connection with the delivery of the comfort letters and "agreed upon procedures" letters to the Initial Purchaser pursuant to the terms of this Agreement, (iv) the fees and expenses incurred by the Parent Companies in connection with any "roadshow" presentations to investors, including, without limitation, expenses related to the use of any aircraft in connection therewith, (v) the fees and expenses of the Initial Purchaser, incurred in connection with the transactions contemplated by this Agreement, including but not limited to fees and expenses incurred by the Initial Purchaser in connection with any "roadshow" presentations to investors, including, without limitation, expenses related to the use of any aircraft in connection therewith, the fees and expenses of Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel to the Initial Purchaser (including expenses incurred in connection with due diligence and travel, courier, reproduction, printing and delivery expenses, but excluding the IHOP Excluded Fees) the fees of outside accountants, the costs of any diligence service and the fees of any other advisor retained by the Initial Purchaser with the prior approval of the Parent Companies (not to be unreasonably withheld) (whether incurred prior to or subsequent to the Closing Date) and (vi) all other costs and expenses incident to the performance of the obligations of the Parent Companies under this Agreement and under the Transaction Documents which are not otherwise specifically provided for in this Section 10. Notwithstanding the foregoing, if (a) this Agreement shall have been terminated pursuant to Section 6, (b) the Co-Issuers shall fail to tender the Securities for delivery to the Initial Purchaser for any

reason permitted under this Agreement or (c) the Initial Purchaser shall decline to purchase the Securities for any reason permitted under this Agreement, the Parent Companies shall reimburse the Initial Purchaser for such out-of-pocket expenses (including reasonable fees and disbursements of counsel) as shall have been reasonably incurred by the Initial Purchaser in connection with this Agreement and the proposed purchase and resale of the Securities. For purposes of this Agreement, the "IHOP Excluded Fees" means legal fees and expenses of Paul, Weiss, Rifkind, Wharton & Garrison LLP incurred prior to the Closing Date in connection with (x) such counsel's due diligence investigation of the assets and business of IHOP and its existing subsidiaries (which, for the avoidance of doubt, excludes Applebee's International and its existing subsidiaries) and (y) the preparation, review, negotiation, execution and delivery of all documentation in connection with the Securities.

11. Survival

The respective indemnities, rights of contribution, representations, warranties and agreements of the Co-Issuers, the Parent Companies and the Initial Purchaser contained in this Agreement or made by or on behalf of the Co-Issuers, the Parent Companies or the Initial Purchaser pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any of them or any of their respective affiliates, officers, directors, employees, representatives, agents or controlling persons.

12. Notices, etc.

All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Initial Purchaser, shall be delivered or sent by mail or facsimile transmission to:

Lehman Brothers Inc.
745 Seventh Avenue
New York, NY 10019
Attention: Scott C. Lechner
Facsimile No.: (646) 758-4203

(b) if to the Co-Issuers or the Parent Companies, shall be delivered or sent by mail or facsimile transmission to:

If to the Master Issuer:

c/o IHOP, Corp.
450 North Brand Boulevard
Glendale, California 91203-2306
ATT: General Counsel
Facsimile No.: 818-637-5361

If to the IP Holder:

c/o IHOP, Corp.
450 North Brand Boulevard
Glendale, California 91203-2306
ATT: General Counsel
Facsimile No.: 818-637-5361

If to the IHOP, Inc.:

International House of Pancakes, Inc.
450 North Brand Boulevard
Glendale, California 91203-2306
ATT: General Counsel
Facsimile No.: 818-637-5361

If to IHOP Corp.:

c/o IHOP, Corp.
450 North Brand Boulevard
Glendale, California 91203-2306
ATT: General Counsel
Facsimile No.: 818-637-5361

with copies to (which copies shall not constitute notice to the Co-Issuers or each Parent Company):

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
Attention: David H. Midvidy
Facsimile No.: (917) 777-2089
Email: dmidvidy@skadden.com

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof.

13. Initial Purchaser's Information

The parties hereto acknowledge and agree that, for all purposes of this Agreement, the " Initial Purchaser's Information" consists solely of the information to be specified in a letter signed by a representative of the Initial Purchaser, dated the date of the relevant Offering Memorandum, and (ii) the names and phone numbers of certain personnel of the Initial Purchaser on page 60 of the preliminary materials dated November 7, 2007 (posted on the IntraLinks electronic data site on November 8, 2007).

14. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of law principles (other than Sections 5-1401 and 5-1402 of the General Obligations Law of the State New York).

15. Waiver of Jury Trial.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE, 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 ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

16. Submission to Jurisdiction.

Each of the parties hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement or any of the transactions contemplated hereby, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to any party hereto at its address set forth in Section 12 or at such other address of which such party shall have been notified pursuant thereto; and

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and waives, to the maximum extent not prohibited by law, any right it may

have to claim or recover in any legal action or proceeding referred to in this Section 16 any special, exemplary, punitive or consequential damages.

17. Counterparts

This Agreement may be executed in one or more counterparts (which may include counterparts delivered by facsimile) and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

18. Amendments

No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

19. Headings

The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

20. Absence of Fiduciary Relationship

The Co-Issuers and the Parent Companies acknowledge and agree that in connection with this offering, sale and resale of the Securities or any other services the Initial Purchaser may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by the Initial Purchaser: (i) no fiduciary or agency relationship between the Co-Issuers, the Parent Companies and any other person, on the one hand, and the Initial Purchaser, on the other, exists; (ii) the Initial Purchaser is not acting as an advisor, expert or otherwise, to the Co-Issuers and the Parent Companies, including, without limitation, with respect to the determination of the offering price of the Securities, and such relationship between the Co-Issuers and the Parent Companies, on the one hand, and the Initial Purchaser, on the other, is entirely and solely commercial, based on arms-length negotiations; (iii) any duties and obligations that the Initial Purchaser may have to the Co-Issuers and the Parent Companies shall be limited to those duties and obligations specifically stated herein; and (iv) the Initial Purchaser and its respective affiliates may have interests that differ from those of the Co-Issuers and the Parent Companies. The Co-Issuers and the Parent Companies hereby waive any claims that the Co-Issuers and the Parent Companies may have against the Initial Purchaser with respect to any breach of fiduciary duty in connection with the offering of the Securities.

21. Effect on Previous Letter Agreement. This Agreement supersedes in its entirety the Letter Agreement, dated November 28, 2007, among IHOP, CHLH Corp., the Initial Purchaser and Lehman Commercial Paper Inc.

[Remainder of page intentionally left blank]

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us a counterpart hereof, whereupon this instrument will become a binding agreement, effective as of the date first written above, among the Co-Issuers, IHOP , IHOP Inc. and the Initial Purchaser in accordance with its terms.

Very truly yours,

IHOP CORP., as Parent Company

By: /s/ Julia Stewart
Name: Julia Stewart
Title: Chairman and Chief Executive Officer

INTERNATIONAL HOUSE OF PANCAKES, INC., as Parent Company

By: /s/ Tom Conforti
Name: Tom Conforti
Title: Chief Financial Officer

IHOP FRANCHISING, LLC, as Co-Issuer

By: /s/ Mark Weisberger
Name: Mark Weisberger
Title: Vice President

IHOP IP, LLC, as Co-Issuer

By: /s/ Mark Weisberger
Name: Mark Weisberger
Title: Vice President

Acknowledged and agreed:

LEHMAN BROTHERS INC.,
as Initial Purchaser

By: /s/ Cory Wishengrad
Authorized Signatory

SCHEDULE A-1

BRIDGE SYNDICATION MATERIALS

1. Rating assessment letter of Standard & Poor's Rating Evaluation Services dated July 13, 2007.

2. Financial guaranty insurance policy agreement between Financial Guaranty Insurance Company and IHOP Corporation dated July 15, 2007.

3. Financial guaranty insurance policy agreement between Financial Guaranty Insurance Company and IHOP Corporation dated as of July 15, 2007.

4. Financial guaranty insurance policies agreement among Financial Guaranty Insurance Company, Assured Guaranty Corp., XL Capital Assurance Inc., Applebee's International Inc. and IHOP Corporation dated as of July 15, 2007.

5. Letter of expression of interest of Spirit Finance Corporation and GE Capital Franchise Finance Corporation to provide sale/lease back financing for approximately 200 fee simple Applebee's restaurants.

6. Letter of expression of interest of Corporate Property Associates 16 – Global Incorporated to provide sale/lease back financing for approximately 200 fee simple Applebee's restaurants.

7. The Pro Forma Financial Assumptions

8. The Pro Forma Financial Statements

9. The 2006 Applebee's International Corporation Form of Franchise Agreement

10. Summary of Terms of First Lien Securitization Bridge Facilities

11. The Securities Demand

12. Pro Forma Financial Statements Summary

13. WBS Model

SCHEDULE A-2

PRELIMINARY MARKETING MATERIALS

1. Preliminary Materials dated October 24, 2007.

2. Preliminary Materials dated November 7, 2007.

3. Applebee's and IHOP model runs made available on IntraLinks data site October 31, 2007.

4. Applebee's and IHOP model runs made available on IntraLinks data site November 8, 2007.

EXHIBIT 1

DRAFT OFFERING MEMORANDUM

EXHIBIT 2

BASE INDENTURE

EXHIBIT 3

SUPPLEMENT

EXHIBIT 4

FORM OF 10b-5 LETTER OF
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

<u>EXHIBIT 5</u>

FORM OF OPINION OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
PURSUANT TO SECTION 5(i) HEREIN

EXHIBIT 6

**FORM OF OPINION OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
PURSUANT TO SECTION 5(j) HEREIN**

EXHIBIT 7

**FORM OF OPINION OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
PURSUANT TO SECTION 5(k) HEREIN**

EXHIBIT 8

FORM OF OPINION OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
PURSUANT TO SECTION 5(l) HEREIN

Exhibit 10.29

EXECUTION VERSION

SERVICING AGREEMENT

Dated as of November 29, 2007

by and among

APPLEBEE'S ENTERPRISES LLC, as a Co-Issuer,

APPLEBEE'S IP LLC, as a Co-Issuer,

each RESTAURANT HOLDER named herein, as a Co-Issuer,

APPLEBEE'S FRANCHISING LLC, as a Securitization Entity,

APPLEBEE'S SERVICES, INC., as the Servicer,

APPLEBEE'S INTERNATIONAL, INC., as the Guarantor,

ASSURED GUARANTY CORP., as Series 2007-1 Class A Insurer,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION, as the Indenture Trustee

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SERVICING AGREEMENT

This SERVICING AGREEMENT, dated as of November 29, 2007 (as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof, this "Agreement"), is entered into by and among Applebee's Enterprises LLC, a Delaware limited liability company (the "Master Issuer"), Applebee's Restaurants North LLC, a Delaware limited liability company, Applebee's Restaurants Mid-Atlantic LLC, a Delaware limited liability company, Applebee's Restaurants West LLC, a Delaware limited liability company, Applebee's Restaurants Texas LLC, a Texas limited liability company, Applebee's Restaurants Inc., a Kansas corporation, Applebee's Restaurants Kansas LLC, a Kansas limited liability company, Applebee's Restaurants Vermont, Inc. a Vermont corporation, together with such additional entities as may become parties to this Agreement from time to time as New Restaurant Holders (collectively, the "Restaurant Holders"), Applebee's IP LLC, a Delaware limited liability company (the "IP Holder," and, together with the Master Issuer and the Restaurant Holders, the "Co-Issuers"), Applebee's Franchising LLC, a Delaware limited liability company (the "Franchise Holder"), Applebee's Services, Inc. (formerly known as AII Services, Inc.), a Kansas corporation, as the servicer (the "Servicer"), Applebee's International, Inc., a Delaware corporation, as the guarantor (the "Guarantor" or "Applebee's International"), Assured Guaranty Corp., as Series 2007-1 Class A Insurer (the "Series 2007-1 Class A Insurer"), and Wells Fargo Bank, National Association, not in its individual capacity but solely as the indenture trustee (the "Indenture Trustee"). For all purposes of this Agreement, capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms or incorporated by reference in Appendix A to the Indenture (as defined below).

RECITALS

WHEREAS, the Co-Issuers have entered into the Base Indenture, dated as of the date hereof, with the Indenture Trustee (together with the Series Supplements thereto, and as the same may be amended, supplemented, or otherwise modified from time to time in accordance with the terms thereof, the "Indenture"), pursuant to which the Co-Issuers shall issue one or more series of notes (collectively, the "Notes") from time to time, on the terms described therein;

WHEREAS, as security for the indebtedness represented by the Notes and the other Secured Obligations, (i) the Co-Issuers shall grant to the Indenture Trustee on behalf of the Secured Parties a security interest in the Indenture Collateral owned by each of them pursuant to the Indenture and (ii) the Franchise Holder and Applebee's Holdings LLC, a Delaware limited liability company ("Applebee's Holdings"), shall irrevocably and unconditionally guarantee the obligations of the Co-Issuers under the Notes and all other obligations of the Co-Issuers under the Transaction Documents to which the Co-Issuers are a party and pledge a security interest in the Indenture Collateral owned by each of them pursuant to the related Guaranty and Collateral Agreement;

WHEREAS, from and after the date hereof, all New Assets (as defined below) shall be originated by the Master Issuer or its Subsidiaries following the Closing Date;

WHEREAS, the Co-Issuers and the other Securitization Entities that are a party to this Agreement 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 to which it is party in accordance with the Servicing Standard (as defined below);

WHEREAS, each of the Co-Issuers and the other Securitization Entities that are a party to this Agreement deems it beneficial and efficient to become a party to this Agreement;

WHEREAS, each of the Co-Issuers and the other Securitization Entities that are a party to this Agreement 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 Holder desires to appoint the Servicer as its agent for providing comprehensive intellectual property acquisition, development, management, maintenance, protection, enforcement, licensing, contract administration services, and any other duties or services in connection with the maintenance of the IP Assets in accordance with the Servicing Standard;

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 Co-Issuers and the other Securitization Entities that are a party to this Agreement desires to enter into this Agreement to provide for, among other things, the servicing of the respective rights, powers, duties and obligations of the Co-Issuers and such other Securitization Entities, as applicable, under or in connection with the Asset Contribution Agreements, the Franchise Assets, the IP Assets, the Real Estate Assets, the Company-Owned U.S. Restaurants and the Master Issuer's equity interests in the IP Holder, the Franchise Holder and the Restaurant Holders, and any other assets acquired by or transferred to the Master Issuer (including the Post-Closing Restaurants if and when acquired by the applicable Securitization Entity) or any of its Subsidiaries (collectively, 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 Appendix A to the Indenture shall have the following meanings

"Accountants' Report" has the meaning set forth in Section 3.3 hereof.

"Administrative Services" means the services described in Section 2.4 hereof, including basic administrative services, including bookkeeping and accounting services, payroll services and other services which operating companies frequently outsource to third parties.

"Agreement" has the meaning set forth in the preamble hereto.

"Applebee's System" means a system of restaurants that specialize in the sale of moderately priced food and alcoholic beverages in a casual dining setting, that includes proprietary rights in certain trade names, service marks and trademarks, including the service mark "Applebee's Neighborhood Grill & Bar" and variations of such mark, designs, decor and color schemes for restaurant premises, signs, equipment, procedures and formulas for preparing food and beverage products, specifications for certain food and beverage products, inventory methods, operating methods, financial control concepts, training facilities and teaching techniques.

"Back-Up Manager Proposal" has the meaning set forth in Section 6.2(b)(ii) hereof.

"Business" means the business conducted by Applebee's International and its Affiliates immediately prior to the Closing Date primarily relating to the franchising and operation of restaurants in the " casual dining" category (as such term is commonly used in the restaurant industry).

"Co-Issuers" has the meaning set forth in the preamble hereto.

"Collection Practices" has the meaning set forth in Section 4.10(a) hereto.

"Competitive Business" means the business of franchising or operating restaurants in the United States that have or offer: (i) a varied menu; (ii) table service; (iii) beer, wine and/or liquor; and (iv) a per person average guest check that is between 70% and 130% of the per person average guest check of the Company-Owned U.S. Restaurants as of such date of

determination; provided that if the total number of Company-Owned U.S. Restaurants is reduced to below 40 as of any date of determination following the Closing Date, on and after such date the per person average guest check of a representative sample of the Franchised U.S. Restaurants shall be applied for purposes of clause (iv) of this definition (and otherwise the per person average guest check for purposes of clause (iv) of this definition shall be determined in such other manner as may be mutually agreed upon by each of the Aggregate Controlling Party and the Servicer).

"Continuing Franchise Fees" means all royalty fees, transfer fees, renewal fees, license fees and any similar fees (other than Initial Franchise Fees or Advertising 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.

"Credit Card Sub-Accounts" means the sub-accounts of the Concentration Account into which the credit card processors will deposit credit card proceeds for subsequent withdrawal and deposit to the Concentration Account in the manner provided in Section 10.1 of the Indenture.

"Criteria" has the meaning set forth in Section 3.3 hereof.

"Current Practice" means, in respect of any action or inaction, (a) with respect to Applebee's International, the performance standards of Applebee's International and its Affiliates immediately prior to the Closing Date and (b) with respect to IHOP Corp., the performance standards of IHOP Corp. and its Affiliates immediately prior to the Closing Date.

"Defective New Asset" means (a) any New Asset (other than any Non-Conforming New Franchise Document) that does not satisfy the applicable representations and warranties of ARTICLE V hereof on the New Asset Addition Date for such New Asset or (b) any Defective Non-Conforming New Franchise Document.

"Defective Non-Conforming New Franchise Document" means each Non-Conforming New Franchise Document which (a) during any time until and including the Accounting Date occurring in December 2012, shall cause the (i) Weighted Average Royalty Rate to decline below 3.70% (to be calculated assuming the Applebee's Restaurant subject to such Non-Conforming New Franchise Document had sales equal to the Applebee's U.S. system-wide average unit volume for the immediately preceding 12 Monthly Collection Periods unless such Non-Conforming New Franchise Document relates to a then-existing Applebee's Restaurant, including a refranchised Applebee's Restaurant, in which event actual sales shall be used for such calculation) or (ii) the aggregate number of Negative Leases to exceed 50 and (b) at any time after the Accounting Date occurring in December 2012, shall cause the aggregate number of Non-Conforming Franchise Documents to exceed the lesser of (i) 75 (up to 50 of which may be Negative Leases) and (ii) the number of Applebee's Restaurants equal to 4.00% of the total

Franchised U.S. Restaurants and Company-Owned U.S. Restaurants, in each case, as determined as of each Accounting Date; provided 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 subsequent modification.

"Discloser" has the meaning set forth in Section 7.1 hereof

"Disentanglement" has the meaning set forth in Section 6.4(a) hereof.

"Disentanglement Period" has the meaning set forth in Section 6.4(c) hereof.

"Disentanglement Services" has the meaning set forth in Section 6.4(a) hereof.

"Existing Franchise Document" means any Franchise Document entered into by Applebee's International or any Affiliate prior to the Closing Date.

"Former Franchisor" means, with respect to any Franchise Agreement or Development Agreement, Applebee's International or any Affiliate thereof, as applicable, that originally entered into such Franchise Agreement or Development Agreement as franchisor thereunder prior to the Closing Date.

"Franchise Documents" means Franchise Agreements, Development Agreements, Refranchised Restaurant Leases, Franchisee Sub-Leases and other contracts, agreements or arrangements to which the Former Franchisor or its Affiliates, the Master Issuer or the Franchise Holder, on the one hand, and a Franchisee, on the other hand, 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 property and casualty insurance policy or policies required to be maintained by a Franchisee for the benefit of the Master Issuer or any of its Affiliates, whether direct or indirect and whether or not the Master Issuer or any of its Affiliates is an additional insured, pursuant to the Franchise 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, which amounts are the property of the Franchisee.

"Franchisee Lease Payments" means the rental payments and any other amounts paid by any franchisee pursuant to any Refranchised Restaurant Lease or Franchisee Sub-Lease.

"Guarantee" has the meaning set forth in Section 8.1 hereof.

"Guarantor" has the meaning set forth in the preamble hereto.

"Indemnitee" 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 Indemnitee" 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 or franchise fee deposits due and to become due under or in connection with any Franchise Agreement or Development Agreement, subject to any reduction in accordance with the terms of the applicable Development Agreement.

"IP Holder" has the meaning set forth in the preamble.

"IP Services" means performing the IP Holder's obligations as licensor under the IP License Agreements (and under any other agreements pursuant to which the IP Holder licenses the use of any IP Assets); exercising the IP Holder's rights under the IP License Agreements (and under any other agreements pursuant to which the IP Holder licenses the use of any IP Assets); and acquiring, developing, managing, maintaining, protecting, enforcing, defending, licensing and undertaking such other duties and services as may be necessary in connection with the IP Assets, on behalf of the IP Holder, including, without limitation, the following activities:

(a) searching, screening and clearing After-Acquired IP Assets to assess the risk of potential infringement;

(b) filing, prosecuting and maintaining applications and registrations for the IP Assets, in the United States (and, with respect to the POS System, worldwide), in the IP

Holder’s name, including, timely filing of evidence of use, applications for renewal and affidavits of use and/or incontestability, the timely payment of all registration and maintenance fees, responding to third party oppositions of applications or challenges to registrations, and responding to any office actions, reexaminations, interferences or other office or examiner requests or requirements;

(c) monitoring third party use and registration of Trademarks and taking appropriate actions to oppose or contest the use and any application or registration for Trademarks that could reasonably be expected to infringe, dilute or otherwise violate the IP Assets or IP Holder’s rights therein;

(d) confirming the IP Holder’s legal title in and to the IP Assets, including obtaining written assignments of IP Assets to the IP Holder and recording transfers of title in the appropriate intellectual property registry;

(e) with respect to the IP Holder’s rights and obligations under the IP License Agreements and any Transaction Documents or other agreements pursuant to which the IP Holder licenses the use of any IP Assets, monitoring the licensee’s use of each licensed Trademark and the quality of its goods and services offered in connection with such Trademarks, rendering approvals (or disapprovals) that are required under the applicable license agreement(s), and ensuring that any use of such Trademarks by any such licensee satisfies the quality control standards and usage provisions of the applicable license agreement and is in compliance with all applicable laws and the requirements of each of the Transaction Documents;

(f) sublicensing the IP Assets to suppliers, manufacturers, advertisers, and other service providers in connection with the provision of products and services for use in the U.S. Restaurant Business, the Other U.S. Products and Services, the Other U.S. Franchise Business and the U.S. Territories Business;

(g) protecting, policing, and, in the event that the Servicer becomes aware of any unlicensed copying, imitation, infringement, dilution, misappropriation, unauthorized use or other violation of the IP Assets, or any portion thereof, enforcing such IP Assets, including, (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 claims or suits involving imitation, infringement, dilution, misappropriation, the unauthorized use or other violation of the IP Assets, and seeking all appropriate monetary and equitable remedies in connection therewith; provided that the IP Holder shall, and hereby agrees to, join as a party to any such suits to the extent necessary to maintain standing;

(h) 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 Holder, 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 Holder to the Indenture Trustee under the Indenture, (ii) preparing, executing and delivering grants of security interests or any similar instruments as the Indenture Trustee and the Co-Issuers 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 PTO, the United States Copyright Office or, only with respect to the POS System, with any applicable foreign intellectual property office and (iii) disclosing to Applebee's International all material After-Acquired IP Assets for Applebee's International's exploitation thereof outside the U.S. and U.S. Territories;

(i) taking such actions as any licensee under an IP License Agreement may request that are required by the terms, provisions and purposes of such IP License Agreement (or by any other agreements pursuant to which the IP Holder licenses the use of any IP Assets) to be taken by the IP Holder, and preparing (or causing to be prepared) for execution by the IP Holder all documents, certificates and other filings as the IP Holder shall be required to prepare and/or file under the terms of such IP License Agreements (or such other agreements);

(j) 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;

(k) obtaining licenses of third party Intellectual Property for use and sublicense in connection with the U.S. Restaurant Business, the Other U.S. Products and Services, the Other U.S. Franchise Business and the U.S. Territories Business, including sublicense to Franchisees pursuant to Participation Agreements or to Securitization Entities; and

(l) with respect to trade secrets and other confidential information of the IP Holder, taking all reasonable measures to maintain confidentiality and to prevent non-confidential disclosures.

"Master Issuer" has the meaning set forth in the preamble hereto.

"Monthly Noteholders' Report" has the meaning set forth in Section 3.1(b) hereof.

"Negative Lease" means, with respect to any Monthly Collection Period, a Refranchised Restaurant Lease and Franchisee Sub-Lease that is reasonably expected to yield negative Net Rental Revenue during such Monthly Collection Period.

"Net Rental Revenue" means, with respect to any Franchisee Sub-Lease or Refranchised Restaurant Lease for any Monthly Collection Period, the amount equal to (a) all Lease Receipts that are scheduled to be paid to the applicable Restaurant Holder or Predecessor Restaurant Holder by the Franchisee on such Franchisee Sub-Lease or Refranchised Restaurant Lease, as applicable, during such Monthly Collection Period *minus* (b) all Lease Payments, if any, that are scheduled to be paid to the primary lessor of the related property by the applicable Restaurant Holder or Predecessor Restaurant Holder during such Monthly Collection Period.

"New Asset" means a New Franchise Document, a New Leased Real Property or a Company-Owned Real Property or 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 Company-Owned Real Property" means any real property owned by the Restaurant Holders and acquired after the Closing Date.

"New Leased Real Property" means any real property leased by the Restaurant Holders from a third-party property lessor in respect of which the lease was entered into after the Closing Date (including any Company-Owned Real Property which was subsequently sold to and leased back from third parties, but excluding, however, any asset that is acquired by any of the Securitization Entities after the Closing Date pursuant to an Asset Contribution Agreement).

"New Property" means, collectively, the New Company-Owned Real Property and the New Leased Real Property.

"Non-Conforming Existing Franchise Document" has the meaning specified under the First-Tier Asset Contribution Agreement.

"Non-Conforming New Franchise Document" means (i) with respect to any date of determination, any Franchise Document that is a New Franchise Agreement providing for a monthly royalty rate below 4.0% of "gross sales" (as defined in the related Franchise Agreement) as of that date or (ii) any Negative Lease; provided that Non-Conforming New Franchise

Document shall not include any Non-Conforming Existing Franchise Document or Special Franchisee Document.

"Non-U.S. Business" means any business activities of Applebee's International and its Subsidiaries (other than the Securitization Entities) located outside of the United States.

"Operational Audits" means the comprehensive inspection and evaluation program of the food, services, sanitation, appearance, employee training or equipment maintenance of Applebee's Restaurants and Franchisees in order to verify each such restaurant's and Franchisee's compliance with the technical and operational standards.

"Post-Closing Assets" has the meaning set forth in Section 5.2(a) hereof.

"Post-Opening Services" means the services required to be performed under the Franchise Agreements or otherwise in connection with the Franchise Agreements by the Franchise Holder or Master Issuer, as applicable, after the opening of Applebee's Restaurants to be operated by the applicable Franchisee, 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 Holder for use of the Applebee's Brand and other IP Assets; (c) the establishment of standards of quality, cleanliness, appearance and service at all Applebee's Restaurants; (d) the administration of the Advertising Fees received pursuant to the applicable Franchise Agreements and the direction of the development of all advertising and promotional programs for the Applebee's Brand; (e) the inspection of the Applebee's Restaurants operated by each Franchisee; and (f) such other post-opening services as are required to be performed under the Franchise Agreements or otherwise in connection with the Franchise Documents by the Franchisor.

"Power of Attorney" means the authority granted by any Securitization Entity 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 Applebee's International or its 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 Documents by the Franchise Holder prior to the opening of the Applebee's Restaurants to be operated by the applicable Franchisee, including without limitation, (a) the provision to each Franchisee of

standards for the design, construction, equipping and operation of the Applebee's Restaurants 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 the Franchise Holder's operations manual; and (d) the provision to each Franchisee of such other assistance in the pre-opening, opening and initial operation of the Applebee's Restaurant as are required to be provided under the Franchise Agreements or otherwise in connection with the Franchise Documents 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.

"Properties" means, collectively, the Company-Owned Real Property and the Leased Property.

"Quality Control Programs" means the Operational Audits and any other similar, successor or additional programs implemented for quality control purposes.

"Real Estate Assets" means (i) the Company-Owned Real Property, (ii) the Company Leases, (iii) the Sale/Leaseback Leases, if any, (iv) the Refranchised Restaurant Leases, if any, and (v) the Franchisee Sub-Leases, if any.

"Real Estate Services" means:

(a) the negotiation, execution and recording of leases, subleases, deeds and other contracts and agreements relating to the Real Estate Assets on behalf of any Securitization Entity;

(b) the management of the Real Estate Assets, including, without limitation, (i) the management of the Company-Owned Real Property and the Leased Property, (ii) the enforcement of the Company Leases, Sale/Leaseback Leases, Refranchised Restaurant Leases and the Franchisee Sub-Leases, (iii) 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 (iv) the collection of any amounts payable to any Securitization Entity as a result of the use of the Real Estate Asset, including, without limitation, rent;

(c) causing the Restaurant Holders, the Franchise Holder or any Additional Securitization Entity created for such purpose to (i) acquire and enter into agreements to acquire Real Estate Assets and (ii) sell, assign, transfer, encumber or otherwise dispose of all or any portion of the Real Estate Assets;

(d) environmental evaluation and remediation activities on any real property owned or leased by a Securitization Entity;

(e) obtaining appropriate levels of title insurance for the Company-Owned Real Property as of the acquisition of such Company-Owned Real Property by the applicable Securitization Entity; provided that the level of title insurance maintained on the Closing Date for the Company-Owned Real Property in existence on the Closing Date will be deemed to be the appropriate level of title insurance for such Company-Owned Real Property on and after the Closing Date for purposes of this clause (e);

(f) making or causing to be made all repairs and replacements to the existing improvements and the construction of new improvements on the Real Estate 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 Real Estate Assets (which for the avoidance of doubt, shall not include persons employed in the day to day operations of Applebee's Restaurants);

(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 Real Estate Assets or contesting the same in good faith;

(i) to the extent that the Servicer or any of its Affiliates participates in the same, negotiating with Franchisees with respect to properties owned by Franchisees or leased by Franchisees 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 Real Estate Assets.

"Recipient" has the meaning ascribed to such term in Section 7.1 hereof.

"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, foreign or international (including, without limitation, usury laws, the Federal Truth in Lending Act and retail installment sales acts).

"Serviced Affiliate" has the meaning set forth in Section 4.9 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 Contribution Agreements, Franchise Documents and the IP License Agreements.

"Servicer" means Applebee's Services, Inc. in its capacity as Servicer hereunder, unless a successor Person shall have become the Servicer pursuant to the applicable provisions of the Indenture and this Agreement, and thereafter "Servicer" shall mean such successor Person.

"Servicer Replacement Plan" has the meaning set forth in Section 6.2(b)(iv).

"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 the Transaction Documents;

(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) administering the Advertising Fees Account and the Servicing Accounts;

(e) performing the duties and obligations of, and enforcing the rights against Affiliates of, the Securitization Entities pursuant to the Transaction Documents;

(f) selecting the assets to be acquired or otherwise transferred in accordance with the applicable Asset Contribution Agreement;

(g) making collections on and otherwise servicing (i) the Master Issuer's rights and obligations under the Existing U.S. Franchise Agreements and the Post-Closing Restaurant Purchase Agreement; (ii) the Franchise Holder's rights and obligations under the Development Agreements and the New U.S. Franchise Agreements; (iii) the rights and obligations of Applebee's International and its Affiliates under the property relating to Post-Closing U.S. Restaurants and (iv) the right to terminate and approve amendments, waivers and modifications of, the Franchise Documents and to exercise all rights of the Franchise Holder and the Master Issuer under such Franchise Documents;

(h) causing all Advertising Fees and Third Party Licensing Fees not paid to the Concentration Account to be paid to the Advertising Fees Account and the Third Party Licensing Fees Account, respectively;

(i) on behalf of the Franchise Holder, selecting and approving new Franchisees and providing personnel to manage the selection and approval process;

(j) on behalf of the Franchise Holder, preparing New U.S. Franchise Agreements and New U.S. Development Agreements, including, among other things, adopting variations to the forms of agreements used in documenting New U.S. Franchise Agreements or New U.S. 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;

(k) on behalf of the Franchise Holder, preparing and filing franchise offering circulars relating to New U.S. Development Agreements and New U.S. Franchise Agreements to comply in all material respects with applicable federal and state laws;

(l) on behalf of the Master Issuer and the Franchise Holder, complying with franchise industry specific government regulation and applicable laws;

(m) performing the obligations of the Securitization Entities under the Serviced Documents including entering into new Serviced Documents from time to time;

(n) arranging for legal services with respect to the Serviced Assets, including with respect to the enforcement of the Franchise Documents;

(o) providing accounting and financial reporting services (including, to the extent the Servicer determines the failure of the Franchise Holder to obtain and maintain the status as an exempt large franchisor could be reasonably expected to cause a Material Adverse Effect, providing such services in connection with the application for, and/or maintenance of, such status);

(p) establishing and/or providing quality control services and standards for food, equipment, suppliers and distributors and monitoring compliance with such standards;

(q) monitoring industry conditions and adapting its practices accordingly to meet changing consumer needs;

(r) developing new products and services (or modifying any existing products and services) to be offered in connection with the Other U.S. Products and Services, the U.S. Restaurant Business, the U.S. Territories Business and the Other U.S. Franchise Business and supporting the development of programs for increasing awareness of the Applebee's Brand;

(s) developing, modifying, amending and disseminating (i) specifications for restaurant operations, (ii) the Applebee's Restaurants operating manual and (iii) new menu items;

(t) evaluating and approving, on behalf of the Master Issuer and Franchise Holder, as applicable, assignments of Franchise Agreements and other Franchise Documents by Franchisees to third party franchisee candidates or existing Franchisees;

(u) operating the Company-Owned U.S. Restaurants, including maintaining appropriate levels of property and casualty insurance in respect of Company-Owned U.S. Restaurants;

(v) obtaining, renewing and keeping in effect all licenses or other arrangements necessary for the sale of alcoholic beverages at Company-Owned U.S. Restaurants;

(w) on behalf of Master Issuer and the Franchise Holder, as applicable, taking such actions as are necessary or it deems advisable to enforce the obligations of any Franchisee under the applicable Franchise Agreement and the riders and addenda thereto in respect of the Weight Watchers Agreement;

(x) performing the Pre-Opening Services and Post-Opening Services on behalf of the Master Issuer under the Existing U.S. Franchise Agreements and the Franchise Holder under the Development Agreements and the New U.S. Franchise Agreements;

(y) performing the Real Estate Services, including paying, on behalf of the related Restaurant Holder, real estate taxes and any other taxes or other amounts payable to any governmental authority and causing any payments to be made to any third-party landlords with respect to the Company Leases (and enforcing all rights of the Restaurant Holders under all Company Leases);

(z) performing the IP Services;

(aa) performing the Administrative Services;

(bb) managing the rights of the Master Issuer under the IHOP Residual Certificate; and

(cc) performing such other services as may be necessary from time to time and consistent with the Servicing Standard and the Transaction Documents in connection with the Serviced Assets.

"Servicing Standard" means:

(a) with respect to Applebee's Services, Inc., in its capacity as the Servicer (and any Successor Servicer that is an Affiliate of Applebee's International):

(i) with respect to the Company-Owned U.S. Restaurants, standards maintained by the Servicer that are at least equal when taken as a whole to the Current Practice of Applebee's International and are conducted in a commercially reasonable manner that is normal and usual with respect to the Current Practice of Applebee's International; provided that the Servicer shall be free to modify such servicing standards, including the franchising or refranchising of restaurants and the sale/leaseback or other similarly structured transactions in respect of the underlying real property, consistent with the standards set forth in clause (ii) below as long as such modification by the Servicer shall not result in servicing standards that differ materially in any adverse respect from common industry practices and shall not have a Material Adverse Effect on the Securitization Entities, the Insurers, if any, or the Indenture Collateral; and

(ii) with respect to Franchised U.S. Restaurants or otherwise other than in respect of matters addressed in clause (i) above and clauses (a)(iii) and (b) below, standards maintained by the Servicer that, when taken as a whole, are at least equal to the Current Practice of IHOP Corp. and/or the Current Practice of Applebee's International (for which purpose the election between the Current Practice of IHOP Corp. and

Applebee's International (or election to apply both) shall be made at the discretion of the Servicer), and are conducted in a commercially reasonable manner that, when taken as a whole, is normal and usual with respect to the Current Practice of IHOP Corp. and/or the Current Practice of Applebee's International (for which purpose the election between the Current Practice of IHOP Corp. and the Current Practice of Applebee's International (or election to apply both) shall be made at the discretion of the Servicer) and, to the extent of changed circumstances, practices or technologies, the procedures that the Servicer would use if the assets being serviced were owned by the Servicer and the Servicer was not engaged in any business other than on behalf of the Securitization Entities; and

(iii) with respect to the Other U.S. Products and Services or the Other U.S. Franchise Business, the standards that the Servicer would maintain if the assets being serviced were owned by the Servicer and the Servicer was not engaged in any business other than on behalf of the Securitization Entities; provided, that such standards shall, when taken as a whole, be conducted in a commercially reasonable manner that is normal and usual with respect to then existing practice of Applebee's International and/or Applebee's Services Inc.; and provided, further, that the application of such standards shall not result in servicing standards that differ materially in any adverse respect from common industry practices and could not reasonably be expected to have a Material Adverse Effect on the Securitization Entities, the Insurers, if any, or the Collateral; and

(b) with respect to any Successor Servicer that is not an Affiliate of Applebee's International, standards comparable to the standards set forth in clause (a) above, subject to satisfaction of the Rating Agency Condition and the consent of the Lead Insurer with respect to each Series of Notes Outstanding in connection with the entry into the related servicing agreement;

provided that, in each case, the Servicer shall be deemed to be in compliance with the Servicing Standard (i) in its establishment of, and/or the procurement of products and services from, any purchasing cooperative on behalf of Franchisees, the Securitization Entities and/or other Affiliates of the Servicer, (ii) in connection with any decision to consolidate, downsize or otherwise implement changes in respect of (A) support services for the POS System, (B) field managers and operational service units and (C) guest service centers, in each case, in order to enhance efficiency in its discretion and (iii) for any other change to the Servicing Standard set forth above with respect to which the Aggregate Controlling Party has provided its prior written consent.

"Special Franchisee Document" means any Franchise Document entered into in respect of any Franchisee subject to the Former Franchisor's "premier developer program" or similar programs to be established by the Servicer or any Affiliate thereof, pursuant to which the Former Franchisor, the Franchise Holder or the Servicer (acting on behalf of the Master Issuer or the Franchise Holder), as the case may be, agrees to waive or reduce the payment of the royalty or rent thereunder for a period not to exceed one-year without renewal and/or provide other means of incentives to such Franchisee for the development of Applebee's Restaurants in excess of the number of Applebee's Restaurants as to which such Franchisee has committed to develop pursuant to the applicable time period in the Development Agreement; provided that such

incentives shall apply solely with respect to the Applebee's Restaurants developed in excess of such Franchisee's committed number of Applebee's Restaurants for the applicable time period.

"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 the fundamental corporate functions of the Servicer; 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.

"Successor Servicer" means any successor to Applebee's Services, Inc., as the initial Servicer, performing the obligations of the Servicer hereunder, as appointed to act as the Servicer pursuant the Back-Up Manager Proposal and approved by the Aggregate Controlling Party.

"Supplemental Servicing Fee" means an amount to be determined with the written consent of the Aggregate Controlling Party.

"Term" shall have the meaning set forth in Section 9.1 hereof.

"UFOC" means the initial uniform franchise offering circular of Applebee's Franchising LLC, as modified, updated or supplemented from time to time.

"Weekly Servicer's Report" has the meaning set forth in Section 3.1(d) hereof.

"Weekly Servicing Fee" means, with respect to each Weekly Allocation Date, the amount determined by dividing:

(i) an amount equal to the sum of (A) a $10,000,000 base fee, plus (B) $13,000 for each Franchised U.S. Restaurant as of such date, plus (C) $135,000 for each Company-Owned U.S. Restaurant as of such date; by

(ii) 52;

provided, that the Weekly Servicing Fee shall be adjusted on each Payment Date to reflect any change to the number of Franchised U.S. Restaurants and Company-Owned U.S. Restaurants as set forth in the related Monthly Servicer's Certificate (which change shall be effective on and after the first day of the Monthly Collection Period immediately following delivery of the related Monthly Servicer's Certificate); provided, further, that each of the

amounts set forth in clauses (i)(A), (i)(B) and (i)(C) shall be subject to a 2% annual increase on the first day of the Monthly Collection Period that commences immediately following each anniversary of the Closing Date; provided, further, that no such increase shall apply if after giving effect to such increase the sum of the amounts set forth in clauses (i)(A), (i)(B) and (i)(C) shall exceed 35% of the aggregate Retained Collections over the preceding twelve Monthly Collection Periods).

"Weighted Average Royalty Rate" means, as of any time of determination, the percentage, expressed as a fraction:

(i) the numerator of which is the aggregate royalty fees receivable from Franchisees (excluding for such purpose any Applebee's Restaurant owned by Restaurant Holders in their capacities as Franchisees) with respect to the immediately preceding 12 Monthly Collection Periods (excluding such amounts receivable in respect of Non-Conforming Existing Franchise Documents and Special Franchisee Documents); and

(ii) the denominator of which is the aggregate sales of Franchised U.S. Restaurants (excluding for such purpose any Applebee's Restaurant owned by Restaurant Holders in their capacities as Franchisees) during the corresponding 12 Monthly Collection Periods (excluding sales in respect of Applebee's Restaurants subject to Non-Conforming Existing Franchise Documents and Special Franchisee Documents).

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 including, without limitation, a Servicer Termination Event, shall mean the actual knowledge of (i) the Chief Executive Officer, Chief Financial Officer, Treasurer, Controller, Senior Vice President 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 activities on behalf of such party or for administering the transactions relevant to such event.

(d) Unless as otherwise provided herein, the word "including" as used herein shall mean "including without limitation".

Section 1.3 Other Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. If at any time from and after the date of this Agreement any change in GAAP would alter in any material respect the computation of any financial ratio, restriction or definition set forth in any Transaction Document whose definition directly or indirectly refers to GAAP (including, for example, to increase (or decrease) the amount of Debt permitted to be incurred under any Transaction Document or materially change the calculation of any amounts required to be paid thereunder), and either the Servicer or the Aggregate Controlling Party shall so request, the parties hereto and the Aggregate Controlling Party shall negotiate in good faith to amend such ratio, restriction or definition to preserve the original intent thereof in light of such change in GAAP (subject to the written approval of the Servicer and the Aggregate Controlling Party); provided that, until so amended, (i) such ratio, restriction or definition shall continue to be computed in accordance with GAAP as in effect prior to such change therein and (ii) the Servicer shall provide to the Indenture Trustee and each Insurer, if any, concurrently with all financial statements and other documents required to be delivered by it or its Affiliates under any Transaction Document, a reconciliation between calculations of such ratio, restriction or definition made before and after giving effect to such change in 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 Applebee's Services, 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 (or refrain from the performance of the Services) subject to and in accordance with the Servicing Standard and the terms of this Agreement and the other Transaction Documents. With respect to the IP Services, the Servicer shall perform such IP Services in accordance with the Servicing Standard and the IP License Agreements except that if the IP Holder 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. 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 applicable 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 the assets relating to an Applebee's Restaurant by any Restaurant Holder or 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 and (ii) the Master 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 Requirements of 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 Indenture Collateral; provided, however that there is no action required to be taken by the Servicer as of the Closing Date to perfect certain Liens of the Indenture Trustee as set forth in Section 5.5 and Section 5.6. The Servicer shall prepare and deliver to the Indenture Trustee executed real estate mortgages on all Company-Owned Real Property within 180 days following the Closing Date (or such later date as may be permitted in writing by the Aggregate Controlling Party with respect to all or part of the Company-Owned Real Property) but shall not be required to record such mortgages unless a Trigger Event has occurred and is continuing pursuant to Section 5.6. 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 Co-Issuers, the Aggregate Controlling Party or the Indenture Trustee, to be filed in connection with each Asset Contribution Agreement, the IP License Agreements, the IP Assets, the Indenture, the other Transaction Documents and the transactions contemplated thereby. The Indenture Trustee's sole responsibility with respect to the mortgages delivered to it in accordance with this Section 2.1(b) shall be to hold and safekeep such mortgages. Upon the occurrence of a Trigger Event the Aggregate Controlling Party shall direct the Indenture Trustee in writing to release such mortgages to the Servicer for recordation in accordance with Section 5.6.

(c) Ownership of Servicer-Developed IP.

(i) The Servicer acknowledges and agrees that the Intellectual Property rights in all IP Assets shall be owned by and inure exclusively to the benefit of the IP Holder, including Servicer-Developed IP. The Servicer shall irrevocably assign and transfer, and hereby does irrevocably assign and transfer, to the IP Holder any and all of the Servicer's right, title and interest, including in any goodwill connected with the use of and symbolized by any Trademarks, in, to and under any Servicer-Developed IP. The IP Holder and Servicer expressly agree that, to the fullest extent allowed by law, any copyrightable material contained in the Servicer-Developed IP 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 any such works are not considered "works made for hire" for any purpose, then they are deemed automatically covered by the assignment provisions set forth in this subsection (c)(i). Notwithstanding the foregoing, the Servicer-Developed IP transferred to the IP Holder shall not include any rights of the Servicer under licenses for use of third party Intellectual Property to the extent that such rights are not assignable and sublicensable back to Servicer (and its sublicensees).

(ii) The Servicer hereby irrevocably assigns, transfers, and quitclaims to Applebee's International any and all Non-U.S. Intellectual Property Rights whether now or hereafter created, developed, authored or acquired by the Servicer in, to, or under (a) the Applebee's Brand, (b) products or services sold or distributed under the Applebee's Brand, and (c) derivative works of, and other variations on or improvements to the IP Assets or any non-U.S. equivalent thereof (other than the POS System), including in any goodwill connected with the use of and symbolized by any Trademarks included in such Non-U.S. Intellectual Property Rights. The Servicer (i) shall not, and shall not permit any entity for whom it is performing Services (other than Applebee's International or an entity designated by Applebee's International), to submit an application to register, or register, in its name any Patent, Trademark, Copyright or Internet Domain Name included in the foregoing Non-U.S. Intellectual Property Rights, and (ii) shall use commercially reasonable efforts to ensure that any license for third party Intellectual Property entered into by the Servicer is not for use outside the U.S. and the U.S. Territories.

(iii) The parties acknowledge and agree that Applebee's International shall have the right to enforce its rights and the Servicer's and IP Holder's obligations under this Section 2.1 notwithstanding that Applebee's International is executing this Agreement as a guarantor.

(d) Further Assurances. The Servicer agrees to cooperate in good faith with Applebee's International, at Applebee's International's sole cost and expense, for the purpose of servicing and preserving Applebee's International's rights in, to and under the Non-U.S. Intellectual Property Rights to be assigned and transferred to Applebee's International under this Section 2.1(d), including executing any documents and taking any actions, at Applebee's International's reasonable request, to confirm, file, and record in any appropriate registry Applebee's International's legal title in, to and under such Non-U.S. Intellectual Property Rights.

The Servicer hereby appoints Applebee's International as its attorney-in-fact authorized to execute such documents in the event that the Servicer fails to execute the same within twenty (20) days following Applebee's International's request to do so (it being understood that such appointment is a power coupled with an interest and therefore irrevocable) with full power of substitution and delegation.

(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, each Securitization Entity that is a party hereto hereby agrees to execute, upon request of the Servicer, a Power of Attorney in substantially the form set forth as Exhibit B-1 (with respect to the IP Holder) or Exhibit B-2 (with respect to each other Securitization Entity) 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 shall use commercially reasonable efforts to cause it to be so named in its capacity as the Servicer on behalf of the Master Issuer or the Franchise Holder, as the case may be, 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 Master 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 Master Issuer or the Franchise Holder, as the case may be, to be named as an "additional insured" 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 Policies 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 Master Issuer named as an "additional insured" within three (3) months from the Closing Date.

(g) Company-Owned U.S. Restaurants Insurance. The Servicer shall cause each Restaurant Holder, at its own expense, to procure and maintain an "all risk, fire, and extended coverage" commercial property insurance policy with an "agreed amount" endorsement in an amount not less than 100% of the full replacement cost of the applicable Restaurant. Each such policy shall name the Indenture Trustee as a loss payee and shall be issued by a reputable insurance company with an A.M. Best rating of A+ or better.

(h) Servicer Insurance. The Servicer agrees to maintain adequate insurance consistent with the type and amount maintained by the Servicer under the Current Practices of Applebee's International, subject, in each case, to any adjustments or modifications made in accordance with the Servicing Standard. Such insurance shall 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(h) hereto.

Section 2.2 Accounts.

(a) 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.

(b) Collections. Except as otherwise set forth in this Agreement, the Servicer shall cause all funds due and to become due to any Securitization Entity and to the Predecessor Restaurant Holders (with respect to the Post-Closing U.S. Restaurants) to be deposited to the Concentration Account for further credit to the Collection Account in accordance with Section 10.1(a) of the Indenture; provided, that (i) Advertising Fees payable by the Franchisees (excluding for this purpose the Restaurant Holders and the Predecessor Restaurant Holders in their capacity as Franchisees) will be deposited by the Servicer in the Advertising Fees Account; (ii) Asset Disposition proceeds will be deposited by the Servicer in the Capital Expenditure Reserve Account; (iii) all insurance and condemnation proceeds will be deposited by the Servicer in the Insurance Proceeds Account; (iv) Third Party Licensing Fees collected from Franchisees (excluding for this purpose the Restaurant Holders and the Predecessor Restaurant Holders in their capacity as Franchisees) will be deposited by the Servicer in either the Third Party Licensing Fee Account or the Concentration Account; (v) any Indemnification Amounts and Series Hedge Agreement Receipts shall be deposited directly into the Collection Account, provided that any Liquor License Related Indemnification Amounts will be deposited into the Collection Account in accordance with the procedures set forth in Section 2.2(n)(ii) below; (vi) any Insurance Proceeds Amounts shall be withdrawn from the Insurance Proceeds Account and deposited directly into the Collection Account; and (vii) any Asset Disposition Prepayment Amounts shall be withdrawn from the Capital Expenditure Reserve Account and deposited directly into the Collection Account.

(c) Deposits to Concentration Account. On or prior to the Closing Date, the Servicer shall establish and maintain the Concentration Account into which the Servicer shall deposit (or cause to be deposited) the following amounts:

(i) all amounts payable by Franchisees, including all Franchise Payments and Development Payments, within three (3) Business Days following the Servicer's receipt of such payments, to the extent that such payments are not deposited directly to the Concentration Account, any Servicing Account or such other account, in each case in accordance with the terms of the Indenture or this Agreement, as applicable;

(ii) all cash revenues generated at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants (unless and until such Restaurants become Reacquired U.S. Restaurants) within three (3) Business Days following the Servicer's or its Affiliates' receipt of such cash revenues; provided, however, that to the extent required under applicable laws, the Servicer shall be permitted to deposit revenues attributable to alcohol

sales at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants that operate as Texas private clubs into one or more accounts maintained in the name of such Texas private clubs; provided, further, that the Servicer shall withdraw from such accounts and deposit into the Concentration Account within ten (10) Business Days after the end of each fiscal month the amount remaining in such accounts after the payment of applicable taxes and fees relating to the operation of the Texas private clubs;

(iii) all credit card proceeds for transactions at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants (unless and until such Restaurants become Reacquired U.S. Restaurants) (which shall be deposited by the Servicer to the Concentration Account within three (3) Business Days after the date on which such credit card proceeds are deposited by the related credit card processor to the applicable credit card sub-account of the Concentration Account);

(iv) the aggregate amount, if any, withdrawn from the Gift Card Reserve Account for deposit to the Concentration Account on a weekly basis on each Weekly Allocation Date in an amount equal to the aggregate dollar amount of the redemption at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants of ACMC Gift Cards sold at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants, as applicable, over the related Weekly Collections Allocation Period;

(v) the amount received from ACMC, Inc. in respect of the redemption at Company-Owned U.S. Restaurants and Post-Closing U.S. Restaurants of ACMC Gift Cards sold other than at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants, as applicable;

(vi) the amount deposited to the Concentration Account by ACMC, Inc. or its third party processor in respect of Applebee's Branded Gift Cards issued by unaffiliated Franchisees that are sold at Franchised U.S. Restaurants and redeemed at Company-Owned U.S. Restaurants or Post-Closing U.S. Restaurants, as applicable;

(vii) the Lease Receipts, if any, paid to the Restaurant Holders within three (3) Business Days of receipt by or on behalf of the Restaurant Holders;

(viii) all amounts received upon the disposition of obsolete inventory, equipment, furniture, fixtures and other assets (other than IP Assets) relating to the Company-Owned U.S. Restaurants within three (3) Business Days of receipt by the Restaurant Holders or Predecessor Restaurant Holders, as applicable

(ix) all amounts, if any, received in respect of the IP Assets;

(x) the IHOP Residual Amount, if any, received by the Servicer on behalf of the Master Issuer or by the Master Issuer on a weekly basis;

(xi) the equity contributions, if any, made by Applebee's International to Applebee's Holdings for contribution to the Master Issuer, but only to the extent that Applebee's International does not direct that such equity contributions be made directly to the Collection Account or any Collection Account Administrative Account; and

(xii) all other amounts constituting Collections not referred to in the preceding clauses, including any royalty fees or other amounts received in respect of IP Assets, other than the Indemnification Amounts, Insurance Proceeds Amounts, Asset Disposition Prepayment Amounts and other amounts required to be deposited directly to the Collection Account (subject, in the case of Liquor License Related Indemnification Amounts, to Section 2.2(n)(ii) hereunder and Section 10.2(b) of the Indenture).

(d) Withdrawals from Concentration Account. On and after the Closing Date, the Servicer may withdraw funds from the Concentration Account in order to:

(i) pay the cash operating expenses that are incurred or committed to be paid by the Restaurant Holders (or the Liquor License Holders) relating to the operation of the Company-Owned U.S. Restaurants and the Predecessor Restaurant Holders relating to the Post-Closing U.S. Restaurants (pursuant to Section 10.1(b)(i) of the Indenture), as applicable, including, without limitation, the cost of goods sold, labor, repair and maintenance expenses, insurance, liquor taxes, gift card redemption expenses, the local advertising fees allocable to the Company-Owned U.S. Restaurants, lease and other occupancy expenses, including the Lease Payments payable by the Restaurant Holders and, with respect to the Post-Closing U.S. Restaurants, the Predecessor Restaurant Holders, to third parties, in each case on any Business Day in accordance with the terms hereof;

(ii) withdraw funds from the Concentration Account to the extent of the amounts previously deposited to the Concentration Account that the Servicer determines were required to be deposited directly to another account pursuant to this Agreement or pursuant to Section 10.1(b)(ii) of the Indenture, including any Advertising Fees payable by Franchisees that were required to be deposited to the Advertising Fees Account and any amounts not constituting Collections that were deposited to the Concentration Account in error, in each case, on any Business Day;

(iii) make the payments and deposits required to be made pursuant to the Weekly Collections Allocation Priority on each Weekly Allocations Date pursuant to Section 10.1(b)(iii) of the Indenture; and

(iv) provided that no Rapid Amortization Event has occurred and is continuing, on each Weekly Allocation Date during the first seven (7) Weekly Collections Allocation Periods following the Closing Date, following the payment of the amounts required to be paid on such Weekly Allocation Date pursuant to the Weekly Collections Allocation Priority, the Servicer shall have the right, but not the obligation, to withdraw up to the Weekly Residual Amount, plus any Weekly Residual Amount not withdrawn on a preceding Weekly Allocation Date, from the Concentration Account for distribution to or at the direction of the Master Issuer, so long as the Weekly Debt Service Allocation Amount, plus any Weekly Debt Service Allocation Amount not previously deposited in the Collection Account on a preceding Weekly Allocation Date, has been withdrawn from the Concentration Account and deposited into the Collection Account with respect to each such Weekly Collections Allocation Period. In addition to the foregoing, the Servicer shall be permitted to withdraw the Initial Residual Deposit Amount on any Weekly Allocation Date in the second Monthly Collection Period, so long as no Rapid Amortization Event has occurred and is continuing and an amount equal to the Debt Service with respect to the Payment Date occurring in February 2008 shall have been deposited into the Collection Account on or before such Weekly Allocation Date; and

(v) to make the deposits to the Collection Account on each Accounting Date in accordance with the terms of the Indenture.

(e) Deposit of Misdirected Funds; No Commingling; Misdirected Payments. The Servicer shall promptly deposit into the Concentration Account, the Collection Account, the Advertising Fees Account or such other appropriate account by the third Business Day immediately following actual knowledge of the Servicer or any of its Affiliates of the receipt thereof and in the form received or in cash, all payments in respect of the Serviced Assets incorrectly deposited into another account. In the event that any funds not constituting Collections are incorrectly deposited in the Concentration Account, the Servicer shall promptly withdraw such amounts following actual knowledge thereof and shall pay such amounts to the person legally entitled to such funds. The Servicer shall not commingle any monies that relate to Serviced Assets 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 Indenture 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 Indenture 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.

(f) Advertising Fees Account. Except as set forth in the following sentence, all Advertising Fees payable by Franchisees on a monthly basis after the Cut-Off Date shall be paid to the Advertising Fees Account, which shall not be subject to the lien of the Indenture Trustee. All Advertising Fees payable by Restaurant Holders and Predecessor Restaurant Holders (with respect to the Post-Closing Restaurants) will be withdrawn from the Concentration Account and deposited to the Advertising Fees Account in accordance with the Weekly Collections Allocation Priority. The Servicer shall cause all Advertising Fees on deposit as of the Cut-Off Date in any of its bank accounts to be remitted to the Advertising Fees Account (including by transferring the title to any such account to the Master Issuer and/or causing such account to become the Advertising Fees 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 Fees. All interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Advertising Fees Account shall be for the sole benefit of the Securitization Entities and/or Franchisees. All amounts from time to time on deposit in the Advertising Fees Account shall be invested in Eligible Investments. The Servicer, acting on behalf of the Franchise Holder and the Master Issuer, may in accordance with the Servicing Standard and the terms of the Franchise Agreements, increase or reduce the percentage of the gross sales paid by the Franchisees pursuant to the Franchise Agreements as Advertising Fees. The Servicer shall apply amounts on deposit in the Advertising Fees Account on a daily basis to cover the costs and expenses associated with the National Advertising Fund (including those costs and expenses incurred prior to the Closing Date) in accordance with this Agreement; provided that the Servicer may apply interest and earnings (net of losses and investment expenses) for general purposes that directly benefit one or more Securitization Entities and/or the Franchisees in its discretion.

(g) Lease Payment Account. On each Weekly Allocation Date, the Lease Payment Allocation Amount required to be paid on Sale/Leaseback Leases shall be withdrawn from the Concentration Account and deposited into the Lease Payment Account. The "Lease Payment Allocation Amount" means, (A) on each of the first three Weekly Allocation Dates that occur during each Monthly Collection Period, an amount equal to one-third of the Lease Payments scheduled to be paid on the Sale/Leaseback Leases, if any, over the immediately following Monthly Collection Period together with the shortfall, if any, in the amount required to be deposited to the Lease Payment Account pursuant to Section 10.1(b)(iii)(3) of the Indenture on any preceding Weekly Allocation Date (unless the related Lease Payment has already been paid in full or discharged) and (B) on the fourth and (if applicable) fifth Weekly Allocation Date that occurs during each Monthly Collection Period, the shortfall, if any, in the amount required to be deposited to the Lease Payment Account pursuant to Section 10.1(b)(iii)(3) of the Indenture on any preceding Weekly Allocation Date (unless the related Lease Payment has already been paid in full or discharged). The Servicer shall cause all Lease Payment Allocation Amounts to be remitted to the Lease Payment Account (including by transferring the title to any such account to the Master Issuer and/or causing such account to become the Lease Payment Account) on each Weekly Allocation Date. The Servicer shall apply amounts on deposit in the Lease Payment Account on any Business Day to make Lease Payments under Sale/Leaseback Leases on behalf of the Restaurant Holders and the Predecessor Restaurant Holders (in respect of Post-Closing U.S. Restaurants) in accordance with the Leases.

(h) Third Party Licensing Fees Account. The Servicer shall promptly deposit all Third Party Licensing Fees collected from Franchisees (other than Restaurant Holders and Predecessor Restaurant Holders in their capacities as Franchisees) after the Cut-Off Date into the Third Party Licensing Fees Account by the third Business Day immediately following actual knowledge of the receipt thereof by the Servicer or any of its Affiliates. On each Weekly Allocation Date, the Servicer shall withdraw an amount equal to all Third Party Licensing Fees collected during the immediately preceding Weekly Collections Allocation Period from the Concentration Account, excluding any such third party licensing fees that were deposited directly into the Third Party Licensing Fee Account, and deposit such amount into the Third Party Licensing Fee Account. The Servicer shall cause all Third Party Licensing Fees accrued (whether or not yet due) as of the Cut-Off Date in any of its bank accounts to be remitted to the Third Party Licensing Fee Account (including by transferring the title to any such account to the Master Issuer and/or causing such account to become the Third Party Licensing Fee 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 Third Party Licensing Fees. Subject to the terms of the Indenture, all interest and earnings (net of losses and investment expenses) paid on funds on deposit in the Third Party Licensing Fee Account shall be for the sole benefit of the Co-Issuers and the Franchise Holder. All amounts from time to time on deposit in the Third Party Licensing Fee Account shall be invested in Eligible Investments. The Servicer shall apply amounts on deposit in the Third Party Licensing Fee Account to pay the Third Party Licensing Fees to Weight Watchers International, Inc. or to pay the applicable royalties, licensing fees or other similar amounts to such other applicable third party licensors on such periodic basis as may be required from time to time under the applicable license agreement; provided that if the amount on deposit in the Third Party Licensing Fee Account is not sufficient to pay the minimum Weight Watchers Fees (as provided in the Weight Watchers Agreement) or such other royalties, licensing fees or other similar amounts to such other applicable third party licensors as may be required from time to time under the applicable license agreement, the amount of such deficiency may be paid out of the Advertising Fees Account (to the extent the Franchisees have agreed thereto in their respective Franchise Agreements); provided, further, that, subject to the terms of the Indenture, the Servicer may apply interest and earnings (net of losses and investment expenses) for general purposes that directly benefit one or more Securitization Entities in its discretion. The Servicer may apply Collections in the Concentration Account to make deposits to the Third Party Licensing Fee Account for subsequent payment to third parties in connection with such other agreements pursuant to which royalty fees, licensing fees or other similar fees may be payable to third parties from time to time in the future.

(i) Insurance Proceeds Account. The Servicer will deposit or cause to be deposited to the Insurance Proceeds Account all insurance and condemnation proceeds received by or on behalf of the Securitization Entities on the Collateral within three (3) Business Days following receipt of such proceeds, pending a determination by the Servicer whether such amounts are required to be applied as Insurance Proceeds Amounts on the following Payment Date. The Servicer may withdraw any such amounts not required to be applied as Insurance Proceeds Amounts on any Business Day for the restoration of the related property or for investment in the New U.S. Restaurant Business. All such insurance and condemnation proceeds deposited in the Insurance Proceeds Account which the Servicer has determined not to apply to restore the related property or for investment in the New U.S. Restaurant Business and which the

Servicer has determined are not required to be applied as Insurance Proceeds Amounts will be withdrawn by the Servicer for deposit to the Concentration Account. To the extent that such amounts are not applied directly to Franchisee Insurance Restoration Payments in accordance with the related Franchise Agreements, all Franchisee Insurance Proceeds received by or on behalf of the Franchisees after the Cut-Off Date shall be deposited directly into the Insurance Proceeds Account, which shall be subject to the Lien of the Indenture Trustee pursuant to the Transaction Documents and subject to the rights of the Franchisees to such amounts pursuant to the related Franchise Agreements; provided, however, that, Franchisee Insurance Proceeds incorrectly deposited into the Concentration Account or a Collection Account shall be released therefrom pursuant to paragraph (e) above. Servicer shall cause all Franchisee Insurance Proceeds on deposit as of the Cut-Off Date in any of its bank accounts to be remitted to the Insurance Proceeds Account (including by transferring the title to such account to the Master Issuer and/or causing such account to become the Insurance Proceeds Account) on the Closing Date. The Servicer may withdraw amounts on deposit in the Insurance Proceeds Account on any Business Day to make Franchisee Insurance Restoration Payments in accordance with the Franchise Agreements and the Indenture.

(j) Credit and Debit Card Accounts. The Servicer hereby covenants that it shall not change the Current Practice of Applebee's International under which customer payments made by credit and debit cards are deposited directly into sub-accounts of the Concentration Account maintained in respect of one or more credit card systems and then swept automatically into the Concentration Account; provided that any termination or engagement of credit and debit card systems or processor shall not be deemed a change in such Current Practice of Applebee's International.

(k) Gift Card Reserve Account. Subject to the terms of the Indenture, the Servicer shall withdraw from the Concentration Account for deposit to the Gift Card Reserve Account on each Weekly Allocation Date an amount equal to the proceeds from the sale of ACMC Gift Cards by the Restaurant Holders and the Predecessor Restaurant Holders (with respect to the Post-Closing U.S. Restaurants) over the immediately preceding Weekly Collections Allocation Period (but only to the extent of available funds for such purpose in accordance with the Weekly Allocation Priority on such Weekly Allocation Date). The Servicer shall withdraw from the Gift Card Reserve Account for deposit to the Concentration Account on each Weekly Allocation Date an amount equal to the dollar amount of the redemption over the immediately preceding Weekly Collections Allocation Period by the Restaurant Holders and the Predecessor Restaurant Holders (with respect to the Post-Closing U.S. Restaurants) of ACMC Gift Cards which were sold by the Restaurant Holders and the Predecessor Restaurant Holders (with respect to the Post-Closing U.S. Restaurants); provided, that if there are insufficient funds on deposit in the Gift Card Reserve Account for such purpose, the shortfall will be withdrawn from the Gift Card Reserve Account for deposit to the Concentration Account on the immediately following Weekly Allocation Date on which such funds are available. On the fifth calendar day of each calendar month, or if such date is not a Business Day, the immediately following Business Day, the Servicer will withdraw from the Gift Card Reserve Account for payment to, or at the direction of, ACMC, Inc. (for payment or credit by ACMC, Inc. to Franchisees (excluding Restaurant Holders and Predecessor Restaurant Holders in their

capacities as Franchisees)) an amount equal to the dollar value of the redemption by Franchisees (excluding Restaurant Holders and Predecessor Restaurant Holders in their capacities as Franchisees) of ACMC Gift Cards sold by Restaurant Holders and the Predecessor Restaurant Holders (with respect to the Post-Closing U.S. Restaurants) in the immediately preceding Monthly Collection Period. On May 5 th of each year, or if such date is not a Business Day, the immediately following Business Day, the Servicer will withdraw an amount equal to the Excess Gift Card Reserve Amount from the Gift Card Reserve Account for payment to or at the direction of ACMC, Inc.

(l) SPE Operating Expense Account. The Servicer shall withdraw amounts on deposit in the Concentration Account for deposit, on each Weekly Allocation Date and each Payment Date, to the SPE Operating Expense Account in an amount equal to any previously accrued and unpaid SPE Operating Expenses up to the Capped SPE Operating Expense Amount with respect to the annual period in which such Weekly Allocation Date or Payment Date, as applicable, occurs after giving effect to all deposits previously made to the SPE Operating Expense Account on any Weekly Allocation Date or Payment Date in such annual period (which annual period will be measured from the Closing Date to the anniversary thereof and from each anniversary thereof to the next anniversary thereof). The Servicer shall on any Business Day apply amounts on deposit in the SPE Operating Expense Account to pay any SPE Operating Expenses that are due and payable on such date, incurred by or on behalf of the Securitization Entities; provided, however, that if there are insufficient funds on deposit in the SPE Operating Expense Account to pay all accrued and unpaid SPE Operating Expenses on any date, the amount on deposit will be applied to pay such SPE Operating Expenses in the order of priority set forth in the definition of "SPE Operating Expenses."

(m) Sales Tax Account. Subject to Section 10.2(g) of the Indenture, the Servicer will calculate the percentage of the revenues received with respect to sales by the Restaurant Holders and the Predecessor Restaurant Holders (with respect to Post-Closing U.S. Restaurants) that are attributable to sales tax and will withdraw such amount from the Concentration Account for deposit into the Sales Tax Account on each Weekly Allocation Date. The Servicer will withdraw amounts on deposit in the Sales Tax Account on any Business Day for application to pay such sales taxes to the appropriate authorities.

(n) Capital Expenditure Reserve Account.

(i) On and after the Closing Date, the Servicer shall deposit the gross proceeds from Asset Dispositions to the Capital Expenditure Reserve Account within three (3) Business Days following receipt of such proceeds by or on behalf of the Securitization Entities. The Servicer may withdraw from the Capital Expenditure Reserve Account on any Business Day the portion of such proceeds representing taxes then know to be due and payable in connection with such Asset Disposition, transaction costs and other direct costs associated with the related Asset Disposition. The Servicer will withdraw from the Capital Expenditure Reserve Account by the next Accounting Date that portion of such Asset Disposition proceeds, if any, that constitutes an Asset

Disposition Prepayment Amount for deposit to the Collection Account for application to pay principal of the Notes in accordance with the Priority of Payments on the next Payment Date; provided, that prior to the Series 2007-1 Class A-2-I Initial Anticipated Repayment Date, such Asset Disposition Prepayment Amount may be retained on deposit in a segregated trust account unless the Co-Issuers shall elect to apply such Asset Disposition Prepayment Amount to pay principal on the Notes on each Payment Date following receipt. The Servicer may withdraw on any Business Day any Asset Disposition proceeds on deposit in the Capital Expenditure Reserve Account for investment in the New U.S. Restaurant Business following the determination by the Servicer that such amounts will not be required to be applied as Asset Disposition Prepayment Amounts. All Asset Disposition proceeds deposited in the Capital Expenditure Reserve Account which the Servicer has determined not to apply for investment in the New U.S. Restaurant Business and which the Servicer has determined are not required to be applied as Asset Disposition Prepayment Amounts will be withdrawn by the Servicer for deposit to the Concentration Account.

(ii) The Servicer may direct that any Liquor License Related Indemnification Amount be deposited in the Capital Expenditure Reserve Account for a period not longer than six months following the Closing Date (such period, the " Liquor License Procural Period") if at the time of payment of the Liquor License Related Indemnification Amount Applebee's International delivers written notice to each of the Indenture Trustee, the Servicer and each Insurer that, with respect to the relevant Applebee's Restaurant, it will seek to obtain another temporary liquor license or permanent liquor license (or other alternative arrangement to serve alcoholic beverages at such Applebee's Restaurant) by the expiration of the Liquor License Procural Period. Subject to the terms of the relevant Transaction Documents, the Liquor License Related Indemnification Amount will be withdrawn from the Capital Expenditure Reserve Account as follows:

(1) if Applebee's International procures such liquor license (or other alternative arrangement to serve alcoholic beverages at such Applebee's Restaurant) on or before the expiration of the Liquor License Procural Period, (i) the assets relating to such Applebee's Restaurant or (ii) the rights to the proceeds generated by such Applebee's Restaurant, as the context requires, will be transferred to the applicable Restaurant Holder (in accordance with the terms of the relevant Transaction Documents) and the related Liquor License Related Indemnification Amount will be withdrawn from the Capital Expenditure Reserve Account by the Servicer for payment to Applebee's International; and

(2) if Applebee's International fails to procure such liquor license (or other alternative arrangement to serve alcoholic beverages at such Applebee's Restaurant) on or before the expiration of the Liquor License Procural Period, the Liquor License Related Indemnification Amount will be withdrawn from the Capital Expenditure Reserve Account within three (3) Business Days following the expiration of such period for deposit to the Collection Account.

(o) Indenture Trust Accounts. The Indenture Trustee shall maintain the Indenture Trust Accounts in accordance with the Indenture.

(p) Pre-Closing Date Net Collections Payment. The Servicer shall remit all Pre-Closing Date Net Collections Payments to the Concentration Account on the Closing Date.

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 Master Issuer, each Insurer, if any, and the Back-Up Manager) or, upon thirty (30) days' notice to the Master Issuer, the IP Holder, the Rating Agencies, each Insurer, if any, the Back-Up Manager and the Indenture Trustee, at such other place where the servicing office of the Servicer is located provided, that the servicing office of the Servicer shall at all times be located in the United States, and shall give the Indenture Trustee, each Insurer, if any, and the Back-Up Manager 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. The IP Holder shall own the Intellectual Property rights in all such data; provided, further, that to the extent any such data, or the books and records described in Section 2.3(b) relates to businesses, products or services (including Applebee's Branded restaurants) located outside the United States, the Servicer or any other party who acquires such rights hereby assigns all its right, title and interest in such data and books and records to Applebee's International, subject to a perpetual, non-exclusive license to the Servicer and the IP Holder to access and use such data as reasonably necessary or desirable in connection with the performance of the Services or operation of Applebee's Restaurants.

(b) If the rights of Applebee's Services, Inc., as the initial Servicer, shall have been terminated in accordance with Section 6.1 or if this Agreement shall have been terminated pursuant to Section 9.1, Applebee's Services, Inc., as the initial 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 Master Issuer, in the case of a termination pursuant to Section 9.1, deliver to the Back-Up Manager 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 Applebee's Services, Inc., as the initial Servicer, may retain a single set of copies of any books and records that it reasonably believes shall be required by it for the purpose of performing any of its accounting, public reporting or other administrative functions that are performed in the ordinary course of its business; and provided, further, that Applebee's Services, Inc., as the initial Servicer, shall have access, during normal business hours and upon reasonable notice, to all books and records that it reasonably believes would be necessary or desirable for it in connection with the preparation of any tax or other governmental reports and filings and other uses; and provided, further, that if the Master Issuer or the Indenture Trustee shall desire to dispose of any of such books and records at any time within five years of termination of

Applebee's Services, Inc., as the initial Servicer, the Master Issuer shall, prior to such disposition, give Applebee's Services, Inc., as the initial Servicer, and Applebee's International, respectively, a reasonable opportunity, at the expense of Applebee's Services, Inc., to segregate and remove such books and records as the initial Servicer or Applebee's International may select. The provisions of this Section 2.3 shall be deemed to require the initial 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 Applebee's Services, Inc., as the initial 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, in accordance with the Servicing Standard, shall perform the duties of the applicable Securitization Entities under the Transaction Documents except for those duties that are required to be performed by the equity holders, stockholders, directors, or managers of such Securitization Entity pursuant to applicable law. In furtherance of the foregoing, the Servicer shall consult with the managers or the directors, as the case may be, of the Securitization Entities as the Servicer deems appropriate regarding the duties of the Securitization Entities under the Transaction Documents. The Servicer shall monitor the performance of the Securitization Entities and, promptly upon obtaining knowledge thereof, shall advise the applicable Securitization Entity when action is necessary to comply with such Securitization Entity's duties 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, notices 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, notices 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 Master Issuer and each Insurer, if any, 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 Indenture Trustee, each Insurer, if any, the Master Issuer 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 any, the Supplemental Servicing Fee, on the Weekly Allocation Date, subject to and in accordance with Article X of the Indenture.

Section 2.7 Indemnification. (a) The Servicer agrees to indemnify and hold the Co-Issuers, the other Securitization Entities, each Insurer, if any, and the Indenture Trustee and their respective members, officers, directors, managers, 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 or any other Transaction Document to which it is a party in its capacity as Servicer, (ii) the breach by the Servicer of any representation, warranty or covenant under this Agreement or any other Transaction Document to which it is a party in its capacity as Servicer or relating to the acquisition of, or entry into, any Defective New Asset, (iii) claims that any Servicer-Developed IP violates, dilutes, misappropriates or infringes any third-party Intellectual Property rights or (iv) 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; provided, further, that the Servicer shall have no obligation of indemnity to the extent any such claims, losses, liabilities, obligations, and so forth are caused by the gross negligence, willful misconduct, or breach of this Agreement by the Indenture Trustee or any Insurer. In the event the Servicer is required to make an indemnification payment pursuant to this Section 2.7(a), the Servicer shall promptly notify the Indenture Trustee and each Insurer, if any, and deposit such indemnification amount directly to the Collection Account, subject to the additional provisions of Section 2.7(b) in the event of representations, warranties or covenants relating to New Assets.

(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, if any, and shall pay to the Master Issuer liquidated damages in an amount equal to the Indemnification Amount, which payment shall be deposited directly to the Collection Account. Upon payment by the Servicer of the Indemnification Amount to the Master 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 Co-Issuers or the applicable Securitization Entity shall, to the extent permitted by applicable law, assign such Defective New Asset to the Servicer or an Affiliate thereof (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, or cause its Affiliate to accept, as applicable, 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 Master Issuer shall be without recourse to, or representation or warranty by, Master Issuer and such Defective New Asset shall no longer be subject to the lien of the Indenture. All costs and expenses associated with the foregoing shall be paid by the Servicer on demand to or at the direction of the Master 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 shall 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, 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, 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 does not require such indemnitee to take, or refrain from taking, any action other than the payment of monetary damages; and provided, further, that the Indemnitee 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 Indemnitee unless (i) the employment of counsel by such Indemnitee has been specifically authorized by the Servicer, (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 Indemnitee in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both the Indemnitee and the Servicer, and the Indemnitee 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 Indemnitee

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 Indemnitee's counsel shall 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 Indemnitee, 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 Indemnitee). 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 Indemnitee"), it shall notify the Servicer of the commencement thereof and the Indenture Trustee Indemnitee shall have the right to employ its own counsel in any such action at the expense of the Servicer. No Indemnitee 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. Notwithstanding anything in this Section 2.7 to the contrary, any delay or failure by an Indemnitee or Indenture Trustee Indemnitee in providing the Servicer with notice of any action shall not relieve the Servicer of its indemnification obligations except to the extent the Servicer is materially prejudiced by such delay or failure of notice.

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, Applebee's Holdings II Corp. or any Liquor License Holder 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, Applebee's Holdings II Corp. or any Liquor License Holder.

Section 2.9 Franchisor Consent. Subject to the Servicing Standard and the terms of the Indenture, the Servicer shall have the authority, on behalf of the Master Issuer and Franchise Holder, to grant or withhold consents of the "franchisor" required under the Franchise Documents; 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 Sub-servicers. 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 sub-servicer 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 6.4 herein; and (ii) a written notice has been provided to each Insurer. The Servicer shall not enter into any Subservicing Arrangement which delegates the performance of any fundamental business operations such as responsibility for the franchise development, operations and marketing strategies for the Applebee's Brand without receiving the prior written consent of the Aggregate Controlling Party. Any such Subservicing Arrangement entered into after the date hereof shall be reported to the Back-Up Manager quarterly in accordance with the Back-Up Manager 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.

Section 2.11 Disposition of Indenture Collateral.

(a) The Servicer, on behalf of the Co-Issuers, shall be permitted pursuant to Section 7.8(a)(xxiii) of the Indenture to dispose of assets, including Company-Owned U.S. Restaurants and other Real Estate Assets, in accordance with the Servicing Standard in connection with any Asset Disposition. The Servicer shall apply the proceeds received from any Asset Disposition in accordance with Section 2.2(n) of this Agreement and Section 7.8(a)(xxiii) of the Indenture and Section 4.7(c)(iii) of the Series 2007-1 Supplement. The Aggregate Controlling Party shall have the right to consent (such consent not to be unreasonably withheld or delayed) to any documentation in connection with Asset Dispositions involving sale/leaseback of any Company-Owned Real Property or any guarantees executed in connection with a Refranchising Asset Disposition prior to the execution of such documentation.

(b) In addition to any Asset Disposition, the Servicer, acting in accordance with the Servicing Standard, shall be permitted to dispose of any other assets deemed obsolete in the ordinary course of business. The Servicer, acting on behalf of the Master Issuer, may direct the Indenture Trustee to release the IHOP Residual Certificate from the lien under the Indenture for delivery to or at the direction of the Master Issuer upon satisfaction of the conditions set forth therein.

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 Master Issuer, shall furnish, or cause to be furnished, to the Indenture Trustee and each Insurer, if any, all reports and notices required to be delivered by any Securitization Entity pursuant to the Indenture or any other Transaction Document.

(b) Monthly Noteholders' Report. The Servicer, on behalf of the Master Issuer, shall furnish, or cause to be furnished, to the Indenture Trustee, the Back-Up Manager and each Insurer, if any, two (2) Business Days prior to each Payment Date, with respect to each series of Notes, (i) a monthly statement (the "Monthly Noteholders' Report") 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 Monthly Collection Period preceding the Payment Date and certain measures of the performance of the Indenture Collateral, and (ii) such other information as the Indenture Trustee or each Insurer, if any, may reasonably request. A copy of the Monthly Noteholders' Report and any information provided under this Section 3.1(b) shall simultaneously be provided to the Rating Agencies. Each Monthly Noteholders' Report 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' Report (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 Co-Issuers, the applicable Securitization Entity, the Indenture Trustee, the Back-Up Manager, each Insurer, if any, and the Paying Agent on each Accounting 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, Potential Rapid Amortization Event or Rapid Amortization Event, Default or Event of Default has occurred or is continuing, and no trademark registrations are within 3 months of lapsing, except with respect to such trademark registrations that the Servicer has determined to allow to lapse within such time period pursuant to the Servicing Standard (each, a "Monthly Compliance Certificate", and together with the Monthly Servicer's Certificate, each, a "Monthly Servicer's Report"). A copy of the Monthly Servicer's Report 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 Co-Issuers, the applicable Securitization Entity, the Indenture Trustee, the Back-Up Manager, the Rating Agencies, and each Insurer, if any, on the Business Day prior to each Weekly Allocation Date (or if one or more non-Business Days occur during the same calendar week as such Weekly Allocation Date, on such Weekly Allocation Date), by no later than 12:00 p.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 Master Issuer, the IP Holder 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 Article X of the Base Indenture.

(e) Delivery of Financial Statements. The Servicer shall provide the financial statements of the Master Issuer, the Franchise Holder, Applebee's International and IHOP Corp. in accordance with Section 12.1(e), (f) and (g) of the Indenture.

(f) Termination Notices. The Servicer shall send, as soon as reasonably practicable but in no event later than five (5) Business Days of the receipt thereof, the Indenture Trustee and each Insurer, if any, a copy of any notices of termination sent by the Servicer to any Franchisee.

(g) Notice Regarding Company Leases and Sale/Leaseback Leases. In the event that any Restaurant Holder, or the Servicer on behalf of any Restaurant Holder, receives any notice from a lessor of Company Leases or Sale/Leaseback Leases regarding the lack of payment or alleging any breach, violation or default under the applicable Company Leases or Sale/Leaseback Leases or otherwise requesting payment of rent thereunder or action be taken to remedy a breach, violation or default, excluding any such notice in respect of non-monetary breach, violation or default as to which the Servicer is contesting or expects to contest in good faith, the Servicer shall promptly, but in any event within five (5) Business Days from such receipt, notify the Indenture Trustee and each Insurer, if any.

(h) Additional Information; Access to Books and Records. The Servicer shall furnish from time to time such additional information regarding the Indenture Collateral or compliance with the covenants and other agreements of Applebee's International and any Securitization Entity and/or any Affiliate or Subsidiary under the Transaction Documents as the Indenture Trustee, the Rating Agencies or any Insurer may reasonably request, subject at all times to compliance with the Exchange Act, the Securities Act and any other applicable law by Applebee's International, and any Affiliate or Subsidiary thereof, the Servicer, Applebee's Holdings LLC and any Securitization Entity. Once during each successive annual period commencing on the Closing Date, the Servicer, Applebee's International and each Securitization Entity and/or any Affiliate or Subsidiary shall allow the Indenture Trustee, each Series 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, solely in respect of the business subject to the Securitization Transaction, upon reasonable notice, and permit the Indenture Trustee, each Insurer, if any, 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, solely in respect of the business subject to the Securitization Transaction, 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.

(i) The Servicer shall promptly notify each Insurer, if any, of any change in personnel at the executive level of IHOP Corp. or Applebee's International.

(j) IHOP Monthly Servicing Report. The Servicer shall cause IHOP Corp. to provide the Series 2007-1 Class A Insurer, so long as the IHOP Residual Certificate continues to be pledged as Indenture Collateral, (i) a copy of (A) the monthly servicing report and (B) the quarterly and annual reports to be prepared by FTI Consulting, Inc. as the back-up servicer, each prepared in connection with the IHOP Securitization within five (5) Business Days of the IHOP Corp.'s receipt thereof and (ii) notice of the occurrence of any "Mandatory Redemption Event", "Event of Default" or "Trigger Reserve Event" (as such terms are defined in the IHOP Indenture) or any other event that would cause distributions on the IHOP Residual Certificate to cease, either temporarily or permanently.

Section 3.2 Appointment of Independent Accountant. On or before the Closing Date, the Master 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 Master Issuer may not remove the Independent Accountants without first giving ninety (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, if any, and the Servicer. Upon any resignation by such firm or removal of such firm, the Master 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 Master Issuer shall fail to appoint a successor firm of Independent Accountants which has resigned or been removed within sixty (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 Master 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, 2007, and on or before 120 days after the end of each subsequent fiscal year of the Servicer, the Servicer shall deliver to the Master Issuer, the Indenture Trustee, each Insurer, if any, 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 shall 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 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 shall 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 Master 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' Report and Accountants' Reports, to the Indenture Trustee as contemplated by Section 12.1 of the Base 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 each Insurer, if any, the Master Issuer and each other Securitization Entity 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 Kansas, (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, shall 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 material 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 or as a co-licensee in respect of the Liquor Licenses, 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 or within five (5) Business Days thereafter, 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 which could have a Material Adverse Effect; and no event has occurred which with notice or lapse of time or both would constitute such a 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. All information (as amended, supplemented and superseded) provided by the Servicer to the Back-Up Manager or any Insurer prior to and after the Closing Date in connection with this Agreement or the other Transaction Documents is true and accurate in all material respects; provided, however, that, no amendment, supplement or superseding document shall be effective to cure previously nonconforming information if the Back-Up Manager 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 Applebee's International and Affiliates as of December 31, 2006, December 25, 2005 and December 26, 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 Accountants, present fairly the financial condition of Applebee's International and Affiliates as of 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 December 31, 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” or failure to meet “minimum funding standards” (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 such Plan (and, 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 deficiencies, failures, Reportable Events or non-compliance that, in the aggregate, could not 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, shall 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 each of the Company-Owned U.S. Restaurants and at the addresses indicated in Section 9.5.

(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 shall 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 and the other Transaction Documents in accordance with the terms hereof and thereof and in accordance with the Servicing Standard, it being understood that the Servicing Standard shall be applied by the Servicer in good faith and in a manner that (A) would enable the Servicer, when acting on behalf of any Securitization Entity, 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 (B) is in compliance with all Requirements of Law, except to the extent failure to be in compliance would not have any Material Adverse Effect.

(b) Special Provisions as to IP Assets. The Servicer acknowledges and agrees that the IP Holder has the right and duty to control the quality of the goods and services offered under the Trademarks included in the IP Assets and the manner in which such Trademarks are used in order to maintain the validity, enforceability and its ownership of the Trademarks included in the IP Assets. The Servicer shall consult with, and obtain the prior approval of the IP Holder with respect to, (i) the promulgation of standards with respect to the operation of Applebee's Restaurants and Applebee's Branded restaurants located in the U.S. Territories, 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 Holder approves for inclusion in the license granted under any IP License Agreement (or other license agreement or sublicense agreement for which the Servicer is performing IP Services), (iii) the nature and implementation 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 relating to the quality standards which licensees must follow with respect to businesses, products, and services offered under the Trademarks included in the IP Assets and the usage of such Trademarks, (v) the

commencement and prosecution of enforcement actions with respect to the Trademarks included in the IP Assets and the terms of any settlements thereof, (vi) the adoption of any variations on the Applebee's Brand which are not in use on the date hereof, or other new Trademarks to be included in the IP Assets, (vii) the abandonment of any IP Assets; and (viii) any uses of the IP Assets that are not consistent with the Current Practice of Applebee's International. The IP Holder shall have the right to monitor the Servicer's compliance with the foregoing and its performance of the IP Services and, in furtherance thereof, Servicer shall provide IP Holder, at IP Holder's request from time to time, with copies of Franchise Documents and other sublicenses, samples of products and materials bearing the Trademarks included in the IP Assets used by Franchisees and other licensees and sublicensees, and the results of Quality Control Programs. Nothing in this Agreement shall limit the IP Holder's rights or the licensees' obligations, under the IP License Agreements or any other agreement with respect to which the Servicer is performing IP Services.

(c) The Servicer is hereby granted a non-exclusive, royalty-free license during the term of this Agreement, to use and sublicense the IP Assets solely in connection with the performance of the Services under this Agreement. In connection with the Servicer's use of any Trademark included in the IP Assets pursuant to the foregoing license, the Servicer agrees to adhere to the quality control provisions which are contained in Article 3 of each IP License Agreement, as applicable to the product or service to which such Trademark pertains, as if such provisions were incorporated by reference herein.

(d) Right to Receive Instructions. Without limiting the Servicer's obligations under Section 4.3(b) 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 the Aggregate 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 and the Securitization Entities; provided, however, that if an Insurer or group of Insurers is not the Aggregate Controlling Party, 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 or group of Insurers is the Aggregate Controlling Party 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) Limitation on Servicer's Duties and Responsibilities.

(i) 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 Indenture 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 shall, 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.

(ii) Except as otherwise set forth herein, the Servicer shall have no responsibility under this Agreement other than to render the Services in good faith and consistent with the Servicing Standard.

(iii) The Servicer shall not manage, control, use, sell, reinvest, dispose of or otherwise deal with any part of the Indenture Collateral except in accordance with the powers granted to, and the authority conferred upon, the Servicer pursuant to this Agreement or the other Transaction Documents.

(f) Limitations on the Servicer's Liabilities, Duties and Responsibilities. Subject to Section 2.7 and 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 or the other Transaction Documents, (ii) the breach by the Servicer of any representation, warranty or covenant 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 under the other Transaction Documents or otherwise, neither the Servicer nor any of its Affiliates (other than any Securitization Entity), managers, officers, members or employees shall be liable to any Securitization Entity, each

Insurer, if any, 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 or the other Transaction Documents;

(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 Indenture 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 other Transaction Document that is required to be performed by the Indenture Trustee, Series Controlling Party or the Aggregate Controlling Party under this Agreement or any other Transaction Document.

(g) No Financial Liability. No provision of this Agreement (other than the last sentence of paragraph (d) and (e)(i) 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 compensated by the payment of the Weekly Servicing Fees hereunder and is otherwise not reasonably assured or provided to it. Further, the Servicer shall not be obligated to perform any services not enumerated or otherwise contemplated hereunder, unless the Servicer determines that it is more likely than not that it shall be reimbursed for all of its expenses incurred in connection with such performance.

(h) 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.

(i) 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.

(j) Independent Contractor. In performing its obligations as servicer hereunder the Servicer acts solely as an independent contractor of the Master Issuer and the other Securitization Entities, except to the extent the Servicer is deemed to be an agent of the Master Issuer and the Franchise Holder by virtue of engaging in franchise sales activities as broker or receiving payments on behalf of the Franchise Holder or the Master Issuer, as applicable. Nothing in this Agreement shall, or shall be deemed to, create or constitute any joint venture, partnership, employment, or any other relationship between the Master 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 and Resignation.

(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 a Rapid Amortization Event or any Potential Rapid Amortization Event, 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 Applebee's International or any Affiliate thereof, 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 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. As to clause (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, if any. 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 Master Issuer, each Insurer, if any, and the Rating Agencies shall be given not less than sixty (60) days' prior written notice of such resignation 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 the Servicer may not assign this Agreement or any of its rights, powers, duties or obligations hereunder. The Servicer agrees to cooperate with the Aggregate Controlling Party after providing such notice of resignation in connection with the search and engagement of the Successor Servicer, including any transitional services in accordance with Section 6.4 hereof.

(c) Term of Servicer's Obligations. Except as provided in Section 4.4(a) and Section 4.4(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(a) or Section 9.1 and shall survive the exercise by the Master Issuer, each Insurer, if any, or the Indenture Trustee of any right or remedy under this Agreement (other than the right of termination pursuant to Section 6.1(a)), or the enforcement by the Master Issuer, each Insurer, if any, the Indenture Trustee or any Noteholder, or any subrogee of same, of any provision of the Indenture, the Notes, this Agreement or the other Transaction Documents.

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" or failure to meet "minimum funding standard" (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 the 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 Master Issuer or any 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 (but in each case in clauses (a) through (f) above, only if 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 other Rapid Amortization Event 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, if any, and the Rating Agencies of the same promptly and in any event within five (5) 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.

(a) Within fifteen (15) Business Days after the Closing Date, 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 one hundred and twenty (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.

(b) Upon final determination by any state franchising authority that the Franchise Holder is considered by such state franchising authority to be a “subfranchisor”, the Servicer within one hundred and twenty (120) days of such determination shall, on behalf of the Franchise Holder, 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 shall be maintained separately from those of the Servicer and each of its Affiliates that is not a Securitization Entity;

(b) the Servicer shall observe (and shall cause each of its Affiliates that is not a Securitization Entity to observe) corporate and limited liability company formalities in its dealing with any Securitization Entity;

(c) all financial statements of the Servicer that are consolidated to include any Securitization Entity and that are distributed to any party shall 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 has separate creditors;

(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 shall (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 shall be compensated at market rates for any services it renders or otherwise furnishes to such Securitization Entity, it being understood that the Weekly Servicing Fee is representative of such arm's length relationship as between the Servicer and its Affiliates that are not Securitization Entities, on the one hand, and the Securitization Entities, on the other hand, and that the Servicer shall be responsible for any compensation of its Affiliates to whom it delegates any of its duties hereunder or under the other Transaction Documents;

(f) the Servicer shall not be, and shall not hold itself out to be, liable 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 shall not permit any Securitization Entity to hold the Servicer out to be liable 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 shall promptly notify the Indenture Trustee, each Insurer, if any, that is a Series Controlling Party and the Rating Agencies of same and shall 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 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 and (b) 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 applicable 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 all such Serviced Affiliates, (ii) such rendering of services not related to the Applebee's Brand or the IHOP Brand shall 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 4.10 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 the Current Practice of Applebee's International with respect to the collection of the Franchise Payments of the Existing Franchise Assets (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 (as modified from time to time pursuant to Section 4.10(a)).

Section 4.11 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 Indenture Collateral or (b) materially impair the collectibility or timing with respect to the Franchise Payments of the Franchise Assets or any monies due with respect to the IP Assets. For purposes of clarification, nothing in the preceding sentence shall prevent the Servicer or its Affiliates from taking any action with respect to the Applebee's System that is not otherwise prohibited under any other provision of this Agreement or the other Transaction Documents, and is permitted by the Franchise Agreements, including changes to the Operating Manuals, so long as such actions are in accordance with the Servicing Standard.

Section 4.12 Security Interest. Subject to Section 5.5 and Section 5.6, the Servicer hereby covenants and agrees that it shall promptly take all actions, including but not limited to all filings and other acts advisable under the UCC or other applicable law or otherwise

as reasonably requested by the Indenture Trustee or an Insurer, if any, 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). The Servicer hereby covenants that the Mortgages to be delivered by it to the Indenture Trustee under Section 2.1(b) above and under Section 5.1(b)(xiv) below shall be in recordable form and shall have been executed by the applicable Co-Issuer. Each such Mortgage shall be effective, as and when recorded, to create in favor of the Indenture Trustee for the benefit of the Secured Parties, legal, valid and enforceable first priority Lien on, and security interest in, all of such Co-Issuer's right, title and interest in and to the Company-Owned Real Property relating to such Mortgage and the proceeds thereof, subject to any Permitted Liens.

Section 4.13 Notices. The Servicer shall give written notice to the Co-Issuers, the Indenture Trustee and each Insurer, if any, promptly (but in any event within three (3) Business Days) upon the Servicer having knowledge of the occurrence of (a) any Rapid Amortization Event or any Potential Rapid Amortization Event, 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 4.14 Indebtedness. Neither the Servicer nor any Affiliate of Applebee's International (other than the Securitization Entities) may incur any Debt without (a) the consent of the Aggregate Controlling Party and (b) notice to the Rating Agencies; provided that clauses (a) and (b) shall not be required for (w) (i) the issuance of Series 2007-3 Notes pursuant to the IHOP Indenture up to an aggregate maximum principal amount of $445,000,000, which amount includes the aggregate maximum principal amounts of the Series 2007-1 Notes and the Series 2007-2 Notes issued pursuant to the IHOP Indenture after giving effect to such issuance of such additional notes, (ii) the issuance of additional notes pursuant to the IHOP Indenture up to an aggregate maximum principal amount of $575,000,000, inclusive of all Series of Notes outstanding under the IHOP Indenture; provided that (A) an amount of indebtedness is paid off under the Applebee's Securitization equal to the amount of additional notes offered pursuant to the IHOP Indenture and (B) no such additional Notes under the IHOP Indenture may be issued unless (1) the Three-Month Adjusted DSCR after giving effect to such issuance of such additional notes (calculated without giving effect to any equity contributions otherwise included in the calculation of Net Cash Flow) is at least equal to the Three-Month Adjusted DSCR as of the Closing Date and (2) the prior written consent of the Series 2007-1 Class A Insurer is obtained, and (iii) the payment of the L/C Reimbursement Amount and L/C Other Reimbursement Costs in accordance with the Class A-1 Note Purchase Agreement and reimbursement obligations, if any, with respect to the letters of credit existing immediately prior to the date hereof, (x) up to $95 million of indebtedness (excluding any existing "capital leases" in effect as of November 29, 2007 of IHOP Corp. and its affiliates and indebtedness contemplated by (w) above and (y) below) and (y) indebtedness incurred by Applebee's International or any of its subsidiaries in connection with sale/leaseback transactions; provided that, on a pro forma basis, after giving effect to such sale/leaseback transactions, the ratio of adjusted debt (calculated by capitalizing lease obligations, whether treated as operating leases or capital operating leases under GAAP, at 8x annual rent) to EBITDAR for IHOP Corp. and its affiliates is equal to or less than 7.30x during the twelve (12) month period following the Closing

Date and 7.0x thereafter; provided that any such transactions involving a Securitization Entity must comply with the provisions of the Indenture.

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 applicable Requirements of Law in the United States;

(iii) No Franchisee party to such New Franchise Document is the subject of a bankruptcy proceeding;

(iv) Royalties or similar fees payable pursuant to such New Franchise Document are payable at least monthly; provided, however, that the Servicer may cause the Franchise Holder to enter into or acquire a New Franchise Document that provides for royalties to be payable less frequently than monthly if the aggregate fees payable under all New Franchise Agreements that provide for payment of royalties less frequently than monthly 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;

(v) To the extent the Servicer determines to implement a system of electronic funds transfer (" EFT") with respect to substantially all of the Franchisees, the Master Issuer shall have the right to require payment of Continuing Franchise Fees by EFT pursuant to the Franchise Agreement or otherwise, other than with respect to Franchisees who are parties to Existing Franchise Documents as to whom the application of EFT

either has been waived by the Servicer or may not be required with respect to one or more applicable Franchise Agreements;

(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 Franchise Holder 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 types of underlying assets generating Collections, taken as a whole, in each case when compared to the amount, nature or quality of, or types of assets 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 of Applebee's International, 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 Franchise Holder's or the relevant Securitization Entity's right to assign such New Franchise Document (other than any Non-Conforming 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 (a) does not materially deviate from the standard form Franchise Agreement attached to the UFOC or such other form approved as of the date hereof by each Insurer, if any, that is a Series Controlling Party; provided that for the purpose of this subclause (1), the form of franchise agreement attached to an Existing U.S. Development Agreement shall be deemed an approved form with respect to a franchisee, and (b) is either (i) a Non-Conforming

New Franchise Document that is not a Defective Non-Conforming New Franchise Document or (ii) does not materially deviate from the prevailing royalty rates adopted by Applebee's International 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, if any, that is a Series Controlling Party. In addition, as of the New Asset Addition Date, the Franchisee under any New Franchise Agreement (i) has been determined to have the ability to perform its current and future obligations under such New Franchise Agreement by the Servicer in accordance with the Servicing Standard, (ii) is committed to employ trained restaurant management and to maintain proper staffing levels and (iii) if also a Franchisee under any other Franchise Agreement, is determined to the knowledge of the Servicer to be in compliance in all material respects with all such Franchise Agreements when taken together as a whole.

(2) If such New Franchise Document is a Refranchised Restaurant Lease or Franchisee Sub-Lease, such Refranchised Restaurant Lease, or Franchisee Sub-Lease 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, if any, and if such New Franchise Document is a Refranchised Restaurant Lease or Franchisee Sub-Lease, such Refranchised Restaurant Lease or Franchisee Sub-Lease 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 Company-Owned Real Property. As of the applicable New Asset Addition Date with respect to the New Company-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, in accordance with the Servicing Standard, taken or caused to be taken all action which the Servicer, in accordance with the Servicing Standard, has determined to be prudent and appropriate remediation, which may include follow up study or clean up measures on such Property as recommended or otherwise 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 to ensure the vesting of title in such Securitization Entity, 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 Company-Owned Real Property would prevent obtaining new insurance policies at reasonable rates;

(iii) The Securitization Entity holding such New Company-Owned Real Property has good, marketable and insurable fee simple title to the premises of such New Company-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 Company-Owned Real Property which are or may become a Lien upon the interest of the applicable Securitization Entity in such New Company-Owned Real Property except for Permitted Liens;

(v) The Securitization Entity holding such New Company-Owned Real Property, (x) is not in material default in any respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions applicable to such New Company-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 Company-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) Each applicable New Company-Owned Real 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 Company-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 Company-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 Company-Owned Real Property or for the relocation of roadways providing access to such New Company-Owned Real Property that, in either case, was not considered in the acquisition of such New Company-Owned Real Property;

(viii) Such New Company-Owned Real Property is comprised of one (1) or more parcels which, to the knowledge of the Servicer, constitute a separate tax lot or lots and does not constitute a portion of any other tax lot not a part of such New Company-Owned Real Property, other than New Company-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, and, in any event, no such failure to constitute or obtain such separate tax lot classification shall have a Material Adverse Effect with respect to the aggregate pool of Company-Owned Real Property;

(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 Company-Owned Real Property that were not considered in the acquisition of such New Company-Owned Real Property;

(x) Except pursuant to the Transaction Documents, no Securitization Entity has pledged any of its interest in such New Company-Owned Real Property or related Refranchised Restaurant 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 Company-Owned Real Property as an Applebee's 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 Company-Owned Real Property, if opened for business, is in conformity with the certificate of occupancy issued for such Property;

(xii) Such New Company-Owned Real Property is not subject to any leases other than the Refranchised Restaurant Leases, except as would not materially detract from the value of such Property. No Person (other than the applicable Securitization Entity) has any possessory interest in such New Company-Owned Real Property or right to occupy the same except under and pursuant to the provisions of the Refranchised Restaurant Leases;

(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 Company-Owned Real Property have been paid in full; and

(xiv) The Servicer shall have delivered a Mortgage with respect to such New Company-Owned Property, duly executed by the applicable Co-Issuer, in recordable

form and to be held in escrow pending recordation following a Trigger Event in accordance with Section 5.6 hereof.

(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 Applebee's 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 action which the Servicer, in accordance with the Servicing Standard, has determined to be prudent and appropriate remediation, which may include follow up study or clean up measures on such Property as recommended or otherwise indicated by such Phase I environmental study;

(ii) 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 that is not a Defective Non-Conforming New Franchise Document shall not be deemed to be a Negative Lease for purposes of this clause (ii);

(iii) With respect to New Leased Real Property, the Securitization Entity party to such Company Lease or Sale/Leaseback Lease and related Franchisee Sub-Lease, if any, has valid leasehold title to such Company Lease or Sale/Leaseback Lease and related Franchisee Sub-Lease, if any, free and clear of all Liens (other than Permitted Liens). The Servicer has made available to the Indenture Trustee full and complete copies of all new Leases entered into by the Securitization Entity relating to such New Leased Property (including all amendments to any existing Leases). No material default by the Securitization Entity or, to the knowledge of the Servicer, by any other party, exists under any provision of any such Lease, and no condition or event exists which after notice or lapse of time or both would constitute a material default thereunder by such Securitization Entity or, to the knowledge of the Servicer, by any other party;

(iv) The New Leased Real 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;

(v) 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;

(vi) All of the policies of insurance (x) required to be maintained by the applicable Securitization Entity under such Company Lease or Sale/Leaseback Lease and (y) to the knowledge of the Servicer, required to be maintained by Franchisees under the Franchisee Sub-Lease 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)(vi) with respect to the policies to be maintained by the applicable Securitization Entity pursuant to such Company Lease or Sale/Leaseback Lease shall be deemed accurate if the applicable Securitization Entity has contractually obligated the Franchisee party to such related Franchisee Sub-Lease to maintain insurance with respect to such Franchisee Sub-Lease in a manner that is customary for business operations of this type and in accordance with the Servicing Standard.

(vii) 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 an Applebee's 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 all Requirements of Law and with the certificate of occupancy issued for such Property;

(viii) Such New Leased Real Property is not subject to any leases, other than the Company Leases, Sale/Leaseback Leases and the Franchisee Sub-Leases, except as would not materially detract from the value of such property. 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 Company Leases, Sale/Leaseback Leases and the Franchisee Sub-Leases, except as would not materially detract from the value of such Property; and

(ix) 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 Company Lease or Sale/Leaseback Lease and the related Franchisee Sub-Leases for such New Leased Real Property have been paid in full.

(d) The Servicer will not enter into any Leases, including any Sale/Leaseback Leases, after the Closing Date which (i) require IHOP Corp. or Applebee's International to provide a guaranty or (ii) include any event of default under such Lease due to a bankruptcy of either IHOP Corp. or Applebee's International.

Section 5.2 Other Transferred Assets. (a) The Servicer (i) shall cause the Master Issuer or its applicable Subsidiary (such as the IP Holder) to enter into or acquire, (A) all Franchise Documents, (B) all Licensee-Developed IP and Servicer-Developed IP and (C) any New Company-Owned Real Property or New Leased Real Property relating to Applebee's Restaurants 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, cause the Master Issuer or its applicable Subsidiary to enter into, develop or acquire, any other asset or liability. Notwithstanding the foregoing, the Servicer shall not be required to cause the applicable Restaurant Holder to acquire the Company-Owned U.S. Restaurant Assets relating to the Applebee's Restaurant to be located at Blue Ridge Mall, Kansas City, Missouri until six months after the commencement of operations at such Applebee's Restaurant, which shall otherwise be treated as a Post-Closing U.S. Restaurant pursuant to the Post-Closing U.S. Restaurant Purchase Agreement; provided that such Applebee's Restaurant shall not be counted towards the permitted number of Post-Closing U.S. Restaurants to be retained after by the Predecessor Restaurant Holders after the Closing Date. 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 Master 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 Indenture Collateral; provided that the IP Assets which constitute the Applebee's Brand or are exclusively related thereto, shall be held by the IP Holder.

(b) Unless otherwise agreed to in writing by the Aggregate Controlling Party, any contribution to, or development or acquisition by, the Master 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), the IP License Agreements and the other Transaction Documents. Any Franchise Document that is a Post-Closing Asset shall be deemed to be a New Franchise Document for the purposes of this Agreement.

Section 5.3 IP Assets.

(a) All IP Assets shall be owned exclusively by the IP Holder and shall not be assigned or transferred by the IP Holder to any other entity.

(b) The Servicer and Applebee's International will use commercially reasonable efforts to obtain, within one hundred twenty (120) days of the Closing Date, the consent of the third party licensors under the third party license agreements set forth on Schedule 5.3 hereto ("Third Party Consent License Agreements") to the assignment of the Servicer's rights thereunder to the IP Holder, with the right to sublicense back such rights to the Servicer to enable the Servicer to perform its obligations hereunder, and, at the option of Applebee's International, either to sublicense to Applebee's International or another Affiliate of Applebee's International all rights to use the licensed Intellectual Property outside the United States and the U.S. Territories, or to separate any rights to use the licensed Intellectual Property outside the United States and the U.S. Territories into a separate agreement (which rights may remain with Applebee's Services, Inc, but not in its capacity as Servicer, or with Applebee's International or another Affiliate of Applebee's International which is not a Securitization Entity, in Applebee's International's discretion); provided that the expiry of such 120-day period without any such consent shall not relieve the Servicer and Applebee's International from their obligation to continue seeking consent (unless it is no longer commercially reasonable to seek such consent). With respect to those Third Party Consent License Agreements which have Participation Agreements issued thereunder, the Servicer, Applebee's International and the IP Holder shall mutually agree, such agreement not to be unreasonably withheld, with the applicable third party licensor as to how such Participation Agreement will be handled, with such agreement further subject to the approval of the Aggregate Controlling Party; provided that it shall be agreeable to the Servicer, Applebee's International, the IP Holder and the Aggregate Controlling Party, if the Participation Agreements are structured as sublicenses from the IP Holder to the relevant Franchisee or as sublicense from the Servicer to the relevant Franchisee.

Section 5.4 Allocated Note Amount attributable to Applebee's Restaurants. The Servicer will recalculate the Allocated Note Amount attributable to each Applebee's Restaurant (including each Post-Closing Restaurant) as of each date on which Applebee's International or the Servicer is required to reacquire the assets relating to an Applebee's Restaurant in accordance with the definition of Allocated Note Amount. The Allocated Note Amount determined by the Servicer in such manner shall be recorded in the books and records of the Servicer.

Section 5.5 Account Control Agreements for Deposits.

(a) If and for so long as any depositary institution receives $6,000,000 or more in revenues generated by the Restaurant Holders over any 12-month period, the Servicer shall use commercially reasonable efforts to cause such depositary institution to enter into an Account Control Agreement with the Indenture Trustee pursuant to which the local depositary institution will act at the direction of the Indenture Trustee if it receives written notice from the Indenture Trustee that a Servicer Termination Event or an Event of Default has occurred and is continuing. In connection with the foregoing, the Servicer has obtained executed Account Control Agreements will all requisite banks other than the banks listed on Schedule 5.5(a) hereto for which the Servicer shall obtain an executed Account Control Agreement on or before the one-year anniversary of the Closing Date (or replace such banks with financial institutions that have entered into such Account Control Agreements within such one-year period).

(b) Subject to Section 6.3, if a Trigger Event occurs, the Servicer shall, unless waived by the Aggregate Controlling Party, cause all depositary institutions receiving revenues generated by the Restaurant Holders at such time to enter into an Account Control Agreement with the Indenture Trustee within ninety (90) calendar days of the occurrence of the Trigger Event pursuant to which such depositary institutions shall act at the direction of the Indenture Trustee. If the Servicer is unable to cause any such depositary institution to enter into an Account Control Agreement in any circumstance requiring the depositary institution to enter into an Account Control Agreement pursuant the terms of this Agreement, including this Section 5.5 and Section 6.3, within ninety (90) days following the occurrence of the Trigger Event, the Servicer will be required to replace such depositary institution with another depositary institution that enters into an Account Control Agreement within such 90-day period.

Section 5.6 Real Estate Mortgages. If a Trigger Event has occurred and is continuing, the Servicer will record the real estate mortgages prepared pursuant to Section 2.1(b) within ninety (90) days thereafter except to the extent that such requirement is waived in whole or in part by the Aggregate Controlling Party.

Section 5.7 Special Provision regarding Non-Conforming Defective New Franchise Documents . Notwithstanding anything to the contrary herein, the Servicer shall not be deemed to have breached any representation, warranty, covenant or agreement contained herein as to itself, any New Asset or otherwise, solely for entering into any Non-Conforming New Franchise Document, unless such Non-Conforming New Franchise Document constitutes a Defective Non-Conforming New Franchise Document and the Servicer has failed to pay the Indemnification Amount in accordance with Section 2.7 hereof.

ARTICLE VI

SERVICER TERMINATION EVENTS

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 Master Issuer or the Indenture Trustee (acting at the written direction of the Aggregate Controlling Party):

(i) a failure by the Servicer to pay or remit (or cause to be paid or remitted) any amount required to be paid or remitted by the Servicer under the terms of this Agreement or any other Transaction Document within two (2) Business Days of the date on which such amount was required to be paid or remitted under this Agreement or such other Transaction Document (it being understood that the Servicer will not be responsible for the failure of the Indenture Trustee to remit funds that were received by the Indenture Trustee from or on behalf of the Servicer in accordance with this Agreement or such other Transaction Document);

(ii) the failure by the Securitization Entities to maintain a Three-Month Adjusted DSCR calculated for each Payment Date at least equal to 1.2x;

(iii) any failure by the Servicer to deliver (x) any Monthly Noteholders' Report, any Monthly Servicer's Certificate required to be delivered by the Servicer pursuant to this Agreement with respect to any Series of Notes or the periodic financial statements of Applebee's International, the Master Issuer or the Franchise Holder required to be delivered by the Servicer pursuant to this Agreement on its due date and such failure continues for a period of five (5) consecutive days following the earlier to occur of the actual knowledge of the Servicer of such failure or written notice to the Servicer by the Indenture Trustee, any Series Controlling Party or any Insurer of such failure (or, in the case of any Monthly Noteholders' Report or any Monthly Servicer's Certificate, within 5 consecutive days after such report is due) or (y)(i) one or more Weekly Servicer Report required to be delivered by the Servicer pursuant to this Agreement during any of the first three (3) fiscal months following the Closing Date and the total number of days elapsed following the date(s) such Weekly Servicer Report(s) was due exceeds ten (10) days during any such fiscal month or (ii) any Weekly Servicer Report required to be delivered by the Servicer pursuant to this Agreement on its due date during any fiscal month thereafter and such failure continues for a period of ten (10) consecutive days following the date such Weekly Servicer Report was due; provided, that the ten-day grace period in this subclause (y)(ii) shall only be applicable one time in any such fiscal month.

(iv) any failure by the Servicer to perform or comply with any other covenant or agreement contained in this Agreement, and such failure continues for a period of thirty (30) consecutive days following the earlier to occur of the knowledge of the Servicer of such failure or written notice to the Servicer of such failure by the Indenture Trustee, any Series Controlling Party or any Insurer;

(v) any representation, warranty or statement made by the Servicer in this Agreement or any certificate, report or other writing delivered by the Servicer pursuant to this Agreement 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, and such breach continues for a period of thirty (30) consecutive days following the earlier to occur of the knowledge of the Servicer of such breach or written notice to the Servicer of such breach by the Indenture Trustee, any Series Controlling Party or any Insurer;

(vi) if and for so long as the Servicer is an Affiliate of Applebee's International, any failure by Applebee's International to perform or comply with any covenant or agreement of Applebee's International contained in any Transaction Document to which it is a party, or the breach of any representation or warranty of Applebee's International contained in any Transaction Document to which it is a party, but in each case only to the

extent that such failure or breach could reasonably be expected to have a Material Adverse Effect, and such failure continues for a period of thirty (30) consecutive days following the earlier to occur of the knowledge of Applebee's International of such failure or breach, as applicable, or written notice to Applebee's International (with a copy to the Servicer) of such failure or breach, as applicable, by the Indenture Trustee, any Series Controlling Party or any Insurer of such failure; provided that any failure by Applebee's International to compensate the Master Issuer for the Indemnification Amount payable by Applebee's International in connection with the breach of a representation, warranty or covenant in respect of the Indenture Collateral (including the failure to procure the liquor license or other arrangement or the landlord consent, as applicable, necessary to convey a Post-Closing U.S. Restaurant to the Master Issuer within the time period specified in the applicable Post-Closing U.S. Restaurant Purchase Agreement), shall be deemed to have a Material Adverse Effect for purposes of this clause; provided, further, that any such failure by Applebee's International to compensate the Master Issuer in such manner shall be deemed to be cured upon the payment of the related Indemnification Amount or other liquidated damages amount or other amount determined in the manner provided in the related Transaction Document;

(vii) an effective resolution is passed by the Servicer for the winding up or liquidation of the Servicer, 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 Servicer 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 sixty (60) days after such filing or commencement;

(ix) the institution by the Servicer of proceedings to be adjudicated as bankrupt or insolvent, or the consent by the Servicer to the institution of bankruptcy or insolvency proceedings against it, or the filing by the Servicer 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 Servicer of an assignment for the benefit of creditors, or the admission by the Servicer in writing of its inability to pay its debts generally as they become due, or the taking of action by the Servicer in furtherance of any such action;

(x) an outstanding final non-appealable judgment, when aggregated with the amount of other outstanding final non-appealable judgments, exceeding $10,000,000 is rendered against the Servicer or any of its direct or indirect Subsidiaries, and either (i)

enforcement proceedings are commenced by any creditor upon such judgment or order or (ii) there shall be any period of thirty (30) consecutive 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;

(xi) this Agreement or a material portion thereof ceases 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 the Servicer asserts as such in writing;

(xii) the failure to pay in full all amounts then due and payable on the Series 2007-1 Notes upon a Change of Control that occurs without the prior written consent of the Series 2007-1 Class A Insurer and, if different, the Series Controlling Party for the Series 2007-1 Class A Notes;

(xiii) indebtedness of the Servicer and its Affiliates (excluding for such purpose the Notes issued by the Co-Issuers and the indebtedness issued by IHOP Franchising, LLC and IHOP IP, LLC pursuant to the IHOP Indenture) in an amount in excess of $50,000,000 is accelerated in accordance with the terms thereof for failure to pay such indebtedness after any applicable notice and cure period;

(xiv) the Aggregate Controlling Party delivers written notice to the Indenture Trustee to commence the liquidation of the Indenture Collateral in the manner provided in the Indenture following the occurrence of an Event of Default and an acceleration of the Notes or the Collateral has been sold in connection with an Auction Call Redemption and the buyer thereunder has elected to terminate this Agreement; or

(xv) any failure by the Guarantor to comply with any indebtedness covenants set forth in Section 8.5 below, or IHOP Corp. to comply with any of the covenants set forth in the IHOP Corp. Servicing Guaranty, or any representation or warranty made by the Guarantor or IHOP Corp. in this Agreement or the IHOP Corp. Servicing Guaranty, respectively, proves to be incorrect in any material respect, which breach continues for a period of thirty (30) consecutive days following the earlier to occur of the knowledge of the Guarantor or IHOP Corp., as applicable, of such failure or written notice to the Guarantor (with a copy to the Servicer) or IHOP Corp., as applicable, of such failure by the Indenture Trustee, any Series Controlling Party or any Insurer; provided, that a breach by (A) the Guarantor of an indebtedness covenant set forth herein or (B) IHOP Corp. of a covenant relating to the IHOP Corp. Consolidated Leverage Ratio set forth in the IHOP Corp. Servicing Guaranty shall not be subject to a notice and cure period.

If a Servicer Termination Event has occurred and is continuing, the Aggregate Controlling Party may direct the Indenture Trustee in writing to terminate the Servicer in its capacity as such by the delivery of a termination notice (a " Termination Notice") to the Servicer (with a copy to each of the Master Issuer, each Insurer, if any, the Back-Up Manager and the

Rating Agencies); provided, that the delivery of a Termination Notice shall not be required in the circumstances set forth in clauses (vii), (viii) and (ix) above; provided, further, that the termination of the Servicer shall not be effective until the appointment of a Successor Servicer in the manner provided herein.

(b) 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 Master 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 Manager in accordance with the Transaction Documents and subject to the direction of the Aggregate Controlling Party.

Section 6.2 Back-Up Manager Responsibilities.

(a) Trigger Event Services.

(i) Within two (2) days of obtaining knowledge of (i) the occurrence and continuance of any Trigger Event, the Master Issuer, the Indenture Trustee or the Servicer shall notify the Back-Up Manager, the Aggregate Controlling Party, each Insurer, if any, each Series Controlling Party and each Rating Agency in writing of such occurrence. Upon receipt of such notice, the Back-Up Manager shall immediately commence performance of the Trigger Event Services pursuant to the Back-Up Manager Agreement and shall, within fifteen (15) days after receipt of such written notice, have taken all steps necessary to enable itself to provide the Trigger Event Services (as defined in the Back-Up Manager Agreement).

(ii) The Servicer agrees to fully cooperate and provide such access and assistance to the Back-Up Manager as the Back-Up Manager may request to permit the Back-Up Manager to integrate itself into the business of the Servicer and to put itself in a position to provide the Trigger Event Services in accordance with the terms of the Back-Up Manager Agreement. As soon as the Back-Up Manager is prepared to provide the Trigger Event Services, it shall deliver a written notice thereof to the Master Issuer, the Indenture Trustee and the Servicer (with a copy to each Insurer, if any), in accordance with the manner of delivery specified in the Back-Up Manager Agreement. In the event that the Servicer fails to cooperate or to provide access or assistance to the Back-Up Manager, the Back-Up Manager shall promptly advise each Insurer, if any, and the Indenture Trustee of such failure. The parties hereto agree that time is of the essence and that such obligations of the Servicer under this Section 6.2(a)(ii) would not be sufficiently remedied only by money damages and that the Back-Up Manager or the Aggregate Controlling Party may seek equitable relief for any such failure of the Servicer to perform its obligations hereunder.

(b) Servicer Termination Event Services.

(i) If the Indenture Trustee, acting at the written direction of the Aggregate Controlling Party, delivers a Termination Notice to the Servicer pursuant to Section 6.1(a) (or automatically upon the occurrence of any Servicer Termination Event described in clauses (vii), (viii) and (ix) of Section 6.1(a)), all rights, powers, duties, obligations and responsibilities of the Servicer under this Agreement (other than with respect to Indemnification Amount payments) and the other Transaction Documents, including with respect to the Serviced Assets, the Indenture Trust Accounts, the Advertising Fees Account, the Servicing Accounts or otherwise shall vest in and be assumed by the Back-Up Manager; provided, that the Back-Up Manager shall act only in consultation with, and at the direction of, the Aggregate Controlling Party (and, if otherwise required under this Agreement, the Co-Issuers and the Franchise Holder). The Back-Up Manager has agreed to assume such duties, obligations and responsibilities following a Servicer Termination Event under the Back-Up Manager Agreement. The Indenture Trustee shall provide a written notice to each depositary institution at which a Servicing Account has been established and maintained (each of such depositary institutions being referred to herein as a "Non-Trust Account Bank") (with a copy to the Back-Up Manager and each Insurer, if any) upon the occurrence of a Servicer Termination Event in accordance with the Back-Up Manager Agreement and the Account Control Agreements, which notice shall inform the Non-Trust Account Banks of such occurrence and instruct it to deny any access to the related Servicing Accounts (and any funds on deposit therein) by the Master Issuer or the Servicer. Thereafter, the Indenture Trustee, at the direction of the Back-Up Manager, shall provide instructions to the Non-Trust Account Banks as required by the Transaction Documents relating to the Servicing Accounts (and any funds on deposit therein).

(ii) At the time that any rights, powers, duties, obligations and responsibilities of the Servicer vest in and are assumed by the Back-Up Manager, the Servicer shall be deemed to have become a sub-servicer for the Back-Up Manager, and in such capacity shall perform such duties, obligations and responsibilities of the Back-Up Manager under this Agreement and the other Transaction Documents and the Serviced Documents as the Back-Up Manager shall direct. The Back-Up Manager shall compensate the Servicer as sub-servicer from the Weekly Servicing Fee and, if applicable, the Supplemental Servicing Fee, after payment of amounts due to the Back-Up Manager and if such fee is insufficient, the Back-Up Manager shall request an increase in the Supplemental Servicing Fee from the Aggregate Controlling Party (though, for the avoidance of doubt, the Aggregate Controlling Party shall have no obligation to agree thereto).

(iii) Following the delivery to the Servicer of a Termination Notice pursuant to Section 6.1(a) (or automatically upon the occurrence of any Servicer Termination Event described in clauses (vii), (viii) and (ix) of Section 6.1(a)), the Back-Up Manager shall have all rights and powers that the Servicer would have had if such Servicer Termination Event had not occurred; provided that the Back-Up Manager 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, if otherwise required under this Agreement, the Co-Issuers and the Franchise Holder). In addition, the Back-Up Manager shall exercise commercially reasonable efforts to develop and deliver to each Insurer, if any, the Co-Issuers and the Franchise Holder within ninety (90) days from the occurrence of the relevant Servicer Termination Event a comprehensive proposal (the "Back-Up Manager Proposal") 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 and to identify alternative suppliers and providers of distribution services and retest suppliers as directed by the Aggregate Controlling Party. In preparing such Back-Up Manager Proposal, the Back-Up Manager shall consult and cooperate with the Aggregate Controlling Party in developing the Back-Up Manager Proposal.

(iv) If the Back-Up Manager Proposal contemplates the engagement of a Successor Servicer, the Back-Up Manager shall, in a prompt and timely manner (in addition to performing the Trigger Event Services and other services specified in the Back-Up Manager Agreement and assuming all of the rights, powers, duties, obligations (other than financial and indemnification obligations) and responsibilities of the Servicer hereunder):

(1) develop a plan for identifying one or more Persons that would be suitable to serve as a Successor Servicer under this Agreement (a "Servicer Replacement Plan"); provided that any Servicer Replacement Plan shall, among other things, address the issues set forth on Schedule A to the Back-Up Manager Agreement; provided, further that in preparing such Servicer Replacement Plan the Back-Up Manager may have discussions with third parties;

(2) assist the Aggregate Controlling Party in selecting one or more Persons to serve as a Successor Servicer;

(3) develop a plan for such Successor Servicer to take over the administration of the Advertising Fees Account; and

(4) develop an action plan for ensuring that all notices to, or filings with, applicable state and local authorities have been made so that engagement of a Successor Servicer will not result in, or otherwise constitute, grounds for revocation or termination of any liquor license.

(c) Back-Up Manager Proposal; Approvals.

(i) The Back-Up Manager shall first submit the Back-Up Manager Proposal to the Insurers, if any, and the Indenture Trustee for the approval of the Aggregate Controlling Party, and to the extent such approval is not granted, both the Back-Up Manager and the Aggregate Controlling Party shall continue to work in good faith to achieve such approval.

(ii) If the Back-Up Manager Proposal provides for the re-engagement of the Servicer, the Servicer shall continue to provide the sub-services until all conditions to such re-engagement have been satisfied. If the Back-Up Manager Proposal contemplates the re-engagement of the Servicer and such proposal is approved by the Aggregate Controlling Party, then the Back-Up Manager shall submit the Back-Up Manager Proposal to the Servicer. In the event that such Back-Up Manager Proposal is rejected by the Servicer, the Servicer shall continue to provide such sub-servicing duties as the Back-Up Manager requests pending the appointment of a Successor Servicer.

(iii) If the Back-Up Manager Proposal does not contemplate the re-engagement of the Servicer but the engagement of a Successor Servicer, the Servicer shall continue to provide such sub-servicing duties as the Back-Up Manager 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 Manager and the Aggregate Controlling Party.

Section 6.3 Lock-Box Account; Account Control Agreements . If a Trigger Event has occurred, the Aggregate Controlling Party may direct the Servicer to (a) notify all Franchisees to make Franchise Payments, Development Payments and Lease Payments to one or more lock-box accounts (each, a "Lock-Box Account") established and maintained by a Lock-Box Provider to the extent that the Franchisees do not make such payments directly to the Concentration Account; and (b) use commercially reasonable efforts to cause all or part of the local depositary institutions that receive cash revenues generated by the Restaurant Holders to enter into Account Control Agreements with the Indenture Trustee in accordance with Section 5.5(b).

Section 6.4 Servicer's Transitional Role.

(a) Disentanglement. Following the delivery of a Termination Notice to the Servicer pursuant to Section 6.1(a) or Section 6.2 above or notice of resignation of the Servicer pursuant to Section 4.4(b), the Servicer shall (i) continue to cooperate with the Back-Up Manager in the conduct of the Back-Up Services and the implementation of the Back-Up Manager 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 shall follow any directions that may be provided by the Back-Up

Manager. 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 Manager 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 Manager, the Successor Servicer or the Successor Servicer's designated alternate service provider in the performance of the Services, shall be deemed a part of the Services to be performed by the Servicer. The Servicer shall 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 6.2(b)(ii). 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 shall 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 shall:

(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 shall take all reasonable actions necessary or reasonably requested by the Aggregate Controlling Party to accomplish a complete transition of the Services performed by such sub-servicer 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 6.5 Intellectual Property. Within thirty (30) days of termination of this Agreement for any reason, the Servicer shall deliver and surrender up to the IP Holder (with a copy to the Back-Up Manager) any and all products, materials, or other physical objects containing the Trademarks included in the IP Assets or Confidential Information of the IP Holder and any copies of copyrighted works included in the IP Assets in the Servicer's possession or control, and shall terminate all use of all IP Assets, including trade secrets.

Section 6.6 Third Party Intellectual Property. The Servicer shall assist and fully cooperate with the Successor Servicer or its designated alternate service provider in obtaining any necessary licenses or consents to use any third party Intellectual Property then being used by the Servicer or any sub-servicer. The Servicer shall 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 6.7 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 6.8 Injunction. The Servicer agrees that a breach or violation of Section 4.3 or Section 4.9 or ARTICLE VI, ARTICLE VII or ARTICLE 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 6.9 Rights Cumulative. All rights and remedies from time to time conferred upon or reserved to the Securitization Entities, the Indenture Trustee, each Insurer, if any, 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 such 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 (the "Recipient") may receive Confidential Information from another party hereto (the " Discloser"). Each such party agrees to maintain the Confidential Information of the other party in the strictest of confidence and shall 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" and who have been apprised of this restriction. The Recipient shall be liable for any breach of this Section 7.1 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 the Discloser. Upon termination of this Agreement, Recipient shall return to the Discloser, or at Discloser's request, destroy, all documents and records in its possession containing the Confidential Information of the 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 the Discloser; (ii) is or becomes part of the public domain other than by breach of this Agreement by, or other wrongful act of, the Recipient; (iii) is developed by the Recipient independently of and without reference to any Confidential Information; (iv) is received by the Recipient from a third party who is not under any obligation to the 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 (including, but not limited to, the obligations set forth in Section 2.7 hereof) of the Servicer set forth in, and subject to the terms of, this Agreement and the other Transaction Documents to which the Servicer is a party (the "Guarantee"). This Guarantee shall be a continuing and irrevocable guarantee of payment of all amounts due and performance of all obligations of Applebee's Services, Inc. hereunder and under the other Transaction Documents to which the Servicer is a party, 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; and (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 this Agreement, any of the other Transaction Documents or any of the Serviced Documents, the Franchise Documents or the Franchise Documents; (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; or (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 this 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 this 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 this Agreement, any of the other Transaction Documents, the Serviced Documents or the Franchise Documents; and (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, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect 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, shall 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.

Section 8.5 Debt Restrictions of the Guarantor. Neither IHOP nor the Guarantor nor any of their respective Affiliates (other than the Securitization Entities) may incur any Debt without (a) the consent of the Aggregate Controlling Party and (b) notice to the Rating Agencies; provided that clauses (a) and (b) shall not be required for (w) (i) the issuance of Series 2007-3 Notes pursuant to the IHOP Indenture up to an aggregate maximum principal amount of $445,000,000, which amount includes the aggregate maximum principal amounts of the Series 2007-1 Notes and the Series 2007-2 Notes issued pursuant to the IHOP Indenture after giving effect to the issuance of such additional notes, (ii) the issuance of additional notes pursuant to the IHOP Indenture up to an aggregate maximum principal amount of $575,000,000, inclusive of all Series of Notes outstanding under the IHOP Indenture; provided that (A) an amount of indebtedness is paid off under the Applebee's Securitization equal to the amount of additional notes offered pursuant to the IHOP Indenture and (B) no such additional Notes under the IHOP Indenture may be issued unless (1) the Three-Month Adjusted DSCR after giving effect to such issuance of such additional notes (calculated without giving effect to any equity contributions otherwise included in the calculation of Net Cash Flow) is at least equal to the Three-Month Adjusted DSCR as of the Closing Date and (2) the prior written consent of the Series 2007-1 Class A Insurer is obtained, and (iii) the payment of the L/C Reimbursement Amount and L/C Other Reimbursement Costs in accordance with the Class A-1 Note Purchase Agreement and reimbursement obligations, if any, with respect to the letters of credit existing immediately prior to the date hereof, (x) up to $95 million of indebtedness (excluding any existing "capital leases" in effect as of November 29, 2007 of IHOP Corp. and its affiliates and indebtedness contemplated by (w) above and (y) below); and (y) indebtedness incurred by Applebee's International or any of its subsidiaries in connection with sale/leaseback transactions; provided that, on a pro forma basis, after giving effect to such sale/leaseback transactions, the ratio of adjusted debt (calculated by capitalizing lease obligations, whether treated as operating leases or capital leases under GAAP, at 8x annual rent) to EBITDAR for IHOP Corp. and its affiliates is equal to or less than 7.30x during the twelve (12) month period following the Closing Date and 7.0x thereafter; provided that any such Debt described in clause (x) above shall not be permitted if, after giving effect thereto, the ratio of Consolidated Adjusted Debt to Consolidated EBITDAR would exceed the sum of such ratio as of the Closing Date plus 1.5x; provided, further, that any such transactions involving a Securitization Entity must comply with the provisions of the Indenture.

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(a) terminate upon the

latest to occur of (x) the final payment or other liquidation of the last outstanding Serviced Asset included in the Indenture Collateral and (y) the satisfaction and discharge of the Indenture pursuant to Article XI 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), Section 2.7, Section 2.8, Section 4.3(e)(ii), Section 4.4(c), Section 5.1, ARTICLE VI, ARTICLE VII, ARTICLE VIII 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 such amendment, the Servicer shall send to the Indenture Trustee, each Insurer, if any, and each Rating Agency a conformed copy of such amendment, but the failure to do so shall not impair or affect its validity.

(c) Any such 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 SECTIONS 5-1401 AND 5-1402 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 Section 16.4 of 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 Master Issuer under this Agreement are solely the limited liability company obligations of the Master Issuer. Each of the Servicer and the Indenture Trustee agrees that the Master Issuer shall be liable for any claims that either may have against the Master 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, if any, 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. The parties hereto acknowledge and agree that (i) although this Agreement, the Insurance Agreement(s) and the Back-Up Manager Agreement are separate documents, they are intended to be integrated as one indivisible, non-separable agreement, (ii) the Servicer (and any Successor Servicer) in accepting the servicing role set forth in this Agreement (including but in no way limited to any Successor Servicer assuming the rights and obligations set forth in this Agreement after a bankruptcy of the predecessor Servicer) (and performing certain covenants on behalf of the Co-Issuers under the Indenture) hereby acknowledges and assumes, in partial consideration for its appointment as Servicer under this Agreement, any and all obligations of the Servicer hereunder, any Insurance Agreement and the Back-Up Manager Agreement, (iii) the provisions of the Insurance Agreement(s) shall be deemed to be incorporated into this Agreement as if they were set forth herein, (iv) this paragraph is fundamental to their

understanding of this Agreement and is not in any manner severable from the remainder of this Agreement, (v) each Insurer, if any, would not have agreed to enter into the relevant Insurance Agreement (without which the transaction contemplated by this Agreement and such Insurance Agreement(s) would not have been entered into) without the benefit of and reliance upon all cross-default provisions contained herein and in any of the other Transaction Documents contemplated hereby (including but in no way limited to this Agreement), (vi) the rights, privileges, obligations and liabilities of such parties have been set forth in separate agreements for administrative convenience only, and (vii) it would be inequitable for any party hereto to enjoy the benefits of such single, integrated transaction without also meeting its obligations hereunder, whether such obligations are set forth in this Agreement or any other such agreement. Each Insurer, if any, and its successors and assigns shall be deemed parties to this Agreement solely for purposes of benefiting from the right to enforce any right, remedy or claim conferred, given or granted to it hereunder and not for the purpose of assuming any obligation hereunder. To the extent that this Agreement confers upon or gives or grants to an Insurer any right, remedy or claim under or by reason of an Insurance Agreement, each Insurer, if any, may enforce any such right, remedy or claim conferred, given or granted hereunder or thereunder.

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 (including by facsimile or other electronic means of communication), 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. Applebee's International and Applebee's Services, Inc. hereby agree that the Agreement to Provide Applebee's Services, dated January 1, 1996, between Applebee's International and Applebee's Services, Inc., is hereby terminated.

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 related thereto, 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 shall 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.

[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.

APPLEBEE'S SERVICES, INC., as Servicer

By: /s/ Rebecca Tilden
Name: Rebecca Tilden
Title: Secretary

APPLEBEE'S ENTERPRISES LLC, as Master Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S IP LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS NORTH LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS WEST LLC, as Co-Issuer

By: /s/ Beverly Elving
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS INC., as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS KANSAS LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS VERMONT, Inc., as Co-Issuer

By: /s/ Rebecca Tilden
Name: Rebecca Tilden
Title: President

APPLEBEE’S FRANCHISING LLC,

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE’S INTERNATIONAL, INC., as Guarantor

By: /s/ Beverly Elving
Name: Beverly Elving
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: /s/ Melissa Philibert
Name: Melissa Philibert
Title: Vice President

ASSURED GUARANTY CORP., as Series 2007-1 Class A Insurer

By: /s/ Daniel S. Bevill
Name: Daniel S. Bevill
Title: Managing Director

[Applebee’s Servicing Agreement]

EXHIBIT A

MANAGEMENT ASSERTION

Re: Annual Accountant’s Report

Reference is made to the Servicing Agreement, dated as of November 29, 2007 (the “Servicing Agreement”) among Applebee’s Enterprises LLC, Applebee’s IP LLC, Applebee’s Restaurants North LLC, Applebee’s Restaurants Mid-Atlantic LLC, Applebee’s Restaurants West LLC, Applebee’s Restaurants Texas LLC, Applebee’s Restaurants Inc., Applebee’s Restaurants Kansas LLC, Applebee’s Restaurants Vermont, Inc., Applebee’s Franchising LLC, Applebee’s Services, Inc. (the “Servicer”), Applebee’s International, Inc. (the “Guarantor”), Assured Guaranty Corp. and Wells Fargo Bank, National Association (the “Indenture Trustee”). 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 Applebee’s Services, 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:

A1

EXHIBIT B-1

POWER OF ATTORNEY OF IP HOLDER

KNOW ALL MEN BY THESE PRESENTS, that in connection with the Servicing Agreement, dated as of the date hereof, among Applebee's IP LLC, a Delaware limited liability company (the "IP Holder"), Applebee's Services, Inc., a Delaware corporation (as the "Servicer"), Applebee's International, Inc. (the "Guarantor"), Wells Fargo Bank, National Association (the "Indenture Trustee") and the other parties identified therein (as the same may be amended or otherwise modified from time to time, the "Servicing Agreement"), the IP Holder hereby appoints the Servicer and any and all officers thereof as its true and lawful attorney in fact, with full power of substitution, in connection with the IP Services described below being performed with respect to the IP Assets, with full irrevocable power and authority in the place of the IP Holder and in the name of the IP Holder or in its own name as agent of the IP Holder, 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 perform:

(i) searching, screening and clearing After-Acquired IP Assets to assess the risk of potential infringement;

(ii) filing, prosecuting and maintaining applications and registrations for the IP Assets, in the United States (and, with respect to the POS System, worldwide), in the IP Holder's name, including, timely filing of evidence of use, applications for renewal and affidavits of use and/or incontestability, the timely payment of all registration and maintenance fees, responding to third party oppositions of applications or challenges to registrations, and responding to any office actions, reexaminations, interferences or other office or examiner requests or requirements;

(iii) monitoring third party use and registration of Trademarks and taking appropriate actions to oppose or contest the use and any application or registration for Trademarks that could reasonably be expected to infringe, dilute or otherwise violate the IP Assets or IP Holder's rights therein;

(iv) confirming the IP Holder's legal title in and to the IP Assets, including obtaining written assignments of IP Assets to the IP Holder and recording transfers of title in the appropriate intellectual property registry;

(v) with respect to the IP Holder's rights and obligations under the IP License Agreements and any Transaction Documents or other agreements pursuant to which the

IP Holder licenses the use of any IP Assets, monitoring the licensee's use of each licensed Trademark and the quality of its goods and services offered in connection with such Trademarks, rendering approvals (or disapprovals) that are required under the applicable license agreement(s), and ensuring that any use of any such Trademarks by any such licensee satisfies the quality control standards and usage provisions of the applicable license agreement and is in compliance with all applicable laws and the requirements of each of the Transaction Documents;

(vi) sublicensing the IP Assets to suppliers, manufacturers, advertisers, and other service providers in connection with the provision of products and services for use in the U.S. Restaurant Business, the Other U.S. Products and Services, the Other U.S. Franchise Business and the U.S. Territories Business;

(vii) protecting, policing, and, in the event that the Servicer becomes aware of any unlicensed copying, imitation, infringement, dilution, misappropriation, unauthorized use or other violation of the IP Assets, or any portion thereof, enforcing such IP Assets, including, (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 claims or suits involving imitation, infringement, dilution, misappropriation, the unauthorized use or other violation of the IP Assets, and seeking all appropriate monetary and equitable remedies in connection therewith; provided that the IP Holder shall, and hereby agrees to, join as a party to any such suits to the extent necessary to maintain standing;

(viii) 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 Holder, 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 Holder to the Indenture Trustee under the Indenture, (ii) preparing, executing and delivering grants of security interests or
any similar instruments as the Indenture Trustee and the Co-Issuers 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 PTO, the United States Copyright Office or, only with respect to the POS System, with any applicable foreign intellectual property office and (iii) disclosing to Applebee's International all material After-Acquired IP Assets for Applebee's International's exploitation thereof outside the U.S. and U.S. Territories;

(ix) taking such actions as any licensee under an IP License Agreement may request that are required by the terms, provisions and purposes of such IP License Agreement (or by any other agreements pursuant to which the IP Holder licenses the use

of any IP Assets) to be taken by the IP Holder, and preparing (or causing to be prepared) for execution by the IP Holder all documents, certificates and other filings as the IP Holder shall be required to prepare and/or file under the terms of such IP License Agreements (or such other agreements);

(x) 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;

(xi) obtaining licenses of third party Intellectual Property for use and sublicense in connection with the U.S. Restaurant Business, the Other U.S. Products and Services, the Other U.S. Franchise Business and the U.S. Territories Business, including sublicense to Franchisees pursuant to Participation Agreements or to Securitization Entities; and

(xii) with respect to trade secrets and other confidential information of the IP Holder, taking all reasonable measures to maintain confidentiality and to prevent non-confidential disclosures.

IP Holder shall provide all requested cooperation and assistance to the Servicer in furtherance of the Servicer'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 [November 29], 2007

APPLEBEE'S IP LLC

By: ______________________________
Name:
Title:

STATE OF [ ])

) ss.:

COUNTY OF [ ])

On the [29th day of November], 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 B-2

POWER OF ATTORNEY OF [ ]

KNOW ALL MEN BY THESE PRESENTS, that [ ], a [ ] (the "Company"), hereby appoints Applebee's Services, Inc., a Delaware corporation ("Applebee's Services"), and any and all officers thereof as its true and lawful attorney in fact, with full power of substitution, in connection with the services to be provided to the Company by Applebee's Services pursuant to the Servicing Agreement, dated as of the date hereof, by and among the Company, Applebee's Services, in its capacity as the Servicer (the "Servicer"), Applebee's International, Inc. (the "Guarantor"), Wells Fargo Bank, National Association (the "Indenture Trustee") and the other parties identified therein (as the same may be amended or otherwise modified from time to time, the "Servicing Agreement"), with full irrevocable power and authority in the place of the Company and in the name of the Company or in its own name as agent of the 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:

(a) perform such functions and duties, and prepare and file such documents, as are required under the Indenture to be performed, prepared and/or filed by the 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 Company may from time to time reasonably request in order to perfect and maintain the security interests in the Indenture Collateral granted by the Company to the Indenture Trustee under the Transaction Documents in accordance with the UCC; and (ii) executing grants of security interests or any similar instruments required under the Transaction Documents to evidence such security interests in the Indenture Collateral;

(b) take such actions on behalf of Company as Master Issuer or Servicer may reasonably request that are expressly required by the terms, provisions and purposes of the Servicing Agreement; or cause the preparation by other appropriate persons, of all documents, certificates and other filings as the Company shall be required to prepare and/or file under the terms of the Servicing; and

(c) pay or arrange for payment or discharge taxes and liens levied or placed on or threatened against the IP Assets.

[ ] shall provide all requested cooperation and assistance to Applebee's Services, Inc. in furtherance of Applebee's Services, 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 [November 29], 2007

[ ]

By: ______________________________

Name:

Title:

STATE OF [ ])
) ss.:
COUNTY OF [ ])

On the [29th day of November], 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' 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 November 29, 2007, among Applebee's Enterprises LLC, Applebee's IP LLC, Applebee's Restaurants North LLC, Applebee's Restaurants Mid-Atlantic LLC, Applebee's Restaurants West LLC, Applebee's Restaurants Texas LLC, Applebee's Restaurants Inc., Applebee's Restaurants Kansas LLC, Applebee's Restaurants Vermont, Inc., and Wells Fargo Bank, National Association (the "Indenture Trustee") (as amended, supplemented and otherwise modified from time to time, the " Indenture") and the Servicing Agreement, dated as of November 29, 2007, among Applebee's Enterprises LLC, Applebee's IP LLC, Applebee's Restaurants North LLC, Applebee's Restaurants Mid-Atlantic LLC, Applebee's Restaurants West LLC, Applebee's Restaurants Texas LLC, Applebee's Restaurants Inc., Applebee's Restaurants Kansas LLC, Applebee's Restaurants Vermont, Inc., Applebee's Franchising LLC, Applebee's Services, Inc. (the "Servicer"), Applebee's International, Inc. (the "Guarantor"), Assured Guaranty Corp. and the Indenture Trustee (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' Report 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 Master 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' Report.

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 November 29, 2007, among Applebee's Enterprises LLC, Applebee's IP LLC, Applebee's Restaurants North LLC, Applebee's Restaurants Mid-Atlantic LLC, Applebee's Restaurants West LLC, Applebee's Restaurants Texas LLC, Applebee's Restaurants Inc., Applebee's Restaurants Kansas LLC, Applebee's Restaurants Vermont, Inc., and Wells Fargo Bank, National Association (the "Indenture Trustee") (as amended, supplemented and otherwise modified from time to time, the " Indenture") and the Servicing Agreement, dated as of November 29, 2007, among Applebee's Enterprises LLC, Applebee's IP LLC, Applebee's Restaurants North LLC, Applebee's Restaurants Mid-Atlantic LLC, Applebee's Restaurants West LLC, Applebee's Restaurants Texas LLC, Applebee's Restaurants Inc., Applebee's Restaurants Kansas LLC, Applebee's Restaurants Vermont, Inc., Applebee's Franchising LLC, Applebee's Services, Inc., (the "Servicer"), Applebee's International, Inc. (the "Guarantor"), Assured Guaranty Corp. and the Indenture Trustee (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, Default, Rapid Amortization Event or Potential Rapid Amortization Event has occurred or is continuing.

(C) No trademark registrations are within 3 months of lapsing, except for the following trademark registrations that the Servicer has determined that it will allow to lapse within such time period pursuant to the Servicing Standard:

By: ______________________________
Name:
Title:

[ATTACH MONTHLY SERVICER'S REPORT]

EXHIBIT E

FORM OF WEEKLY SERVICER'S REPORT

SCHEDULE 2.1(f)

FRANCHISEE INSURANCE NOT PROVIDING AFFILIATE COVERAGE

None

SCHEDULE 2.1(h)

SERVICER INSURANCE

Coverage	Insurance Carrier	Policy Term	Comment
Aircraft	USAIG	6/26/07 - 6/26/08	3rd party and property insurance for aircraft.
Automobile Liability – Owned/Hire & Non-owned	ACE	1/01/07 - 1/01/08	Coverage for "hired & non-owned autos. Insures associates while renting autos on company business. Insures the company against claims made for incidents when associates are driving their own vehicle.
Crime—Employee Dishonesty	St. Paul	1/01/07 - 1/01/08	Employee theft and/or forgery of money, securities, or other property.
D&O Liability	National Union, Chubb, Liberty, St. Paul	12/15/06 - 12/15/07	Traditional and broad form Side-A coverage for Directors and Officers.
Fiduciary	Chubb & St. Paul	12/31/06 - 12/31/07	Insures against wrongful acts committed, attempted, or allegedly committed by employees with respect to sponsored employee benefit plans.
Foreign Package	ACE	1/01/07 - 1/01/08	Independent insurance program covering associates while traveling internationally.
General Liability	ACE	1/01/07 - 1/01/08	Covers injury or illness to guests. Also covers damage to loss of guests' property.
Kidnap Ransom	Liberty Mutual	12/15/06 - 12/15/07	Insurance and investigative protocols for kidnap, ransom, extortion, detention, etc.
Property (Includes Earth Movement)	Lloyds of London	1/01/07 - 1/01/08	Covers loss or damage to property owned or leased by the company.
Property DIC/Earth Movement	United Fire & Casualty	1/01/07 - 1/01/08	
Property DIC/Earthquake	AXIS	1/01/07 - 1/01/08	
Trade Name Restoration	Lloyds of London	1/01/07 - 1/01/08	Protects the company as a 1st party insured for loss of business income and restoration of the trade name in the event of a food borne illness, accidental contamination, and/or malicious contamination.
Umbrella & Excess Umbrella	ACE, Fireman's Fund, Liberty	1/01/07 - 1/01/08	Umbrella & excess umbrella above the company's General Liability, Auto, Employer's Liability, Foreign Package.
Workers' Compensation AOS *(Deductible)*	ACE	1/01/07 - 1/01/08	State statutory & employer's liability for injury/illness to associates.
Workers' Compensation - Wisconsin	ACE	1/1/07 – 1/1/08	

<u>SCHEDULE 2.10</u>

SUBSERVICING ARRANGEMENTS

None

SCHEDULE 5.3(b)

THIRD PARTY CONSENT LICENSE AGREEMENTS

A. Contracts with AII Services, Inc.

1. Application Services Provider Agreement, dated March 10, 2006, between Arrowstream, Inc. and AII Services, Inc.

2. Software License and Services Agreement, dated December 12, 2000, between Astute, Inc. and AII Services, Inc.

3. End-User License Agreement, dated August 1, 2004, between Barlap Compliance Corporation, Inc. and AII Services, Inc.

4. Hardware Purchase & Software License Agreement, dated September 14, 2004, as amended, between Commerciant, L.P. and AII Services, Inc.

5. Restated and Amended Software License Agreement, dated June 29, 2005, as amended, between EATEC Corporation and AII Services, Inc.

6. Master Services Agreement, dated April 1, 2007, between e-Dialog, Inc. and AII Services, Inc.

7. End-User License Agreement, dated October 2005 v.2, as amended, between FrontRange Solutions USA, Inc. and AII Services, Inc.

8. Sales, Software License and Services Agreement, dated April 5, 2007, as amended, between Kronos Incorporated and AII Services, Inc.

9. Microsoft Business Agreement, dated September 19, 2001, between MSLI, GP and AII Services, Inc.

10. Microsoft Select Agreement, dated December 23, 2002, as amended, between MSLI, GP and AII Services, Inc.

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11. Universal Agreement, dated June 26, 1990, as amended, between NCR and AII Services, Inc. (also assigned to AFSS, Inc. pursuant to Amendment dated November 18, 2003)

12. Master Software License Agreement, dated June 12, 2007, between Passlogix, Inc. and AII Services, Inc.

13. Software License and Services Agreement, dated December 31, 2001, as amended, between PeopleSoft USA, Inc. (acquired by Oracle Corporation) and AII Services, Inc.

14. Professional Services Schedule and related Statement of Work, dated July 31, 2007, between SAVVIS and AII Services, Inc.

15. Database Management Services License Agreement, dated April 1, 2007, between SMG-II LLC and AII Services, Inc.

16. Maintenance Agreement, dated July 1, 2007, between Spartan Computer Services, Inc. and AII Services, Inc.

17. License Agreement, dated December 27, 2005, between Steton Technology Group, Inc. and AII Services, Inc.

18. Research Services Agreement, dated December 13, 2002, between Synovate, Inc. and AII Services, Inc.

19. Software License Agreement, dated November 22, 2004, between Tequila Software Incorporated and AII Services, Inc.

20. Software License Agreement, dated April 6, 2005, between Trabon Solutions, LLC and AII Services, Inc.

21. Statement of Work (Applebee's Learning Center), dated December 13, 2006, between TrioMedia, LLC and AII Services, Inc.

22. Enterprise-Wide Software License Agreement, dated December 14, 2006, between XPIENT Solutions, LLC and AII Services, Inc.

B. Contracts with Applebee's International, Inc.

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1. User-Based Software License Agreement, dated October 27, 2003, between BEA Systems, Inc. (formerly Plumtree Software, Inc.) and Applebee's International, Inc.

2. Purchase Web Agreement, dated December 22, 2000, between Instill Corporation and Applebee's International, Inc.

3. Clickwrap Software License, dated April 15, 2004, between MicroStrategy Services Corporation and Applebee's International, Inc.

4. QSR Automations Software License, Maintenance and Purchase Agreement, dated February 5, 2004, between QSR Automations, Inc. and Applebee's International, Inc.

5. Teradata Division Support Services Addendum, dated January 1, 2002, between Teradata Division (NCR Corporation) and Applebee's International, Inc (addendum to Universal Agreement, dated June 26, 1990, as amended, between NCR and AII Services, Inc.)

SCHEDULE 5.5(a)

BANKS WITHOUT REQUIRED ACCOUNT CONTROL AGREEMENTS

Citizens Bank

Exhibit 10.30

IHOP CORP. SERVICING GUARANTEE

This GUARANTEE AGREEMENT, dated as of November 29, 2007 (the "Agreement"), is executed and delivered by IHOP Corp., a Delaware corporation (the "Guarantor") for the benefit of Applebee's Enterprises LLC, Applebee's IP LLC, and the Restaurant Holders (collectively, the "Co-Issuers").

RECITALS

WHEREAS, in connection with the Securitization Transaction, the Co-Issuers have entered into the Base Indenture, dated as of November 29, 2007, with Wells Fargo Bank, National Association, as Indenture Trustee (as supplemented, amended and modified from time to time, the "Applebee's Indenture"), pursuant to which the Co-Issuers shall issue one or more Series of Notes on the terms described therein;

WHEREAS, in connection with the Securitization Transaction, Applebee's Services, Inc. will act as the servicer (together with its permitted successors and assigns in such capacity, the "Servicer"), pursuant to the Servicing Agreement, dated as of November 29, 2007 (the "Servicing Agreement"), entered into by and among the Servicer, Applebee's International Inc. ("Applebee's International"), the Co-Issuers, the Franchise Holder and the Indenture Trustee;

WHEREAS, Applebee's International, in its capacity as the guarantor under the Servicing Agreement, will guarantee the obligations of the Servicer under the Servicing Agreement and the other Transaction Documents to which the Servicer is a party, including the Servicer's indemnification obligations under the Servicing Agreement; and

WHEREAS, pursuant to this Agreement, the Guarantor will guarantee Applebee's International's obligations under the Transaction Documents to which it is a party, including the Servicing Agreement.

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 are defined in the Servicing Agreement or if not defined therein, in Appendix A to the Applebee's Indenture.

ARTICLE II

GUARANTEE

Section 2.1 Guarantee. The Guarantor hereby unconditionally and irrevocably guarantees the performance of all the obligations of Applebee's International set forth in the Transaction Documents to which Applebee's International is a party (the "Guarantee") for the benefit of the Co-Issuers. This Guarantee shall be a continuing and irrevocable guarantee of payment of all amounts due and performance of all obligations of Applebee's International under the Transaction Documents to which Applebee's International is a party, 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 Applebee's International arising after a Successor Servicer is appointed under the Servicing Agreement that is not an Affiliate of the Servicer; provided that such obligations are not related to obligations of the Servicer or an Affiliate thereof. The Guarantor hereby represents that it has all requisite corporate power and authority to undertake its obligations set forth in this Section 2.1 and to guarantee the full and prompt payment of any amounts due hereunder.

Section 2.2 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 Applebee's International under the Servicing Agreement or under the other Transaction Documents; and (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 Applebee's International under the Servicing 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 this Agreement, any of the other Transaction Documents or any of the Serviced Documents, the Franchise Documents or the Franchise Arrangements; (iii) Applebee's International'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; or (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 Applebee's International's obligations under the Transaction Documents to which Applebee's International is a party.

Section 2.3 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 Applebee's International including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Transaction Documents or by cessation of liability of Applebee's International for any cause other than the full performance of all obligations of Applebee's International set forth in the Transaction Documents and payment in full of all amounts due thereunder; (b) any defense based on Applebee's International's errors or omissions in the performance of its obligations or payment of amounts due under the 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 Transaction Documents, the Serviced Documents or the Franchise Arrangements; and (g) any rights to set-offs, recoupments and counterclaims.

Section 2.4 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, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect 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, shall 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 material 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.

Section 2.5 Certain Covenants of the Guarantor.

(a) If the IHOP Corp. Consolidated Leverage Ratio is greater than or equal to 6.75x at a time when any Subordinated Notes are Outstanding, the board of directors of IHOP Corp. will not (i) declare any dividend on the common stock of IHOP Corp. in excess of the most recently declared dividend on the common stock of IHOP Corp. prior to the Closing Date, (ii) declare any dividend on the preferred stock of IHOP Corp. in excess of the amount specified in the related certificates of designation for such preferred stock (without giving effect to any subsequent amendment or other modification to such certificates of designation); or (iii) make any repurchase of the common stock or preferred stock of IHOP Corp. (unless the repurchase is pursuant to a binding commitment entered into on a date on which the IHOP Corp. Consolidated Leverage Ratio is less than 6.75x after giving effect on a *pro forma* basis to any indebtedness to be incurred in connection with such repurchase). Notwithstanding the foregoing, nothing herein shall prohibit IHOP Corp. from repurchasing its preferred stock at any time, so long as (1) the purchase price needed for any such repurchased preferred stock is paid solely with the proceeds of the issuance of common stock or other non-redeemable equity securities and (2) no Default or an Event of Default shall have occurred and be continuing at the time of such repurchase. For so

long as any Series 2007-1 Notes are Outstanding, IHOP Corp. will maintain an IHOP Corp. Consolidated Leverage Ratio of no greater than (i) 8.0x for the period from and including the Closing Date to but excluding the first anniversary of the Closing Date, (ii) 7.75x for the period from and including the first anniversary of the Closing Date to but excluding the second anniversary of the Closing Date and (iii) 7.25x thereafter. The Guarantor shall provide the Series 2007-1 Class A Insurer, so long as the IHOP Residual Certificate continues to be pledged as Indenture Collateral, (i) a copy of the monthly servicing report prepared in connection with the IHOP Securitization within five (5) Business Days of the Guarantor's receipt thereof and (ii) notice of the occurrence of any "Mandatory Redemption Event", "Event of Default" or "Trigger Reserve Event" (as such terms are defined in the IHOP Indenture) or any other event that would cause distributions on the IHOP Residual Certificate to cease, either temporarily or permanently. The Guarantor, as sole indirect member of each of IHOP Franchising, LLC and IHOP IP, LLC, shall not permit any additional notes to be issued pursuant to the IHOP Indenture after the Closing Date unless (i) the pro forma Three-Month Adjusted DSCR after giving effect to the issuance of such additional notes (calculated without giving effect to any equity contributions otherwise included in the calculation of Net Cash Flow) would be at least equal to the Three-Month Adjusted DSCR as of the Closing Date, (ii) the conditions set forth under the IHOP Indenture are satisfied and (iii) the prior written consent of the Series 2007-1 Class A Insurer is obtained. The Guarantor shall not permit any IHOP Property Leases not satisfying the IHOP Type 1 Conditions as of the Closing Date to be modified such that the IHOP Type 1 Conditions are subsequently satisfied after the Closing Date without the prior written consent of Financial Guaranty Insurance Company, as the aggregate controlling party under the IHOP Securitization.

"IHOP Property Lease" is a lease between an Affiliate of International House of Pancakes, Inc. and a third party, the landlord, whereby such Affiliate of International House of Pancakes, Inc. pays rent to the landlord. IHOP restaurants on these leases are either subleased to a franchisee or, in a few instances, operated by International House of Pancakes, Inc.

"IHOP Type 1 Conditions" means the following conditions with respect to leases of real properties where IHOP restaurants are located: (i) the leases are not subject to any guarantee by IHOP Corp. or an Affiliate and (ii) the leases are assignable to a corporate affiliate of the lessee without the lessor's consent.

(f) The Guarantor shall cause to be delivered to the Aggregate Controlling Party the quarterly and annual reports to be prepared by FTI Consulting, Inc. as the back-up servicer in connection with the IHOP Securitization.

(g) Simultaneously with the transfer of all or substantially all of the respective assets of IHOP Franchising, LLC and IHOP IP, LLC (which are subject to the Lien of the IHOP Indenture) to one or more Affiliates in order to effect a refinancing by such Affiliates of indebtedness issued by IHOP Franchising, LLC and IHOP IP, LLC pursuant to the IHOP Indenture, the Guarantor shall cause a Replacement Residual Certificate (or Replacement Residual Certificates, as may be applicable if the assets of IHOP Financing, LLC and IHOP IP, LLC have been transferred to more than one Affiliate in connection with such a refinancing) to

be contributed to the capital of the Master Issuer, which Replacement Residual Certificate(s) shall become subject to the Lien of the Indenture.

ARTICLE III

MISCELLANEOUS PROVISIONS

Section 3.1 Amendment . This Agreement may only be amended from time to time in writing, upon the written consent of each Series Controlling Party, the Servicer, the Indenture Trustee, IHOP Corp. and the Co-Issuers.

Section 3.2 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 SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 3.3 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 set forth herein. 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 3.4 Binding Effect; Assignment; Third Party Beneficiaries. The provisions of this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Guarantor. Any assignment of this Agreement without the written consent of the 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.

Section 3.5 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 3.6 Counterparts. This Agreement may be executed in several counterparts (including by facsimile or other electronic means of communication), and all of which shall constitute but one and the same instrument.

Section 3.7 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 3.8 Jurisdiction; Consent to Service of Process. (a) IHOP Corp. 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 related thereto, 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) IHOP Corp. 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. IHOP Corp. 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.

Section 3.9 Waiver of Jury Trial. IHOP CORP. 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). IHOP CORP. (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 CO-ISSUERS 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.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, IHOP Corp. has caused this Guarantee Agreement to be duly executed by its officer thereunto duly authorized as of the day and year first above written.

IHOP CORP.

By: /s/ Julia Stewart
Name: Julia Stewart
Title: Chairman and Chief Executive Officer

Exhibit 10.31

GUARANTY AND COLLATERAL AGREEMENT

(APPLEBEE'S FRANCHISING LLC)

THIS GUARANTY AND COLLATERAL AGREEMENT (this "Agreement") is made and entered into as of November 29, 2007, by and among APPLEBEE'S FRANCHISING LLC, a Delaware limited liability company (the " Guarantor"), APPLEBEE'S ENTERPRISES LLC, a Delaware limited liability company (the "Master Issuer") and WELLS FARGO BANK, NATIONAL ASSOCIATION (the "Indenture Trustee").

This Agreement 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 Base Indenture (the " Base Indenture"), dated as of the date hereof, by and among APPLEBEE'S RESTAURANTS NORTH LLC, a Delaware limited liability company, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a Delaware limited liability company, APPLEBEE'S RESTAURANTS WEST LLC, a Delaware limited liability company, APPLEBEE'S RESTAURANTS VERMONT, INC., a Vermont corporation, APPLEBEE'S RESTAURANTS TEXAS LLC, a Texas limited liability company, APPLEBEE'S RESTAURANTS INC., a Kansas corporation, APPLEBEE'S RESTAURANTS KANSAS LLC, a Kansas limited liability company (collectively, the "Restaurant Holders"), the Master Issuer, APPLEBEE'S IP LLC, a Delaware limited liability company (the " IP Holder") (each of the Master Issuer, the IP Holder and the Restaurant Holders is a "Co-Issuer" and are, collectively, the "Co-Issuers"), and the Indenture Trustee, as amended and supplemented by the series supplement relating to the Series 2007-1 Notes and any other Series of Notes issued pursuant thereto (each, a " Series Supplement", and together with the Base Indenture, the "Indenture").

PRELIMINARY STATEMENT

WHEREAS, the Co-Issuers may issue one or more Series of Notes pursuant to the Indenture on and after the Closing Date; and

WHEREAS, the issuance of any Series of Notes pursuant to the Indenture is conditioned upon, among other things, the Guarantor's guaranty of the Co-Issuers' obligations under the Indenture, the Notes and the other Transaction Documents (other than the Leases) to which the Co-Issuers are parties as provided herein.

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 Guaranty. The Guarantor hereby unconditionally and irrevocably guarantees (the " Guaranty") the obligations of each of the Co-Issuers under the Indenture, all Notes issued thereunder and the other Transaction Documents (other than the Leases) to which the Co-Issuers are parties (the "Guaranteed Obligations"). The Guaranty shall be a continuing and irrevocable guaranty of payment of all amounts due by each of the Co-Issuers of the Guaranteed Obligations, 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 limited liability company power and authority to

undertake its obligations set forth in this Section 1.1 and to guaranty the full and prompt payment of any of the Co-Issuers in respect of the Guaranteed Obligations.

Section 1.2 Liability of Guarantor Absolute. The Guarantor agrees that its obligations under the 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 Co-Issuers under the Indenture, the Notes or any other Transaction Documents; and (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 any of the Co-Issuers under the Indenture 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 Transaction Documents; (iii) any amendment to the documents governing the formation or organization and operation of the Securitization Entities or the consent of any Co-Issuer to any such amendment; or (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 Guaranteed Obligations.

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 any Co-Issuer including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Transaction Documents or by cessation of liability of any Co-Issuer for any cause other than the full performance of all obligations of such Co-Issuer set forth in the Transaction Documents and payment in full of all amounts due thereunder; (b) any defense based on any Co-Issuer's errors or omissions in the performance of its obligations or payment of amounts due under the 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 Agreement, notices of default under any of the other Transaction Documents; and (g) any rights to set-offs, recoupments and counterclaims.

Section 1.4 Payments, Etc. No payment made by any of the Co-Issuers, the Guarantor, any other guarantor or any other Person or received or collected by the Indenture Trustee or any other Secured Party from any of the Co-Issuers, the Guarantor, any other guarantor or any other Person by virtue of any action or proceeding or any set off or appropriation or application at any time or from time to time in reduction of or in payment of the Guaranteed Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Guarantor which shall, notwithstanding any such payment (other than any payment made by the Guarantor in respect of the Guaranteed Obligations or any payment received or collected from the Guarantor in respect of the Guaranteed Obligations), remain liable

hereunder for the Guaranteed Obligations up to the maximum liability of the Guarantor hereunder until all of the Notes and other Guaranteed Obligations have been indefeasibly paid in full.

Section 1.5 No Subrogation. Notwithstanding any payment made by the Guarantor hereunder or any set off or application of funds of the Guarantor by the Indenture Trustee or any other Secured Party, the Guarantor shall not be entitled to be subrogated to any of the rights of the Indenture Trustee or any other Secured Party against the Co-Issuers or any other guarantor or any collateral security or guarantee or right of offset held by the Indenture Trustee or any other Secured Party for the payment of the Guaranteed Obligations, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from the Co-Issuers or any other guarantor in respect of payments made by the Guarantor hereunder, until all of the Notes and other Guaranteed Obligations have been indefeasibly paid in full. If any amount shall be paid to the Guarantor on account of such subrogation, contribution or reimbursement rights at any time when all of the Guaranteed Obligations shall not have been paid in full, such amount shall be held by the Guarantor in trust for the Indenture Trustee and the other Secured Parties, segregated from other funds of the Guarantor, and shall, forthwith upon receipt by the Guarantor, be turned over to the Indenture Trustee in the exact form received by the Guarantor (duly endorsed by the Guarantor to the Indenture Trustee, if required), to be applied against the Guaranteed Obligations, whether matured or unmatured, in such order as the Indenture Trustee may determine in accordance with the Indenture.

Section 1.6 Reinstatement. The guarantee contained in this ARTICLE I shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by the Indenture Trustee or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any of the Co-Issuers, the Guarantor or any other guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any of the Co-Issuers, the Guarantor or any other guarantor or any substantial part of their respective property, or otherwise, all as though such payments had not been made.

ARTICLE II
PLEDGE

Section 2.1 Pledge. To secure its obligations under the Guaranty above, the Guarantor hereby pledges and collaterally grants and assigns to the Indenture Trustee (the "Pledge") a continuing security interest in all of Guarantor's assets, including its right, title and interest in, to and under, in each case, whether now owned or existing, or hereafter acquired or arising, in all securities, loans, investments, accounts, chattel paper, money, deposit accounts, instruments, financial assets, documents, investment property, general intangibles, letter of credit rights, and other supporting obligations (in each case, as defined in the UCC), and other property of any type or nature in which the Guarantor has an interest, relating thereto and all proceeds with respect to the foregoing (the "Pledged Collateral"). Such Pledged Collateral shall include, but is not limited to:

(a) the Existing U.S. Development Agreements and the Development Payments thereon;

(b) the New U.S. Franchise Agreements and the Franchise Payments thereon;

(c) all rights to enter into New U.S. Franchise Agreements and New U.S. Development Agreements;

(d) all Franchise Assets acquired following the Closing Date;

(e) the books and records (whether in physical, electronic or other form) of the Franchise Holder, including those books and records maintained by the Servicer on behalf of the Franchise Holder relating to the New Franchise Assets;

(f) the rights, powers, remedies and authorities of the Franchise Holder under (i) each of the Transaction Documents (other than the Franchise Holder Guaranty and Collateral Agreement) to which it is a party and (ii) each of the documents relating to the Franchise Assets acquired following the Closing Date to which it is a party;

(g) any and all other property of the Franchise Holder now or hereafter acquired other than certain de minimis excepted property;

(h) the inter-company loans from the Franchise Holder to the Master Issuer and any deposit account held in the name of the Franchise Holder for purposes of maintaining a minimum net worth; and

(i) all payments, proceeds and accrued and future rights to payment with respect to the foregoing.

Section 2.2 Further Assurances. Prior to or concurrently with the execution of this Agreement, and thereafter at any time and from time to time, the Guarantor shall execute and deliver to the Indenture Trustee all financing statements, continuation financing statements, assignments, certificates and documents of title, affidavits, reports, notices, schedules of account, letters of authority, further pledges, powers of attorney and all other documents (collectively, the "Perfection Documents") in form and substance reasonably satisfactory to the Indenture Trustee, and take such other action which the Indenture Trustee may request, to perfect and continue perfected and to create and maintain the first priority status of the Indenture Trustee's security interest hereunder in the Pledged Collateral. The Guarantor hereby authorizes the Indenture Trustee to file any financing statement it reasonably deems necessary or advisable to perfect the security interests granted herein and such financing statements may describe the collateral in any manner Indenture Trustee reasonably deems necessary or advisable. Such power, being coupled with an interest, is irrevocable until all of the Guaranteed Obligations have been indefeasibly paid in full or otherwise terminated in accordance with the Indenture and/or the Notes.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

Guarantor makes the following representations and warranties to the Indenture Trustee which shall be continuing representations and warranties so long as any Guaranteed Obligation shall remain outstanding and unsatisfied or could become due or unsatisfied:

Section 3.1 Organization and Good Standing. The Guarantor (i) is a limited liability company, 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 limited liability company or 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, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect 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.

Section 3.2 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 are within the power of the Guarantor and have been duly authorized by all necessary limited liability company 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 organizational documents and agreements of the Guarantor, or any of the provisions of any material 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 3.3 Consents. The Guarantor is not required to obtain the consent of any other party or the consent, license, approval or authorization of, or, except for filings of financing statements and recording of mortgages or deeds of trust, 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 the validity or enforceability of this Agreement and any other Transaction Document to which it is a party.

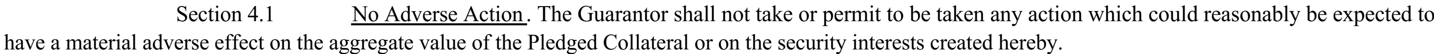
Section 3.4 Due Execution and Delivery. This Agreement and any other Transaction Document to which it is a party has been duly executed and delivered by the Guarantor and constitutes a legal, valid and binding instrument enforceable against the Guarantor in accordance with its terms (subject to applicable insolvency laws and to general principles of equity).

Section 3.5 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 Agreement and any other Transaction Document to which it is a party 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.

Section 3.6 Good Title. The Guarantor has good title to the Pledged Collateral pledged by it, free and clear of all Liens and contractual restrictions other than Permitted Liens and those in favor of the Indenture Trustee. None of the Pledged Collateral shall be subject to any option to purchase or similar right of any Person, expect as permitted under the Indenture, the Notes or any other Transaction Documents. The security interest in the Pledged Collateral granted to the Indenture Trustee pursuant to this Agreement constitutes a valid perfected first priority security interest and Lien subject to the Lien of no other Person other than Permitted Liens.

Section 3.7 No Restriction. There are no restrictions upon the creation and perfection of a security interest on the Pledged Collateral as of the Closing Date that have not been duly waived and the Guarantor has the power and authority and right to create and perfect such security interest the Pledged Collateral owned by the Guarantor free of any encumbrances other than Permitted Liens and without obtaining the consent of any other Person which consent has not been duly obtained.

ARTICLE IV
COVENANTS



Section 4.1 No Adverse Action. The Guarantor shall not take or permit to be taken any action which could reasonably be expected to have a material adverse effect on the aggregate value of the Pledged Collateral or on the security interests created hereby.

Section 4.2 Defense. The Guarantor shall defend the Pledged Collateral against all Persons at any time claiming any interest therein.

Section 4.3 Compliance with Law. The Guarantor shall comply with all applicable law in respect of the Pledged Collateral unless any noncompliance would not individually or in the aggregate result in a Material Adverse Effect.

Section 4.4 Taxes. The Guarantor shall pay any and all material taxes, duties, fees or imposts of any nature imposed by any Governmental Authority on any of the Pledged Collateral, except (i) to the extent contested in good faith if a reserve with respect thereto has been provided on its books in conformity with GAAP, where applicable and (ii) other past due or delinquent taxes at any time in an aggregate amount of less that $100,000.

Section 4.5 Additional Collateral. To the extent, following the date hereof, the Guarantor acquires additional assets constituting Pledged Collateral, such additional Pledged Collateral shall be subject to the terms hereof and, upon such acquisition, shall be deemed to be hereby pledged to the Indenture Trustee and the Guarantor shall thereupon deliver to the Indenture Trustee any documents necessary to implement the provisions and purposes of this Agreement as the Indenture Trustee may reasonably request. Notwithstanding the foregoing, it is understood and agreed that the security interest of the Indenture Trustee shall attach to the Guarantor's ownership interests to the extent provided in this Agreement immediately upon the Guarantor's acquisition of rights therein and shall not be affected by the failure of the Guarantor to deliver any related documentation as required hereby.

Section 4.6 No Transfer; No Lien. During the term of this Agreement, the Guarantor shall not (i) sell, assign, replace, convert, retire, transfer or otherwise dispose of all or any portion of the Pledged Collateral in a manner that violates this Agreement, nor (ii) create, incur, assume or suffer to exist any Lien on the Pledged Collateral except Permitted Liens and the Indenture Trustee's Lien granted by this Agreement.

Section 4.7 Indebtedness. The Guarantor shall not incur Debt except as expressly permitted under the terms and provisions of this Agreement, the Indenture and any other Transaction Document.

Section 4.8 Maintenance of Office. The Guarantor will maintain an office or agency (which may be an office of the Indenture Trustee, the Registrar or co-registrar) in the United States where notices and demands to or upon the Guarantor in respect of this Agreement may be served. The Guarantor will give prompt written notice to the Indenture Trustee and each Insurer of the location, and any change in the location, of such office or agency. If at any time the Guarantor shall fail to maintain any such required office or agency or shall fail to furnish the Indenture Trustee and each Insurer with the address thereof, such presentations, surrenders, notices and demands may be made or served c/o the Indenture Trustee at the Corporate Trust Office and the Guarantor hereby designates the applicable Corporate Trust Office as one such office or agency of the Guarantor.

Section 4.9 Covenants in Base Indenture. The Guarantor acknowledges the terms and provisions of the Base Indenture and acknowledges that it is a Securitization Entity as defined thereunder. The Guarantor, as a Securitization Entity, agrees to be bound by the terms and provisions thereof which purport to limit the actions of the Securitization Entities, to the same extent as if fully set forth herein, including without limitation the covenants set forth in Sections 7.7, 7.8 and 7.9 of the Base Indenture. The Guarantor further agrees to observe the covenants set forth in Section 7.13 of the Base Indenture to the same extent as if it were a Co-Issuer, including without limitation the covenants regarding maintenance of separate existence, and to take, or refrain from taking as the case may be, each action that is required to be taken or not taken on its part in order for the representations and warranties set forth in Section 7.12 of the Base Indenture to be true and correct with respect to the Guarantor.

Section 4.10 Further Assurances.

(a) The Guarantor will do such further acts and things, and execute and deliver to the Indenture Trustee and the Insurers, upon the request of the Aggregate Controlling Party, such additional assignments, agreements, powers and instruments, as are necessary or desirable to obtain or maintain the security interest of the Indenture Trustee in the Pledged Collateral on behalf of the Secured Parties as a perfected security interest subject to no prior Liens (other than Permitted Liens), to carry into effect the purposes of this Agreement or the other Transaction Documents or to better assure and confirm unto the Indenture Trustee and the other Secured Parties their rights, powers and remedies hereunder including, without limitation, the filing of any financing or continuation statements or amendments under the UCC in effect in any jurisdiction with respect to the liens and security interests granted hereby. The Guarantor intends the security interests granted pursuant to this Agreement in favor of the Secured Parties to be prior to all other Liens (other than Permitted Liens) in respect of the Pledged Collateral, and the Guarantor shall take all actions necessary to obtain and maintain, in favor of the Indenture Trustee for the benefit of the Secured Parties, a first lien on and a first priority, perfected security interest in the Pledged Collateral (except with respect to Permitted Liens). If the Guarantor fails to perform any of its agreements or obligations under this Section 4.10, the Indenture Trustee may perform such agreement or obligation, and the expenses of the Indenture Trustee incurred in connection therewith shall be payable by the Guarantor upon the Indenture Trustee's demand therefor. The Indenture Trustee is hereby authorized to execute and file without the signature of the Guarantor to the extent permitted by applicable law any financing statements, continuation statements, amendments or other instruments necessary or appropriate to perfect or maintain the perfection of the Indenture Trustee's security interest in the Pledged Collateral.

(b) If any amount payable under or in connection with any of the Pledged Collateral shall be or become evidenced by any promissory note, chattel paper or other instrument, such note, chattel paper or instrument shall be deemed to be held in trust and immediately pledged and within two (2) Business Days physically delivered to the Indenture Trustee hereunder, and shall, subject to the rights of any Person in whose favor a prior Lien has been perfected, be duly endorsed in a manner satisfactory to the Indenture Trustee and delivered to the Indenture Trustee promptly.

Section 4.11 Legal Name, Location Under Section 9-301 or 9-307. The Guarantor shall not change its location (within the meaning of Section 9-301 or 9-307 of the applicable UCC) or its legal name without at least thirty (30) days' prior written notice to the Indenture Trustee, each Insurer and the Rating Agencies with respect to each Series of Notes Outstanding. In the event that the Guarantor desires to so change its location or change its legal name, the Guarantor will make any required filings and prior to actually changing its location or its legal name the Guarantor will deliver to the Indenture Trustee and each Insurer (i) an Officer's Certificate and an Opinion of Counsel confirming that all

required filings have been made to continue the perfected interest of the Indenture Trustee on behalf of the Secured Parties in the Pledged Collateral under Article 9 of the applicable UCC or other applicable law in respect of the new location or new legal name of the Guarantor and (ii) copies of all such required filings with the filing information duly noted thereon by the office in which such filings were made.

Section 4.12 Stamp, Other Similar Taxes and Filing Fees. The Guarantor shall indemnify and hold harmless the Indenture Trustee and each Secured Party from any present or future claim for liability for any stamp, documentary or other similar tax and any penalties or interest and expenses with respect thereto, that may be assessed, levied or collected by any jurisdiction in connection with this Agreement, any other Transaction Document or any Pledged Collateral. The Guarantor shall pay indemnify and hold harmless each Secured Party against, any and all amounts in respect of, all search, filing, recording and registration fees, taxes, excise taxes and other similar imposts that may be payable or determined to be payable in respect of the execution, delivery, performance and/or enforcement of this Agreement or any other Transaction Document.

ARTICLE V
REMEDIAL PROVISIONS

Section 5.1 Rights of Aggregate Controlling Party and Indenture Trustee upon Event of Default .

(a) Proceedings To Collect Money. In case the Guarantor shall fail forthwith to pay such amounts due on this Agreement upon such demand, the Indenture Trustee (at the direction of the Aggregate Controlling Party), in its own name and as trustee of an express trust, may institute a Proceeding for the collection of the sums so due and unpaid, and may prosecute such Proceeding to judgment or final decree, and may enforce the same against the Guarantor and collect in the manner provided by law out of the property of the Guarantor, wherever situated, the moneys adjudged or decreed to be payable.

(b) Other Proceedings. If and whenever an Event of Default shall have occurred and be continuing, the Indenture Trustee, at the direction of the Aggregate Controlling Party pursuant to an Aggregate Controlling Party Order, shall:

(i) proceed to protect and enforce its rights and the rights of the other Secured Parties, by such appropriate Proceedings as the Indenture Trustee (at the direction of the Aggregate Controlling Party) or the Aggregate Controlling Party shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Agreement or any other Transaction Document or in aid of the exercise of any power granted therein, or to enforce any other proper remedy or legal or equitable right vested in the Indenture Trustee by this Agreement or any other Transaction Document or by law, including any remedies of a secured party under applicable law;

(ii) (A) direct the Guarantor to exercise (and the Guarantor agrees to exercise) all rights, remedies, powers, privileges and claims of the Guarantor against any party to any Transaction Document arising as a result of the occurrence of such Event of Default or otherwise, including the right or power to take any action to compel performance or observance by any such party of its obligations to the Guarantor, and any right of the Guarantor to take such action independent of such direction shall be suspended, and (B) if (x) the Guarantor shall have failed, within ten (10) Business Days of receiving the direction of the Indenture Trustee (given at the

direction of the Aggregate Controlling Party), to take commercially reasonable action to accomplish such directions of the Indenture Trustee, (y) the Guarantor refuses to take such action or (z) the Aggregate Controlling Party reasonably determines that such action must be taken immediately, take such previously directed action (and any related action as permitted under this Agreement thereafter determined by the Indenture Trustee or the Aggregate Controlling Party to be appropriate without the need under this provision or any other provision under this Agreement to direct the Guarantor to take such action);

(iii) institute Proceedings from time to time for the complete or partial foreclosure of this Agreement or, to the extent applicable, any other Transaction Document, with respect to the Pledged Collateral; provided that the Indenture Trustee shall not be required to take title to any real property in connection with any foreclosure or other exercise of remedies hereunder and title to such property shall instead be acquired in an entity designated and (unless owned by a third party) controlled by the Aggregate Controlling Party; and/or

(iv) sell all or a portion of the Pledged Collateral at one or more public or private sales called and conducted in any manner permitted by law; provided, however, that the Indenture Trustee shall not proceed with any such sale without the prior written consent of the Aggregate Controlling Party and the Indenture Trustee will provide notice to the Guarantor and each Holder of Notes of a proposed sale of Pledged Collateral.

(c) Sale of Pledged Collateral. In connection with any sale of the Pledged Collateral hereunder (which may proceed separately and independently from the exercise of remedies under the Indenture) or under any judgment, order or decree in any judicial proceeding for the foreclosure or involving the enforcement of this Agreement or any other Transaction Document:

(i) the Indenture Trustee and/or any other Secured Party may bid for and purchase the property being sold, and upon compliance with the terms of the sale may hold, retain, possess and dispose of such property in its own absolute right without further accountability;

(ii) the Indenture Trustee (at the direction of the Aggregate Controlling Party) may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale and instrument of assignment and transfer of the property sold;

(iii) all right, title, interest, claim and demand whatsoever, either at law or in equity or otherwise, of the Guarantor of, in and to the property so sold shall be divested; and such sale shall be a perpetual bar both at law and in equity against the Guarantor, its successors and assigns, and against any and all Persons claiming or who may claim the property sold or any part thereof from, through or under such Guarantor or its successors or assigns; and

(iv) the receipt of the Indenture Trustee or of the officer thereof making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money, and such purchaser or purchasers, and his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Indenture Trustee or of such officer therefor, be obliged to see to the application of such purchase money or be in any way answerable for any loss, misapplication or non-application thereof.

(d) Application of Proceeds. Any amounts obtained by the Indenture Trustee on account of or as a result of the exercise by the Indenture Trustee of any right hereunder shall be held by the Indenture Trustee as additional collateral for the repayment of the Guaranteed Obligations, shall be deposited into the Collection Account and shall be applied as provided in Articles X and XI of the Base

Indenture; provided, however, that unless otherwise provided in this Article V or Article V to the Base Indenture, with respect to any distribution to any Series of Notes, notwithstanding the provisions of Articles X and XI of the Base Indenture, such amounts shall be distributed sequentially in order of alphabetical designation and pro rata among each Series of Notes of the same alphabetical designation based upon the Outstanding Principal Amount of the Notes of each such Series.

(e) Additional Remedies. In addition to any rights and remedies now or hereafter granted hereunder or under applicable law with respect to the Pledged Collateral, the Indenture Trustee shall have all of the rights and remedies of a secured party under the UCC and similar laws as enacted in any applicable jurisdiction.

(f) Proceedings. The Indenture Trustee may maintain a Proceeding even if it does not possess any of the Notes or does not produce any of them in the Proceeding, and any such Proceeding instituted by the Indenture Trustee shall be in its own name as trustee. All remedies are cumulative to the extent permitted by law.

(g) Power of Attorney. To the fullest extent permitted by applicable law, the Guarantor hereby grants to the Indenture Trustee an absolute and irrevocable power of attorney, upon the occurrence and during the continuance of an Event of Default, (i) to sign the name of the Guarantor on all or any of the Perfection Documents which the Indenture Trustee determines must be executed, filed, recorded or sent in order to perfect or continue perfected the Indenture Trustee's security interest hereunder in the Pledged Collateral in any jurisdiction, and (ii) to sign any document which may be required by the United States Patent and Trademark Office, United States Copyright Office, any similar office or agency in each foreign country in which any IP Asset is located, or any other Governmental Authority in order to effect an absolute assignment of all right, title and interest in or to any IP Asset, and record the same.

Section 5.2 Waiver of Appraisal, Valuation, Stay and Right to Marshaling. To the extent it may lawfully do so, the Guarantor 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 appraisal, 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 Agreement, (ii) the sale of any of the Pledged 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 Pledged Collateral marshaled upon any foreclosure, sale or other enforcement of this Agreement; and

(d) consents and agrees that, subject to the terms of this Agreement, all the Pledged Collateral may at any such sale be sold by the Indenture Trustee as an entirety or in such portions as the Indenture Trustee may (upon direction by the Aggregate Controlling Party) determine.

Section 5.3 Limited Recourse. Notwithstanding any other provision of this Agreement, any Insurance Agreement or any other Transaction Document or otherwise, the liability of the Guarantor to the Secured Parties under or in relation to this Agreement, any Insurance Agreement or any other Transaction Document or otherwise, is limited in recourse to the Pledged Collateral. The Pledged Collateral having been applied in accordance with the terms hereof, none of the Secured Parties shall be entitled to take any further steps against the Guarantor to recover any sums due but still unpaid hereunder or under any of the other agreements or documents described in this Section 5.3, all claims in respect of which shall be extinguished.

Section 5.4 Optional Preservation of the Pledged Collateral. If the maturity of the Outstanding Notes of each Series has been accelerated pursuant to Section 5.4 of the Base Indenture following an Event of Default and such declaration and its consequences have not been rescinded and annulled, the Indenture Trustee, at the direction of the Aggregate Controlling Party pursuant to an Aggregate Controlling Party Order, shall elect to maintain possession of such portion, if any, of the Pledged Collateral as the Aggregate Controlling Party shall in its discretion determine.

Section 5.5 Control by the Aggregate Controlling Party. Notwithstanding any other provision hereof, the Aggregate Controlling Party may cause the institution of and direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee or exercise any trust or power conferred on the Indenture Trustee; provided that:

(a) such direction of time, method and place shall not be in conflict with any rule of law or with this Agreement;

(b) the Aggregate Controlling Party may take any other action deemed proper by the Aggregate Controlling Party that is not inconsistent with such direction (as the same may be modified by the Aggregate Controlling Party); and

(c) such direction shall be in writing;

provided further that, subject to Section 6.1 of the Base Indenture, the Indenture Trustee need not take any action that it determines might involve it in liability unless it has received an indemnity for such liability as provided in the Base Indenture. The Indenture Trustee shall take no action referred to in this Section 5.5 unless instructed to do so by the Aggregate Controlling Party.

Section 5.6 The Indenture Trustee May File Proofs of Claim. The Indenture Trustee is authorized 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 (including any claim for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel) and any other Secured Party (as applicable) allowed in any judicial proceedings relative to the applicable Insurer or the Guarantor, its creditors or its property, and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claim and any custodian in any such judicial proceeding is hereby authorized by each Secured Party 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 any other Secured Party, to pay the Indenture Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel, and any other amounts due the Indenture Trustee under Section 6.6 of the Base Indenture. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel, and any other amounts due the Indenture Trustee under Section

6.6 of the Base Indenture out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money and other properties which any other Secured Party may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or accept or adopt on behalf of any other Secured Party any plan of reorganization, arrangement, adjustment or composition affecting the Guaranteed Obligations or the rights of any other Secured Party, or to authorize the Indenture Trustee to vote in respect of the claim of any Secured Parties in any such proceeding.

Section 5.7 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Agreement or in any suit against the Indenture Trustee for any action taken or omitted by it as a Indenture Trustee, a court in its discretion may require the filing by any party litigant in the suit of any undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 5.7 does not apply to a suit by the Indenture Trustee, a suit by the Aggregate Controlling Party, or a suit by Noteholders of more than 10% of the Aggregate Outstanding Principal Amount of all Series of Notes.

Section 5.8 Restoration of Rights and Remedies. If the Indenture Trustee or any other Secured Party has instituted any Proceeding to enforce any right or remedy under this Agreement or any other Transaction Document and such Proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Indenture Trustee or to such other Secured Party, then and in every such case the Indenture Trustee and any such other Secured Party shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Indenture Trustee and the other Secured Parties shall continue as though no such Proceeding had been instituted.

Section 5.9 Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Indenture Trustee or to any other Secured Party is intended to be exclusive of any other right or remedy, and every right or remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given under this Agreement or any other Transaction Document or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy under this Agreement or any other Transaction Document, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.10 Delay or Omission Not Waiver. No delay or omission of the Indenture Trustee, the Aggregate Controlling Party or of any other Secured Party to exercise any right or remedy accruing upon any Partial Amortization Event, Rapid Amortization Event, Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Partial Amortization Event, Rapid Amortization Event, Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Indenture Trustee, the Aggregate Controlling Party or to any other Secured Party may be exercised from time to time to the extent not inconsistent with the Indenture or this Agreement, and as often as may be deemed expedient, by the Indenture Trustee, the Aggregate Controlling Party or by any other Secured Party, as the case may be.

Section 5.11 Waiver of Stay or Extension Laws. The Guarantor covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Agreement or any other Transaction Document; and the Guarantor (to the extent that it may lawfully do so) hereby

expressly waives all benefit or advantages of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee or the Aggregate Controlling Party, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Third-Party Beneficiary. Each Insurer shall constitute an express third-party beneficiary of this Agreement.

Section 6.2 Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.3 Successors and Assigns. All covenants and agreements in this Agreement by the Guarantor shall bind its successors and assigns, whether so expressed or not. Any assignment of this Agreement without the written consent of each Series Controlling Party shall be null and void.

Section 6.4 Separability. In case any provision in this Agreement 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 6.5 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 SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 6.6 Submission to Jurisdiction. 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 this Agreement, and the parties hereto 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 parties hereto 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 Guarantor and Master 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 parties hereto 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 6.7 Counterparts. This Agreement 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.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this instrument to be executed this 29 th day of November, 2007.

APPLEBEE'S FRANCHISING LLC,
as Guarantor

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S ENTERPRISES LLC,
as Master Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Indenture Trustee

By: /s/ Melissa Philibert
Name: Melissa Philibert
Title: Vice President

Exhibit 10.32

GUARANTY AND COLLATERAL AGREEMENT

(APPLEBEE'S HOLDINGS LLC)

THIS GUARANTY AND COLLATERAL AGREEMENT (this "Agreement") is made and entered into as of November 29, 2007, by and among APPLEBEE'S HOLDINGS LLC, a Delaware limited liability company (the " Guarantor"), APPLEBEE'S ENTERPRISES LLC, a Delaware limited liability company (the "Master Issuer") and WELLS FARGO BANK, NATIONAL ASSOCIATION (the "Indenture Trustee").

This Agreement 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 Base Indenture (the " Base Indenture"), dated as of the date hereof, by and among APPLEBEE'S RESTAURANTS NORTH LLC, a Delaware limited liability company, APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, a Delaware limited liability company, APPLEBEE'S RESTAURANTS WEST LLC, a Delaware limited liability company, APPLEBEE'S RESTAURANTS VERMONT, INC., a Vermont corporation, APPLEBEE'S RESTAURANTS TEXAS LLC, a Texas limited liability company, APPLEBEE'S RESTAURANTS INC., a Kansas corporation, APPLEBEE'S RESTAURANTS KANSAS LLC, a Kansas limited liability company (collectively, the "Restaurant Holders"), the Master Issuer, APPLEBEE'S IP LLC, a Delaware limited liability company (the " IP Holder") (each of the Master Issuer, the IP Holder and the Restaurant Holders is a "Co-Issuer" and are, collectively, the "Co-Issuers"), and the Indenture Trustee, as amended and supplemented by the series supplement relating to the Series 2007-1 Notes and any other Series of Notes issued pursuant thereto (each, a " Series Supplement", and together with the Base Indenture, the "Indenture").

PRELIMINARY STATEMENT

WHEREAS, the Co-Issuers may issue one or more Series of Notes pursuant to the Indenture on and after the Closing Date; and

WHEREAS, the issuance of any Series of Notes pursuant to the Indenture is conditioned upon, among other things, the Guarantor's guaranty of the Co-Issuers' obligations under the Indenture, the Notes and the other Transaction Documents (other than Leases) to which the Co-Issuers are parties as provided herein.

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 Guaranty. The Guarantor hereby unconditionally and irrevocably guarantees (the " Guaranty") the obligations of each of the Co-Issuers under the Indenture, all Notes issued thereunder and the other Transaction Documents (other than Leases) to which the Co-Issuers are parties (the "Guaranteed Obligations"). The Guaranty shall be a continuing and irrevocable guaranty of payment of all amounts due by each of the Co-Issuers of the Guaranteed Obligations, 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 limited liability company power and authority to undertake its obligations set forth in this Section 1.1 and to guaranty the full and prompt payment of any of the Co-Issuers in respect of the Guaranteed Obligations.

Section 1.2 Liability of Guarantor Absolute . The Guarantor agrees that its obligations under the 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 Co-Issuers under the Indenture, the Notes or any other Transaction Documents; and (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 any of the Co-Issuers under the Indenture 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 other Transaction Documents; (iii) any amendment to the documents governing the formation or organization and operation of the Securitization Entities or the consent of any Co-Issuer to any such amendment; or (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 Guaranteed Obligations.

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 any Co-Issuer including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Transaction Documents or by cessation of liability of any Co-Issuer for any cause other than the full performance of all obligations of such Co-Issuer set forth in the Transaction Documents and payment in full of all amounts due thereunder; (b) any defense based on any Co-Issuer's errors or omissions in the performance of its obligations or payment of amounts due under the 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 Agreement,

notices of default under any of the other Transaction Documents; and (g) any rights to set-offs, recoupments and counterclaims.

Section 1.4 Payments, Etc. No payment made by any of the Co-Issuers, the Guarantor, any other guarantor or any other Person or received or collected by the Indenture Trustee or any other Secured Party from any of the Co-Issuers, the Guarantor, any other guarantor or any other Person by virtue of any action or proceeding or any set off or appropriation or application at any time or from time to time in reduction of or in payment of the Guaranteed Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Guarantor which shall, notwithstanding any such payment (other than any payment made by the Guarantor in respect of the Guaranteed Obligations or any payment received or collected from the Guarantor in respect of the Guaranteed Obligations), remain liable hereunder for the Guaranteed Obligations up to the maximum liability of the Guarantor hereunder until all of the Notes and other Guaranteed Obligations have been indefeasibly paid in full.

Section 1.5 No Subrogation. Notwithstanding any payment made by the Guarantor hereunder or any set off or application of funds of the Guarantor by the Indenture Trustee or any other Secured Party, the Guarantor shall not be entitled to be subrogated to any of the rights of the Indenture Trustee or any other Secured Party against the Co-Issuers or any other guarantor or any collateral security or guarantee or right of offset held by the Indenture Trustee or any other Secured Party for the payment of the Guaranteed Obligations, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from the Co-Issuers or any other guarantor in respect of payments made by the Guarantor hereunder, until all of the Notes and other Guaranteed Obligations have been indefeasibly paid in full. If any amount shall be paid to the Guarantor on account of such subrogation, contribution or reimbursement rights at any time when all of the Guaranteed Obligations shall not have been paid in full, such amount shall be held by the Guarantor in trust for the Indenture Trustee and the other Secured Parties, segregated from other funds of the Guarantor, and shall, forthwith upon receipt by the Guarantor, be turned over to the Indenture Trustee in the exact form received by the Guarantor (duly endorsed by the Guarantor to the Indenture Trustee, if required), to be applied against the Guaranteed Obligations, whether matured or unmatured, in such order as the Indenture Trustee may determine in accordance with the Indenture.

Section 1.6 Reinstatement. The guarantee contained in this ARTICLE I shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by the Indenture Trustee or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any of the Co-Issuers or the Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any of the Co-Issuers or the Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

ARTICLE II
PLEDGE

Section 2.1 Pledge. To secure its obligations under the Guaranty above, the Guarantor hereby pledges and collaterally grants and assigns to the Indenture Trustee (the "Pledge") a continuing security interest in all of its assets, including its right, title and interest in, to and under, in each case, whether now owned or existing, or hereafter acquired or arising, in all securities, loans, investments, accounts, chattel paper, money, deposit accounts, instruments, financial assets, documents, investment property, general intangibles, letter of credit rights, and other supporting obligations (in each case, as defined in the UCC), and other property of any type or nature in which the Guarantor has an interest,

relating thereto and all proceeds with respect to the foregoing (the " Pledged Collateral"). Such Pledged Collateral shall include, but is not limited to the Guarantor's 100% membership interest in the Master Issuer.

Section 2.2 Further Assurances. Prior to or concurrently with the execution of this Agreement, and thereafter at any time and from time to time, the Guarantor shall execute and deliver to the Indenture Trustee all financing statements, continuation financing statements, assignments, certificates and documents of title, affidavits, reports, notices, schedules of account, letters of authority, further pledges, powers of attorney and all other documents (collectively, the "Perfection Documents") in form and substance reasonably satisfactory to the Indenture Trustee, and take such other action which the Indenture Trustee may request, to perfect and continue perfected and to create and maintain the first priority status of the Indenture Trustee's security interest hereunder in the Pledged Collateral. The Guarantor hereby authorizes the Indenture Trustee to file any financing statement it reasonably deems necessary or advisable to perfect the security interests granted herein and such financing statements may describe the collateral in any manner Indenture Trustee reasonably deems necessary or advisable. Following the occurrence and during the continuance of an Event of Default, the Guarantor hereby irrevocably makes, constitutes and appoints the Indenture Trustee (and any of the Indenture Trustee's officers or employees or agents designated by the Indenture Trustee) as the Guarantor's true and lawful attorney with power to sign the name of the Guarantor on all or any of the Perfection Documents which the Indenture Trustee determines must be executed, filed, recorded or sent in order to perfect or continue perfected the Indenture Trustee's security interest hereunder in the Pledged Collateral in any jurisdiction. Such power, being coupled with an interest, is irrevocable until all of the Guaranteed Obligations have been indefeasibly paid in full or otherwise terminated in accordance with the Indenture and/or the Notes.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

The Guarantor makes the following representations and warranties to the Indenture Trustee which shall be continuing representations and warranties so long as any Guaranteed Obligation shall remain outstanding and unsatisfied or could become due or unsatisfied:

Section 3.1 Organization and Good Standing. The Guarantor (i) is a limited liability company or 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 limited liability company or 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, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect 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.

Section 3.2 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 are within the power of the Guarantor and have been duly authorized by all necessary limited liability company or 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 organizational documents and agreements of the Guarantor, or any of the provisions of any material 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 3.3 Consents. The Guarantor is not required to obtain the consent of any other party or the consent, license, approval or authorization of, or, except for the filing of financing statements, 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 the validity or enforceability of this Agreement and any other Transaction Document to which it is a party.

Section 3.4 Due Execution and Delivery. This Agreement and any other Transaction Document to which it is a party 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 3.5 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 Agreement and any other Transaction Document to which it is a party 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.

Section 3.6 Good Title. The Guarantor has good title to the Pledged Collateral pledged by it, free and clear of all Liens and contractual restrictions other than Permitted Liens and those in favor of the Indenture Trustee. None of the Pledged Collateral shall be subject to any option to purchase or similar right of any Person, expect as permitted under the Indenture, the Notes or any other Transaction Documents. The security interest in the Pledged Collateral granted to the Indenture Trustee pursuant to this Agreement constitutes a valid and perfected first priority security interest and Lien subject to the Lien of no other Person other than Permitted Liens.

Section 3.7 Equity Interest. The capital stock, shares, securities, membership interests, partnership interests and other ownership interests (collectively, the "Pledged Equity Interests") constituting the Pledged Collateral constitute and shall at all times constitute one hundred percent (100%) of the issued and outstanding capital stock, membership interests, partnership interests or other ownership interests, as applicable, of the Guarantor in the Master Issuer.

Section 3.8 No Restriction. There are no restrictions upon the creation and perfection of a security interest on the Pledged Collateral as of the Closing Date that have not been duly waived and the Guarantor has the power and authority and right to create and perfect such security interest the Pledged Collateral owned by the Guarantor free of any encumbrances other than Permitted Liens and without obtaining the consent of any other Person which consent has not been duly obtained.

ARTICLE IV
COVENANTS

Section 4.1 No Adverse Action. The Guarantor shall not take or permit to be taken any action which could reasonably be expected to have a material adverse effect on the aggregate value of the Pledged Collateral or on the security interests created hereby.

Section 4.2 Defense. The Guarantor shall defend the Pledged Collateral against all Persons at any time claiming any interest therein.

Section 4.3 Compliance with Law. The Guarantor shall comply with all applicable law in respect of the Pledged Collateral unless any noncompliance would not individually or in the aggregate result in a Material Adverse Effect.

Section 4.4 Taxes. The Guarantor shall pay any and all material taxes, duties, fees or imposts of any nature imposed by any Governmental Authority on any of the Pledged Collateral, except (i) to the extent contested in good faith if a reserve with respect thereto has been provided on its books in conformity with GAAP, where applicable and (ii) other past due or delinquent taxes at any time in an aggregate amount of less that $100,000.

Section 4.5 Additional Collateral. To the extent, following the date hereof, the Guarantor acquires additional assets constituting Pledged Collateral, such additional Pledged Collateral shall be subject to the terms hereof and, upon such acquisition, shall be deemed to be hereby pledged to the Indenture Trustee and the Guarantor shall thereupon deliver to the Indenture Trustee any documents necessary to implement the provisions and purposes of this Agreement as the Indenture Trustee may reasonably request. Notwithstanding the foregoing, it is understood and agreed that the security interest of the Indenture Trustee shall attach to the Guarantor's ownership interests to the extent provided in this Agreement immediately upon the Guarantor's acquisition of rights therein and shall not be affected by the failure of the Guarantor to deliver any related documentation as required hereby.

Section 4.6 No Transfer; No Lien. During the term of this Agreement, the Guarantor shall not (i) sell, assign, replace, convert, retire, transfer or otherwise dispose of all or any portion of its Pledged Collateral in a manner that violates this Agreement, provided that the Guarantor shall be permitted at any time to distribute its interest in the IHOP Residual Certificate to Applebee's International, Inc., nor (ii) create, incur, assume or suffer to exist any Lien on the Pledged Collateral except Permitted Liens and the Indenture Trustee's Lien granted by this Agreement.

Section 4.7 Indebtedness. The Guarantor shall not incur Debt except as expressly permitted under the terms and provisions of this Agreement, the Indenture and any other Transaction Document.

Section 4.8 Maintenance of Office. The Guarantor will maintain an office or agency (which may be an office of the Indenture Trustee, the Registrar or co-registrar) in the United States where notices and demands to or upon the Guarantor in respect of this Agreement may be served. The Guarantor will give prompt written notice to the Indenture Trustee and each Insurer of the location, and any change in the location, of such office or agency. If at any time the Guarantor shall fail to maintain any such required office or agency or shall fail to furnish the Indenture Trustee and each Insurer with the address thereof, such presentations, surrenders, notices and demands may be made or served c/o the Indenture Trustee at the Corporate Trust Office and the Guarantor hereby designates the applicable Corporate Trust Office as one such office or agency of the Guarantor.

Section 4.9 Covenants in Base Indenture. The Guarantor acknowledges the terms and provisions of the Base Indenture and acknowledges that it is a Securitization Entity as defined thereunder. The Guarantor, as a Securitization Entity, agrees to be bound by the terms and provisions

thereof which purport to limit the actions of the Securitization Entities, to the same extent as if fully set forth herein, including without limitation the covenants set forth in Sections 7.7, 7.8 and 7.9 of the Base Indenture. The Guarantor further agrees to observe the covenants set forth in Section 7.13 of the Base Indenture to the same extent as if it were a Co-Issuer, including without limitation the covenants regarding maintenance of separate existence, and to take, or refrain from taking as the case may be, each action that is required to be taken or not taken on its part in order for the representations and warranties set forth in Section 7.12 of the Base Indenture to be true and correct with respect to the Guarantor.

Section 4.10 Further Assurances.

(a) The Guarantor will do such further acts and things, and execute and deliver to the Indenture Trustee and the Insurers, upon the request of the Aggregate Controlling Party, such additional assignments, agreements, powers and instruments, as are necessary or desirable to obtain or maintain the security interest of the Indenture Trustee in the Pledged Collateral on behalf of the Secured Parties as a perfected security interest subject to no prior Liens (other than Permitted Liens), to carry into effect the purposes of this Agreement or the other Transaction Documents or to better assure and confirm unto the Indenture Trustee and the other Secured Parties their rights, powers and remedies hereunder including, without limitation, the filing of any financing or continuation statements or amendments under the UCC in effect in any jurisdiction with respect to the liens and security interests granted hereby. The Guarantor intends the security interests granted pursuant to this Agreement in favor of the Secured Parties to be prior to all other Liens (other than Permitted Liens) in respect of the Pledged Collateral, and the Guarantor shall take all actions necessary to obtain and maintain, in favor of the Indenture Trustee for the benefit of the Secured Parties, a first lien on and a first priority, perfected security interest in the Pledged Collateral (except with respect to Permitted Liens). If the Guarantor fails to perform any of its agreements or obligations under this Section 4.10, the Indenture Trustee may perform such agreement or obligation, and the expenses of the Indenture Trustee incurred in connection therewith shall be payable by the Guarantor upon the Indenture Trustee's demand therefor. The Indenture Trustee is hereby authorized to execute and file without the signature of the Guarantor to the extent permitted by applicable law any financing statements, continuation statements, amendments or other instruments necessary or appropriate to perfect or maintain the perfection of the Indenture Trustee's security interest in the Pledged Collateral.

(b) If any amount payable under or in connection with any of the Pledged Collateral shall be or become evidenced by any promissory note, chattel paper or other instrument, such note, chattel paper or instrument shall be deemed to be held in trust and immediately pledged and within two (2) Business Days physically delivered to the Indenture Trustee hereunder, and shall, subject to the rights of any Person in whose favor a prior Lien has been perfected, be duly endorsed in a manner satisfactory to the Indenture Trustee and delivered to the Indenture Trustee promptly.

Section 4.11 Legal Name, Location Under Section 9-301 or 9-307. The Guarantor shall not change its location (within the meaning of Section 9-301 or 9-307 of the applicable UCC) or its legal name without at least thirty (30) days' prior written notice to the Indenture Trustee, each Insurer and the Rating Agencies with respect to each Series of Notes Outstanding. In the event that a Guarantor desires to so change its location or change its legal name, the Guarantor will make any required filings and prior to actually changing its location or its legal name the Guarantor will deliver to the Indenture Trustee and each Insurer (i) an Officer's Certificate and an Opinion of Counsel confirming that all required filings have been made to continue the perfected interest of the Indenture Trustee on behalf of the Secured Parties in the Pledged Collateral under Article 9 of the applicable UCC or other applicable

law in respect of the new location or new legal name of the Guarantor and (ii) copies of all such required filings with the filing information duly noted thereon by the office in which such filings were made.

Section 4.12 Stamp, Other Similar Taxes and Filing Fees. The Guarantor shall indemnify and hold harmless the Indenture Trustee and each Secured Party from any present or future claim for liability for any stamp, documentary or other similar tax and any penalties or interest and expenses with respect thereto, that may be assessed, levied or collected by any jurisdiction in connection with this Agreement, any other Transaction Document or any Pledged Collateral. The Guarantor shall pay, indemnify and hold harmless each Secured Party against, any and all amounts in respect of, all search, filing, recording and registration fees, taxes, excise taxes and other similar imposts that may be payable or determined to be payable in respect of the execution, delivery, performance and/or enforcement of this Agreement or any other Transaction Document.

ARTICLE V
REMEDIAL PROVISIONS

Section 5.1 Rights of Aggregate Controlling Party and Indenture Trustee upon Event of Default .

(a) Proceedings To Collect Money. In case the Guarantor shall fail forthwith to pay such amounts due on this Agreement upon such demand, the Indenture Trustee (at the direction of the Aggregate Controlling Party), in its own name and as trustee of an express trust, may institute a Proceeding for the collection of the sums so due and unpaid, and may prosecute such Proceeding to judgment or final decree, and may enforce the same against the Guarantor and collect in the manner provided by law out of the property of the Guarantor, wherever situated, the moneys adjudged or decreed to be payable.

(b) Other Proceedings. If and whenever an Event of Default shall have occurred and be continuing, the Indenture Trustee, at the direction of the Aggregate Controlling Party pursuant to an Aggregate Controlling Party Order, shall:

(i) proceed to protect and enforce its rights and the rights of the other Secured Parties, by such appropriate Proceedings as the Indenture Trustee (at the direction of the Aggregate Controlling Party) or the Aggregate Controlling Party shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Agreement or any other Transaction Document or in aid of the exercise of any power granted therein, or to enforce any other proper remedy or legal or equitable right vested in the Indenture Trustee by this Agreement or any other Transaction Document or by law, including any remedies of a secured party under applicable law;

(ii) (A) direct the Guarantor to exercise (and the Guarantor agrees to exercise) all rights, remedies, powers, privileges and claims of the Guarantor against any party to any Transaction Document arising as a result of the occurrence of such Event of Default or otherwise, including the right or power to take any action to compel performance or observance by any such party of its obligations to the Guarantor, and any right of the Guarantor to take such action independent of such direction shall be suspended, and (B) if (x) the Guarantor shall have failed, within ten (10) Business Days of receiving the direction of the Indenture Trustee (given at the direction of the Aggregate Controlling Party), to take commercially reasonable action to accomplish such directions of the Indenture Trustee, (y) the Guarantor refuses to take such action

or (z) the Aggregate Controlling Party reasonably determines that such action must be taken immediately, take such previously directed action (and any related action as permitted under this Agreement thereafter determined by the Indenture Trustee or the Aggregate Controlling Party to be appropriate without the need under this provision or any other provision under this Agreement to direct the Guarantor to take such action);

(iii) institute Proceedings from time to time for the complete or partial foreclosure of this Agreement or, to the extent applicable, any other Transaction Document, with respect to the Pledged Collateral; provided that the Indenture Trustee shall not be required to take title to any real property in connection with any foreclosure or other exercise of remedies hereunder and title to such property shall instead be acquired in an entity designated and (unless owned by a third party) controlled by the Aggregate Controlling Party; and/or

(iv) sell all or a portion of the Pledged Collateral at one or more public or private sales called and conducted in any manner permitted by law; provided, however, that the Indenture Trustee shall not proceed with any such sale without the prior written consent of the Aggregate Controlling Party and the Indenture Trustee will provide notice to the Guarantor and each Holder of Notes of a proposed sale of Pledged Collateral.

(c) Sale of Pledged Collateral. In connection with any sale of the Pledged Collateral hereunder (which may proceed separately and independently from the exercise of remedies under the Indenture) or under any judgment, order or decree in any judicial proceeding for the foreclosure or involving the enforcement of this Agreement or any other Transaction Document:

(i) the Indenture Trustee and/or any other Secured Party may bid for and purchase the property being sold, and upon compliance with the terms of the sale may hold, retain, possess and dispose of such property in its own absolute right without further accountability;

(ii) the Indenture Trustee (at the direction of the Aggregate Controlling Party) may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale and instrument of assignment and transfer of the property sold;

(iii) all right, title, interest, claim and demand whatsoever, either at law or in equity or otherwise, of the Guarantor of, in and to the property so sold shall be divested; and such sale shall be a perpetual bar both at law and in equity against the Guarantor, its successors and assigns, and against any and all Persons claiming or who may claim the property sold or any part thereof from, through or under the Guarantor or its successors or assigns; and

(iv) the receipt of the Indenture Trustee or of the officer thereof making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money, and such purchaser or purchasers, and his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Indenture Trustee or of such officer therefor, be obliged to see to the application of such purchase money or be in any way answerable for any loss, misapplication or non-application thereof.

(d) Application of Proceeds. Any amounts obtained by the Indenture Trustee on account of or as a result of the exercise by the Indenture Trustee of any right hereunder shall be held by the Indenture Trustee as additional collateral for the repayment of the Guaranteed Obligations, shall be deposited into the Collection Account and shall be applied as provided in Articles X and XI of the Base Indenture; provided, however, that unless otherwise provided in this Article V or Article V to the Base Indenture, with respect to any distribution to any Series of Notes, notwithstanding the provisions of

Articles X and XI of the Base Indenture, such amounts shall be distributed sequentially in order of alphabetical designation and pro rata among each Series of Notes of the same alphabetical designation based upon the Outstanding Principal Amount of the Notes of each such Series.

(e) Additional Remedies. In addition to any rights and remedies now or hereafter granted hereunder or under applicable law with respect to the Pledged Collateral, the Indenture Trustee shall have all of the rights and remedies of a secured party under the UCC and similar laws as enacted in any applicable jurisdiction.

(f) Proceedings. The Indenture Trustee may maintain a Proceeding even if it does not possess any of the Notes or does not produce any of them in the Proceeding, and any such Proceeding instituted by the Indenture Trustee shall be in its own name as trustee. All remedies are cumulative to the extent permitted by law.

(g) Power of Attorney. To the fullest extent permitted by applicable law, the Guarantor hereby grants to the Indenture Trustee an absolute and irrevocable power of attorney, upon the occurrence and during the continuance of an Event of Default, (i) to sign the name of the Guarantor on all or any of the Perfection Documents which the Indenture Trustee determines must be executed, filed, recorded or sent in order to perfect or continue perfected the Indenture Trustee's security interest hereunder in the Pledged Collateral in any jurisdiction, and (ii) to sign any document which may be required by the United States Patent and Trademark Office, United States Copyright Office, any similar office or agency in each foreign country in which any IP Asset is located, or any other Governmental Authority in order to effect an absolute assignment of all right, title and interest in or to any IP Asset, and record the same.

Section 5.2 Waiver of Appraisal, Valuation, Stay and Right to Marshaling. To the extent it may lawfully do so, the Guarantor 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 appraisal, 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 Agreement, (ii) the sale of any of the Pledged 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 Pledged Collateral marshaled upon any foreclosure, sale or other enforcement of this Agreement; and

(d) consents and agrees that, subject to the terms of this Agreement, all the Pledged Collateral may at any such sale be sold by the Indenture Trustee as an entirety or in such portions as the Indenture Trustee may (upon direction by the Aggregate Controlling Party) determine.

Section 5.3 Limited Recourse. Notwithstanding any other provision of this Agreement, any Insurance Agreement or any other Transaction Document or otherwise, the liability of the Guarantor to the Secured Parties under or in relation to this Agreement, any Insurance Agreement or any

other Transaction Document or otherwise, is limited in recourse to the Pledged Collateral. The Pledged Collateral having been applied in accordance with the terms hereof, none of the Secured Parties shall be entitled to take any further steps against the Guarantor to recover any sums due but still unpaid hereunder or under any of the other agreements or documents described in this Section 5.3, all claims in respect of which shall be extinguished.

Section 5.4 Optional Preservation of the Pledged Collateral. If the maturity of the Outstanding Notes of each Series has been accelerated pursuant to Section 5.4 of the Base Indenture following an Event of Default and such declaration and its consequences have not been rescinded and annulled, the Indenture Trustee, at the direction of the Aggregate Controlling Party pursuant to an Aggregate Controlling Party Order, shall elect to maintain possession of such portion, if any, of the Pledged Collateral as the Aggregate Controlling Party shall in its discretion determine.

Section 5.5 Control by the Aggregate Controlling Party. Notwithstanding any other provision hereof, the Aggregate Controlling Party may cause the institution of and direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee or exercise any trust or power conferred on the Indenture Trustee; provided that:

(a) such direction of time, method and place shall not be in conflict with any rule of law or with this Agreement;

(b) the Aggregate Controlling Party may take any other action deemed proper by the Aggregate Controlling Party that is not inconsistent with such direction (as the same may be modified by the Aggregate Controlling Party); and

(c) such direction shall be in writing;

provided further that, subject to Section 6.1 of the Base Indenture, the Indenture Trustee need not take any action that it determines might involve it in liability unless it has received an indemnity for such liability as provided in the Base Indenture. The Indenture Trustee shall take no action referred to in this Section 5.5 unless instructed to do so by the Aggregate Controlling Party.

Section 5.6 The Indenture Trustee May File Proofs of Claim. The Indenture Trustee is authorized 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 (including any claim for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel) and any other Secured Party (as applicable) allowed in any judicial proceedings relative to the applicable Insurer or the Guarantor, its creditors or its property, and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claim and any custodian in any such judicial proceeding is hereby authorized by each Secured Party 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 any other Secured Party, to pay the Indenture Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel, and any other amounts due the Indenture Trustee under Section 6.6 of the Base Indenture. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel, and any other amounts due the Indenture Trustee under Section 6.6 of the Base Indenture out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money and other properties which any other Secured Party may be entitled to receive in such

proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or accept or adopt on behalf of any other Secured Party any plan of reorganization, arrangement, adjustment or composition affecting the Guaranteed Obligations or the rights of any other Secured Party, or to authorize the Indenture Trustee to vote in respect of the claim of any Secured Parties in any such proceeding.

Section 5.7 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Agreement or in any suit against the Indenture Trustee for any action taken or omitted by it as a Indenture Trustee, a court in its discretion may require the filing by any party litigant in the suit of any undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 5.7 does not apply to a suit by the Indenture Trustee, a suit by the Aggregate Controlling Party, or a suit by Noteholders of more than 10% of the Aggregate Outstanding Principal Amount of all Series of Notes.

Section 5.8 Restoration of Rights and Remedies. If the Indenture Trustee or any other Secured Party has instituted any Proceeding to enforce any right or remedy under this Agreement or any other Transaction Document and such Proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Indenture Trustee or to such other Secured Party, then and in every such case the Indenture Trustee and any such other Secured Party shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Indenture Trustee and the other Secured Parties shall continue as though no such Proceeding had been instituted.

Section 5.9 Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Indenture Trustee or to any other Secured Party is intended to be exclusive of any other right or remedy, and every right or remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given under this Agreement or any other Transaction Document or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy under this Agreement or any other Transaction Document, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.10 Delay or Omission Not Waiver. No delay or omission of the Indenture Trustee, the Aggregate Controlling Party or of any other Secured Party to exercise any right or remedy accruing upon any Partial Amortization Event, Rapid Amortization Event, Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Partial Amortization Event, Rapid Amortization Event, Default or Event of Default or an acquiescence therein. Every right and remedy given by this ARTICLE V or by law to the Indenture Trustee, the Aggregate Controlling Party or to any other Secured Party may be exercised from time to time to the extent not inconsistent with the Indenture or this Agreement, and as often as may be deemed expedient, by the Indenture Trustee, the Aggregate Controlling Party or by any other Secured Party, as the case may be.

Section 5.11 Waiver of Stay or Extension Laws. The Guarantor covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Agreement or any other Transaction Document; and the Guarantor (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantages of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee or the Aggregate Controlling

Party, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 5.12 Remedies with respect to Pledged Equity Interests.

(a) The Guarantor hereby irrevocably constitutes and appoints the Indenture Trustee as the proxy and attorney in fact of the Guarantor with respect to the Pledged Collateral, including the right, from and after an Event of Default, to vote the Pledged Equity Interests, with full power of substitution to do so. The appointment of the Indenture Trustee as proxy and attorney-in-fact is coupled with an interest and shall be irrevocable until all Notes under the Indenture and all other Guaranteed Obligations have been indefeasibly paid in full. In addition to the right to vote the Pledged Equity Interests, the appointment of the Indenture Trustee as proxy and attorney-in-fact shall include the right to exercise all other rights, powers, privileges and remedies to which a holder of the Pledged Equity Interests would be entitled (including giving or withholding written consents of members, calling special meetings of members and voting at such meetings). Such proxy shall be effective, automatically and without the necessity of any action (including any transfer of any Pledged Equity Interests on the record books of the issuer thereof) by any person (including the issuer of the Pledged Equity Interests or any officer or the indenture trustee thereof), upon the occurrence of an Event of Default. Notwithstanding the foregoing, the Indenture Trustee shall not have any duty to exercise any such right or to preserve the same and shall not be liable for any failure to do so or for any delay in doing so.

(b) If, at any time when the Indenture Trustee shall determine to exercise its right to sell the whole or any part of the Pledged Equity Interests hereunder and such Pledged Equity Interests or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act of 1933, as amended (or any similar statute then in effect) (the "Act"), the Indenture Trustee may, in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Pledged Equity Interests or part thereof could be or shall have been filed under said Act (or similar statute), (y) may approach and negotiate with a single possible purchaser to effect such sale, and (z) may restrict such sale to purchasers each of whom is an accredited investor under the Act and who will represent and agree that such purchaser is purchasing for its own account, for investment and not with a view to the distribution or sale of such Pledged Equity Interests or any part thereof.

(c) The Guarantor acknowledges that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Indenture Trustee shall be under no obligation to delay a sale of any of the Pledged Equity Interests for the period of time necessary to permit any Pledged Entity to register such securities for public sale under the Act, or under applicable state securities laws, even if the Guarantor and such Pledged Entity would agree to do so.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Third-Party Beneficiary. Each Insurer shall constitute an express third-party beneficiary of this Agreement.

Section 6.2 Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.3 Successors and Assigns. All covenants and agreements in this Agreement by the Guarantor shall bind its successors and assigns, whether so expressed or not. Any assignment of this Agreement without the written consent of each Series Controlling Party shall be null and void.

Section 6.4 Separability. In case any provision in this Agreement 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 6.5 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 SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 6.6 Submission to Jurisdiction. 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 this Agreement, and the parties hereto 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 parties hereto 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 Guarantor and Master 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 parties hereto 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 6.7 Counterparts. This Agreement 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.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this instrument to be executed this 29 th day of November, 2007.

APPLEBEE'S HOLDINGS LLC,
as Guarantor

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S ENTERPRISES LLC,
as Master Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Indenture Trustee

By: /s/ Melissa Philibert
Name: Melissa Philibert
Title: Vice President

[SIGNATURE PAGE TO GUARANTY]

Exhibit 10.33

EXECUTION VERSION

CLASS A-1 NOTE PURCHASE AGREEMENT

(SERIES 2007-1 VARIABLE FUNDING SENIOR NOTES, CLASS A-1)

dated as of November 29, 2007

among

APPLEBEE'S ENTERPRISES LLC,
APPLEBEE'S IP LLC, and
the entities referred to herein as
the "RESTAURANT HOLDERS"

each as a Co-Issuer,

APPLEBEE'S SERVICES, INC.,
as Servicer,

CERTAIN FINANCIAL INSTITUTIONS,
each as a Committed Note Purchaser,

CERTAIN FUNDING AGENTS,

LEHMAN COMMERCIAL PAPER INC.,
as Swingline Lender,

and

LEHMAN COMMERCIAL PAPER INC.,
as Class A-1 Administrative Agent

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CLASS A-1 NOTE PURCHASE AGREEMENT

THIS CLASS A-1 NOTE PURCHASE AGREEMENT, dated as of November 29, 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) Applebee's Enterprises LLC, a Delaware limited liability company (the "Master Issuer"), Applebee's IP LLC, a Delaware limited liability company (the "IP Holder") and each of the entities appearing in the definition of "Restaurant Holders" in Appendix A to the Base Indenture (as defined below) (collectively, the "Restaurant Holders" and together with the Master Issuer and the IP Holder, collectively, the "Co-Issuers" and each, a "Co-Issuer"),

(b) Applebee's Services, Inc., a Kansas corporation ("ASI" or the "Servicer"),

(c) with respect to each Advance Sub-Class, the several financial institutions listed on the portion of Schedule I relating to such Advance Sub-Class as Committed Note Purchasers and their respective permitted successors and assigns (each, a "Committed Note Purchaser" and, collectively, the "Committed Note Purchasers"),

(d) for each Investor Group with respect to each Advance Sub-Class, the financial institution entitled to act on behalf of the Investor Group set forth opposite the name of such Investor Group on the portion of Schedule I relating to such Advance Sub-Class as Funding Agent and its permitted successors and assigns (each, the "Funding Agent" with respect to such Investor Group and, collectively, the "Funding Agents"),

(e) with respect to each Advance Sub-Class, the commercial paper conduits, if any, accepting an assignment pursuant to Section 9.17 with respect to such Advance Sub-Class and made a party hereto and their respective permitted successors and assigns (each, a "Conduit Investor" and, collectively, the "Conduit Investors"),

(f) with respect to the L/C Sub-Classes, the L/C Provider, if any, that is made a party hereto pursuant to an amendment in accordance with Section 9.01 and its respective permitted successors and assigns (the "L/C Provider").

(g) LEHMAN COMMERCIAL PAPER INC., as Swingline Lender, and

(h) LEHMAN COMMERCIAL PAPER INC., in its capacity as administrative agent for the Conduit Investors, the Committed Note Purchasers, the Funding Agents, the L/C Provider and the Swingline Lender (together with its permitted successors and assigns in such capacity, the "Class A-1 Administrative Agent").

BACKGROUND

1. Contemporaneously with the execution and delivery of this Agreement, the Co-Issuers and Wells Fargo Bank, National Association, as Indenture Trustee, are entering into the Series 2007-1 Supplement, of even date herewith (as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof, the " Series 2007-1 Supplement"), to the Base Indenture, of even date herewith (as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof, exclusive of any Series Supplement, the "Base Indenture" and, together with the Series 2007-1 Supplement and any other Series Supplement, the " Indenture"), among the Co-Issuers and the Indenture Trustee, pursuant to which the Co-Issuers will issue Series 2007-1 Class A-1 Notes (as defined in the Series 2007-1 Supplement).

2. The Co-Issuers wish to (a) issue the Series 2007-1 Class A-1 Advance Notes for each Advance Sub-Class to the Funding Agent (or its designee) for each Investor Group with respect to such Advance Sub-Class on behalf of the Investors in such Investor Group, and obtain the agreement of the applicable Investors to make loans from time to time (each, an " Advance" or a "Series 2007-1 Class A-1 Advance" and, collectively, the "Advances" or the "Series 2007-1 Class A-1 Advances") that will constitute the purchase of Series 2007-1 Class A-1 Outstanding Principal Amounts on the terms and conditions set forth in this Agreement; (b) issue the Series 2007-1 Class A-1 Swingline Notes to the Swingline Lender and obtain the agreement of the Swingline Lender to make Swingline Loans on the terms and conditions set forth in this Agreement; and (c) issue the Series 2007-1 Class A-1 L/C Notes to the L/C Provider and obtain the agreement of the L/C Provider to provide Letters of Credit on the terms and conditions set forth in this Agreement. ASI has joined in this Agreement to confirm certain representations, warranties and covenants made by it for the benefit of each Lender Party.

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 the Series 2007-1 Supplemental Definitions List attached to the Series 2007-1 Supplement as Annex A or in the Definitions attached to the Base Indenture as Appendix A, as applicable. Section 1.2 of the Base Indenture is hereby incorporated by reference as if fully set forth herein. Unless otherwise specified herein, all Article, Exhibit, Section or Subsection references herein shall refer to Articles, Exhibits, Sections or Subsections of this Agreement.

ARTICLE II
PURCHASE AND SALE OF CLASS A-1 NOTES

SECTION 2.01 The Initial Advance 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 shall issue and shall cause the Indenture Trustee to authenticate the initial Series 2007-1 Class A-1 Advance Notes for each Advance Sub-Class, which the Co-Issuers shall deliver to the Funding Agent for each Investor Group with respect to such Advance Sub-Class on behalf of the Investors in such Investor Group on the Series 2007-1 Closing Date. Such initial Series 2007-1 Class A-1 Advance Note for each Advance Sub-Class for each Investor Group shall be dated the Series 2007-1 Closing Date, shall be registered in the name of the related Funding Agent or its nominee, as agent for the related Investors, or in such other name as such Funding Agent may request, shall have a maximum principal amount equal to the Maximum Investor Group Principal Amount for such Investor Group, shall have an initial outstanding principal amount equal to such Investor Group's Commitment Percentage of the Series 2007-1 Class A-1 Initial Advance Principal Amount, and shall be duly authenticated in accordance with the provisions of the Indenture.

SECTION 2.02 Advances. (a) Subject to the terms and conditions of this Agreement and the Indenture, with respect to any Investor Group that (i) does not have a Conduit Investor or (ii) has a Conduit Investor but such Conduit Investor determines that it will not make (or it does not in fact make) an Advance or any portion of an Advance pursuant to Section 2.02(b), the Committed Note Purchasers with respect to such Investor Group shall, upon the Co-Issuers' request delivered in accordance with the provisions of Section 2.03 and the satisfaction of all of the conditions precedent thereto (or under the circumstances and in accordance with the provisions set forth in Section 2.05, 2.06 or 2.08), make Advances from time to time during the Commitment Term in the amounts determined pursuant to Section 2.02(c).

(b) Subject to the terms and conditions of this Agreement and the Indenture, with respect to any Investor Group that has a Conduit Investor, such Conduit Investor may, upon the Co-Issuers' request delivered in accordance with the provisions of Section 2.03 and the satisfaction of all of the conditions precedent thereto (or under the circumstances and in accordance with the provisions set forth in Section 2.05, 2.06 or 2.08), make Advances from time to time during the Commitment Term in the amounts determined pursuant to Section 2.02(c). Notwithstanding anything herein or in any other Transaction Document to the contrary, at no time will a Conduit Investor be obligated to make Advances hereunder.

(c) Any Advances made pursuant to Section 2.02(a) or Section 2.02(b) shall be made ratably by each Investor Group based on their respective Commitment Percentages and the portion of any such Advance made by any Committed Note Purchaser in such Investor Group shall be its Committed Note Purchaser Percentage of the Advances to be made by such Investor Group (or the portion thereof not being made by any Conduit Investor in such Investor Group); provided that no Advance shall be required or permitted to be made by any Investor on any date if, after giving effect to such Advance, (i) the related Investor Group Principal Amount would exceed the related Maximum Investor Group Principal Amount, (ii) the Series 2007-1 Class A-1 Outstanding Principal Amount would exceed the Series 2007-1 Class A-1 Maximum Principal Amount, (iii) the Series 2007-1 Class A-1-A Outstanding Principal Amount

would exceed the Series 2007-1 Class A-1-A Maximum Principal Amount or (iv) the Series 2007-1 Class A-1-X Outstanding Principal Amount would exceed the Series 2007-1 Class A-1-X Maximum Principal Amount.

(d) Each of the Advances to be made on any date shall be made as part of a single borrowing (each such single borrowing being a "Borrowing"). The Advances made by each Investor Group as part of the initial Borrowing on the Series 2007-1 Closing Date will be evidenced by the Series 2007-1 Class A-1 Advance Notes of the applicable Advance Sub-Class issued to such Investor Group in connection herewith and will constitute purchases of Series 2007-1 Class A-1 Initial Advance Principal Amounts corresponding to the amount of such Advances and allocated to the applicable Advance Sub-Class. Each other Borrowing will constitute an Increase, with the Advances made by each Investor Group as part of such Borrowing being evidenced by the Series 2007-1 Class A-1 Advance Notes of the applicable Advance Sub-Class issued to such Investor Group in connection herewith and constituting purchases of Series 2007-1 Class A-1 Outstanding Principal Amounts corresponding to the amount of such Advances and allocated to the applicable Advance Sub-Class.

(e) In the event the Co-Issuers wish to effect a Voluntary Decrease of the Series 2007-1 Class A-1 Outstanding Principal Amount, the Co-Issuers shall (i) deliver written notice thereof in accordance with Section 3.2(b) of the Series 2007-1 Supplement in the form of Exhibit A-2 hereto (each, a "Voluntary Decrease Request") and (ii) follow the additional procedures for a Voluntary Decrease set forth in Section 3.2(b) of the Series 2007-1 Supplement. Each such Voluntary Decrease in respect of any Advances shall be in an aggregate minimum principal amount of $500,000 and integral multiples of $100,000 in excess thereof.

(f) Subject to the terms of this Agreement and the Series 2007-1 Supplement, the aggregate principal amount of the Advances evidenced by the Series 2007-1 Class A-1 Advance Notes may be increased by Borrowings or decreased by Voluntary Decreases from time to time.

SECTION 2.03 Borrowing Procedures.

(a) Whenever the Co-Issuers wish a Borrowing to be made, the Co-Issuers shall (or shall cause the Servicer to) notify the Class A-1 Administrative Agent (who shall promptly notify each Funding Agent (and each Committed Note Purchaser) of its pro rata share thereof and notify the Indenture Trustee, the Series 2007-1 Class A Insurer, the Swingline Lender and the L/C Provider in writing of such Borrowing) upon irrevocable written notice in the form of an Advance Request delivered to the Class A-1 Administrative Agent no later than 12:00 p.m. (New York time) on the Business Day (or, in the case of any Eurodollar Advances for purposes of Section 3.01(b), on the third Business Day) prior to the date of Borrowing, which date of Borrowing shall be a Business Day during the Commitment Term. Each such notice shall be irrevocable and shall in each case refer to this Agreement and specify (i) the Borrowing date, (ii) the aggregate amount of the requested Borrowing to be made on the Borrowing date, (iii) the amount of outstanding Swingline Loans and Unreimbursed L/C

Drawings to be repaid with the proceeds of such Borrowing on the Borrowing date, which amount shall constitute all outstanding Swingline Loans and Unreimbursed L/C Drawings outstanding on the date of such notice, and (iv) sufficient instructions for application of the balance, if any, of the proceeds of such Borrowing on the Borrowing date. Requests for any Borrowing may not be made in an aggregate principal amount of less than $1,000,000 or in an aggregate principal amount which is not an integral multiple of $500,000 in excess thereof (except as otherwise provided herein with respect to Borrowings for the purpose of repaying then outstanding Swingline Loans or Unreimbursed L/C Drawings or if such amount would exceed the Series 2007-1 Class A-1 Maximum Principal Amount). The Co-Issuers agree to cause requests for Borrowings to be made upon notice of any drawing under a Letter of Credit, and in any event at least one time every three (3) Business Days if any Swingline Loans or Unreimbursed L/C Drawings are outstanding, in amounts at least sufficient to repay in full all Swingline Loans and Unreimbursed L/C Drawings outstanding on the date of the applicable request. Each Borrowing shall be ratably allocated among the Investor Groups (and their respective Series 2007-1 Class A-1 Advance Notes) based on their respective Maximum Investor Group Principal Amounts. With respect to each Investor Group, if any, that includes a Conduit Investor, each Funding Agent shall promptly advise its related Conduit Investor, if any, of any notice given pursuant to this Section 2.03(a) and shall promptly thereafter (but in no event later than 11:00 a.m. (New York time) on the date of Borrowing) notify the Class A-1 Administrative Agent, the Co-Issuers and the related Committed Note Purchaser(s) whether such Conduit Investor has determined to make all or any portion of the Advances in such Borrowing that are to be made by its Investor Group. On the date of each Borrowing and subject to the other conditions set forth herein and in the Series 2007-1 Supplement (and, if requested by the Class A-1 Administrative Agent, confirmation from the Swingline Lender and the L/C Provider, as applicable, as to (x) the amount of outstanding Swingline Loans and Unreimbursed L/C Drawings to be repaid with the proceeds of such Borrowing on the Borrowing date, (y) the Undrawn L/C Face Amount of all Letters of Credit then outstanding and (z) the principal amount of any other Swingline Loans or Unreimbursed L/C Drawings then outstanding), the applicable Investors in each Investor Group shall make available to the Class A-1 Administrative Agent the amount of the Advances in such Borrowing that are to be made by such Investor Group by wire transfer in U.S. Dollars of such amount in same day funds no later than 3:00 p.m. (New York time) on the date of such Borrowing, and upon receipt thereof the Class A-1 Administrative Agent shall immediately make such proceeds available, first, to the Swingline Lender and the L/C Provider for application to repayment of the amount of outstanding Swingline Loans and Unreimbursed L/C Drawings as set forth in the applicable Advance Request, ratably in proportion to such respective amounts, and, second, to the Co-Issuers as instructed in the applicable Advance Request.

(b) The failure of any Committed Note Purchaser to make the Advance to be made by it as part of any Borrowing shall not relieve any other Committed Note Purchaser (whether or not in the same Investor Group) of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Committed Note Purchaser shall be responsible for the failure of any other Committed Note Purchaser to

make the Advance to be made by such other Committed Note Purchaser on the date of any Borrowing.

(c) Unless the Class A-1 Administrative Agent shall have received notice from a Funding Agent prior to the date of any Borrowing that an applicable Investor in the related Investor Group will not make available to the Class A-1 Administrative Agent such Investor's share of the Advances to be made by such Investor Group as part of such Borrowing, the Class A-1 Administrative Agent may (but shall not be obligated to) assume that such Investor has made such share available to the Class A-1 Administrative Agent on the date of such Borrowing in accordance with Section 2.02(c) and the Class A-1 Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Swingline Lender, the L/C Provider and/or the Co-Issuers, as applicable, on such date a corresponding amount, and shall, if such corresponding amount has not been made available by the Class A-1 Administrative Agent, make available to the Swingline Lender, the L/C Provider and/or the Co-Issuers, as applicable, on such date a corresponding amount once such Investor has made such portion available to the Class A-1 Administrative Agent. If and to the extent that any Investor shall not have made such amount available to the Class A-1 Administrative Agent, such Investor and the Co-Issuers jointly and severally agree to repay (without duplication) to the Class A-1 Administrative Agent forthwith on demand such corresponding amount, together with interest thereon, for each day from the date such amount is made available to the Swingline Lender, the L/C Provider and/or the Co-Issuers, as applicable, until the date such amount is repaid to the Class A-1 Administrative Agent, at (i) in the case of the Co-Issuers, the interest rate applicable at the time to the Advances comprising such Borrowing and (ii) in the case of such Investor, the Federal Funds Rate and without deduction by such Investor for any withholding taxes. If such Investor shall repay to the Class A-1 Administrative Agent such corresponding amount, such amount so repaid shall constitute such Investor's Advance as part of such Borrowing for purposes of this Agreement.

SECTION 2.04 The Series 2007-1 Class A-1 Notes. On each date an Advance or Swingline Loan is funded or a Letter of Credit is issued hereunder, and on each date the outstanding amount thereof is reduced, a duly authorized officer, employee or agent of the related Series 2007-1 Class A-1 Noteholder shall make appropriate notations in its books and records of the amount, evidenced by the related Series 2007-1 Class A-1 Note, of such Advance, Swingline Loan or Letter of Credit and the amount of such reduction, as applicable. The Co-Issuers hereby authorize each duly authorized officer, employee and agent of such Series 2007-1 Class A-1 Noteholder 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; provided, however, that in the event of a discrepancy between the books and records of such Series 2007-1 Class A-1 Noteholder and the records maintained by the Indenture Trustee pursuant to the Indenture, such discrepancy shall be resolved by such Series 2007-1 Class A-1 Noteholder, the Series 2007-1 Class A Insurer and the Indenture Trustee, and such resolution shall control in the absence of manifest error; provided further that the failure of any such notation to be made, or any

finding that a notation is incorrect, in any such records shall not limit or otherwise affect the obligations of the Co-Issuers under this Agreement or the Indenture.

SECTION 2.05 Reduction in Commitments.

(a) The Co-Issuers may, with the prior written consent of the Series 2007-1 Controlling Party, and upon three Business Days' notice to the Class A-1 Administrative Agent (who shall promptly notify the Indenture Trustee, each Funding Agent and each Investor), effect a permanent reduction in the Series 2007-1 Class A-1 Maximum Principal Amount and a corresponding reduction, on a pro rata basis, in each of: (i) the Series 2007-1 Class A-1-A Maximum Principal Amount and the Series 2007-1 Class A-1-X Maximum Principal Amount and (ii) in each Commitment Amount and Maximum Investor Group Principal Amount; provided that (i) any such reduction will be limited to the undrawn portion of the Commitments, although any such reduction may be combined with a Voluntary Decrease effected pursuant to and in accordance with Section 3.2(b) of the Series 2007-1 Supplement, (ii) any such reduction must be in a minimum amount of $10,000,000, (iii) after giving effect to such reduction, the Series 2007-1 Class A-1 Maximum Principal Amount equals or exceeds $50,000,000, unless reduced to zero, and (iv) no such reduction shall be permitted if, after giving effect thereto, (x) the aggregate Commitment Amounts would be less than the Series 2007-1 Class A-1 Outstanding Principal Amount (excluding any Undrawn L/C Face Amounts with respect to which cash collateral is held by the L/C Provider pursuant to Section 4.03) or (y) the aggregate Commitment Amounts would be less than the sum of the Swingline Commitment and the L/C Commitment. Any reduction made pursuant to this Section 2.05(a) shall be made ratably among the Investor Groups, and their respective Series 2007-1 Class A-1 Advance Notes, based on their respective Maximum Investor Group Principal Amounts.

(b) If any of the following events shall occur, then the Commitments shall be automatically and permanently reduced on the dates and in the amounts set forth below with respect to the applicable event and the other consequences set forth below with respect to the applicable event shall ensue (and the Co-Issuers shall give the Indenture Trustee, the Series 2007-1 Class A Insurer and the Class A-1 Administrative Agent prompt written notice thereof):

(i) (A) on the Business Day immediately preceding the Series 2007-1 Adjusted Repayment Date, (x) the principal amount of all then-outstanding Swingline Loans and Unreimbursed L/C Drawings shall be repaid in full with proceeds of Advances made on such date (which proceeds shall be ratably allocated among (i) the Series 2007-1 Class A-1 Swingline Notes of each Swingline Sub-Class based on their respective Applicable Sub-Class Percentages and (ii) the Series 2007-1 Class A-1 L/C Notes of each L/C Sub-Class based on their respective Applicable Sub-Class Percentages, as the case may be) (and the Co-Issuers agree to deliver such Advance Requests under Section 2.03 as may be necessary to cause such Advances to be made), and (y) the Swingline Commitment and the L/C Commitment shall both be automatically and permanently reduced to zero; (B) on the Series 2007-1 Adjusted Repayment Date,

(x) all undrawn portions of the Commitments shall automatically and permanently terminate (all Undrawn L/C face Amounts having expired by their terms prior to such date), and (y) the corresponding portions of the Series 2007-1 Class A-1 Maximum Principal Amount, the Series 2007-1 Class A-1-A Maximum Principal Amount, the Series 2007-1 Class A-1-X Maximum Principal Amount, the Commitment Amounts and the Maximum Investor Group Principal Amounts shall be automatically and permanently reduced by a corresponding amount (which such amounts shall be ratably allocated among the Investor Groups and their respective Series 2007-1 Class A-1 Advance Notes); and (C) each payment of principal on the Series 2007-1 Class A-1 Outstanding Principal Amount occurring on or after the Series 2007-1 Adjusted Repayment Date shall result automatically and permanently in a dollar-for-dollar reduction of the Series 2007-1 Class A-1 Maximum Principal Amount and a corresponding reduction, on a pro rata basis: (i) in each of the Series 2007-1 Class A-1-A Maximum Principal Amount and the Series 2007-1 Class A-1-X Maximum Principal Amount and (ii) in each Commitment Amount and Maximum Investor Group Principal Amount;

(ii) if a Rapid Amortization Event occurs prior to the Series 2007-1 Adjusted Repayment Date (but subject to the Rapid Amortization Cure Right, if applicable), then (A) on the earliest of (1) the date the Rapid Amortization Cure Right is no longer applicable, (2) in the case of any Rapid Amortization Event that could be waived, the one-year anniversary of such Rapid Amortization Event without it having been waived, and (3) the Series 2007-1 Adjusted Repayment Date (x) all portions of the Commitments in excess of the Series 2007-1 Class A-1 Outstanding Principal Amount (excluding any Undrawn L/C Face Amounts to the extent cash collateral is held with respect thereto by the L/C Provider pursuant to Section 4.03) shall automatically and permanently terminate, (y) the corresponding portions of the Series 2007-1 Class A-1 Maximum Principal Amount, the Series 2007-1 Class A-1-A Maximum Principal Amount, the Series 2007-1 Class A-1-X Maximum Principal Amount, the Commitment Amounts and the Maximum Investor Group Principal Amounts shall be automatically and permanently reduced by a corresponding amount (which such amount shall be ratably allocated among the Investor Groups and their respective Series 2007-1 Class A-1 Advance Notes), and (z) the Swingline Commitment and the L/C Commitment shall both be automatically and permanently reduced to zero; (B) no later than the second Business Day after the occurrence of such Rapid Amortization Event, the principal amount of all then-outstanding Swingline Loans and Unreimbursed L/C Drawings shall be repaid in full with proceeds of Advances (which proceeds shall be ratably allocated among (i) the Series 2007-1 Class A-1 Swingline Notes of each Swingline Sub-Class based on their respective Applicable Sub-Class Percentages and (ii) the Series 2007-1 Class A-1 L/C Notes of each L/C Sub-Class based on their respective Applicable Sub-Class Percentages, as the case may be) (and the Co-Issuers agree to deliver such Advance Requests under Section 2.03 as may be necessary to cause such Advances to be made); and (C) each payment of principal on the Series 2007-1 Class A-1 Outstanding Principal Amount occurring on or after the date of such

Rapid Amortization Event (excluding the repayment of any outstanding Swingline Loans and Unreimbursed L/C Obligations with proceeds of Advances pursuant to clause (B) above but including payments that are used to cash collateralize any Undrawn L/C Face Amounts) shall result automatically and permanently in a dollar-for-dollar reduction of the Series 2007-1 Class A-1 Maximum Principal Amount and a corresponding reduction, on a pro rata basis, (i) in each of the Series 2007-1 Class A-1-A Maximum Principal Amount and the Series 2007-1 Class A-1-X Maximum Principal Amount and (ii) in each Commitment Amount and Maximum Investor Group Principal Amount;

(iii) if a Change of Control occurs (unless the Class A Insurer and if different, the Series 2007-1 Controlling Party, has provided its prior written consent thereto), then (A) on the date such Change of Control occurs, (x) all portions of the Commitments in excess of the Series 2007-1 Class A-1 Outstanding Principal Amount (excluding any Undrawn L/C Face Amounts to the extent cash collateral is held with respect thereto by the L/C Provider pursuant to Section 4.03) shall automatically and permanently terminate, (y) the corresponding portions of the Series 2007-1 Class A-1 Maximum Principal Amount, the Series 2007-1 Class A-1-A Maximum Principal Amount, the Series 2007-1 Class A-1-X Maximum Principal Amount, the Commitment Amounts and the Maximum Investor Group Principal Amounts shall be automatically and permanently reduced by a corresponding amount, and (z) the Swingline Commitment and the L/C Commitment shall both be automatically and permanently reduced to zero; (B) if the Series 2007-1 Prepayment Date specified in the applicable Prepayment Notice is scheduled to occur more than two Business Days after such occurrence, then no later than the second Business Day after the occurrence of such Change of Control, the principal amount of all then-outstanding Swingline Loans and Unreimbursed L/C Drawings shall be repaid in full with proceeds of Advances (which such proceeds shall be ratably allocated among (i) the Investor Groups and their respective Series 2007-1 Class A-1 Advance Notes, based on their respective Maximum Investor Group Principal Amounts, (ii) the Series 2007-1 Class A-1 Swingline Notes of each Swingline Sub-Class based on their respective Applicable Sub-Class Percentages and (iii) the Series 2007-1 Class A-1 L/C Notes of each L/C Sub-Class based on their respective Applicable Sub-Class Percentages) (and the Co-Issuers agree to deliver such Advance Requests under Section 2.03 as may be necessary to cause such Advances to be made); and (C) on the Series 2007-1 Prepayment Date specified in the applicable Prepayment Notice, (x) the Series 2007-1 Class A-1 Maximum Principal Amount, the Series 2007-1 Class A-1-A Maximum Principal Amount and the Series 2007-1 Class A-1-X Maximum Principal Amount, the Commitment Amounts and the Maximum Investor Group Principal Amounts shall all be automatically and permanently reduced to zero, and (y) the Co-Issuers shall cause the Series 2007-1 Class A-1 Outstanding Principal Amount to be paid in full (or, in the case of any then-outstanding Undrawn L/C Face Amounts, to be fully cash collateralized pursuant to Sections 4.02 and 4.03), together with accrued interest and fees and all other amounts then due and payable to the

Lender Parties, the Class A-1 Administrative Agent and the Funding Agents under this Agreement and the other Transaction Documents;

(iv) if prepayments related to Series 2007-1 Monthly Aggregate Extension Prepayment Amounts, Asset Disposition Prepayment Amounts, Insurance Proceeds Amounts, Series 2007-1 Partial Amortization Amounts, or Indemnification Amounts (collectively "Senior Payments") are allocated to and deposited in the applicable Series Distribution Account for the Series 2007-1 Notes in accordance with Section 4.7(c)(ii) through 4.7(c)(vii) of the Series Supplement at a time when no Class A Senior Notes other than Class A-1 Senior Notes are Outstanding, (x) the aggregate amount of the Commitments shall be automatically and permanently reduced on the date of such deposit by an amount (the "Series 2007-1 Class A-1 Allocated Payment Reduction Amount") equal to the product of (A) the portion, if any, of such Senior Payments remaining after depositing the applicable portion thereof in the applicable Series Distribution Accounts for all Classes of Class A Senior Notes other than any Class A-1 Senior Notes and (B) the percentage that the then-outstanding amount of the Commitments bears to the aggregate amount of all then-outstanding commitments to extend credit in respect of all Class A-1 Senior Notes; (y) the corresponding portions of the Series 2007-1 Class A-1 Maximum Principal Amount, the Series 2007-1 Class A-1-A Maximum Principal Amount, the Series 2007-1 Class A-1-X Maximum Principal Amount, the Commitment Amounts and the Maximum Investor Group Principal Amounts shall be automatically and permanently reduced by a corresponding amount (which such amount shall be ratably allocated among the Investor Groups and their respective Series 2007-1 Class A-1 Advance Notes) on such date (and, if after giving effect to such reduction the aggregate Commitment Amounts would be less than the sum of the Swingline Commitment and the L/C Commitment, then the aggregate amount of the Swingline Commitment and the L/C Commitment shall be reduced by the amount of such difference (which such amount shall be ratably allocated among (i) the Series 2007-1 Class A-1 Swingline Notes of each Swingline Sub-Class based on their respective Applicable Sub-Class Percentages and (ii) the Series 2007-1 Class A-1 L/C Notes of each L/C Sub-Class based on their respective Applicable Sub-Class Percentages, as the case may be), with such reduction to be allocated between them in accordance with the written instructions of the Co-Issuers delivered prior to such date; provided that after giving effect thereto the aggregate amount of the Swingline Loans and the L/C Obligations do not exceed the Swingline Commitment and the L/C Commitment, respectively, as so reduced; provided further that in the absence of such instructions, such reduction shall be allocated first to the Swingline Commitment and then to the L/C Commitment); and (z) the Series 2007-1 Class A-1 Outstanding Principal Amount shall be repaid or prepaid in an aggregate amount equal to such Series 2007-1 Class A-1 Allocated Payment Reduction Amount (which such amount shall be ratably allocated among the Investor Groups, and their respective Series 2007-1 Class A-1 Notes) on the date and in the order required by Section 4.7 of the Series 2007-1 Supplement and Section 4.02 of this Agreement; or

(v) if any Event of Default shall occur and be continuing (and shall not have been waived in accordance with the Base Indenture) and as a result the payment of the Series 2007-1 Class A-1 Notes is accelerated pursuant to Section 5.4 of the Base Indenture (and such acceleration shall not have been rescinded in accordance with the Base Indenture), then in addition to the consequences set forth in clause (ii) above in respect of the Rapid Amortization Event resulting from such Event of Default, the Series 2007-1 Class A-1 Maximum Principal Amount, the Series 2007-1 Class A-1-A Maximum Principal Amount, the Series 2007-1 Class A-1-X Maximum Principal Amount, the Commitment Amounts and the Maximum Investor Group Principal Amounts shall all be automatically and permanently reduced to zero upon such acceleration and the Co-Issuers shall immediately cause the Series 2007-1 Class A-1 Outstanding Principal Amount to be paid in full (or, in the case of any then-outstanding Undrawn L/C Face Amounts, to be fully cash collateralized pursuant to Sections 4.02 and 4.03), together with accrued interest and fees and all other amounts then due and payable to the Lender Parties, the Class A-1 Administrative Agent and the Funding Agents under this Agreement and the other Transaction Documents.

SECTION 2.06 Swingline Commitment.

(a) 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 shall issue and shall cause the Indenture Trustee to authenticate the initial Series 2007-1 Class A-1 Swingline Notes for each Swingline Sub-Class which the Co-Issuers shall deliver to the Swingline Lender on the Series 2007-1 Closing Date. Such initial Series 2007-1 Class A-1 Swingline Notes for each Swingline Sub-Class shall be dated the Series 2007-1 Closing Date, shall be registered in the name of the Swingline Lender or its nominee, or in such other name as the Swingline Lender may request, shall have a maximum principal amount equal to the Applicable Sub-Class Percentage for such Swingline Sub-Class of the Swingline Commitment, shall have an initial outstanding principal amount equal to the Applicable Sub-Class Percentage for such Swingline Sub-Class of the Series 2007-1 Class A-1 Initial Swingline Principal Amount, and shall be duly authenticated in accordance with the provisions of the Base Indenture. Subject to the terms and conditions hereof, the Swingline Lender, in reliance on the agreements of the Committed Note Purchasers set forth in this Section 2.06, agrees to make swingline loans (each, a "Swingline Loan" or a "Series 2007-1 Class A-1 Swingline Loan" and, collectively, the "Swingline Loans" or the "Series 2007-1 Class A-1 Swingline Loans") to the Co-Issuers from time to time during the period commencing on the Series 2007-1 Closing Date and ending on the date that is two Business Days prior to the Commitment Termination Date; provided that the Swingline Lender shall have no obligation or right to make any Swingline Loan if, after giving effect thereto, (i) the aggregate principal amount of Swingline Loans outstanding would exceed the Swingline Commitment then in effect (notwithstanding that the Swingline Loans outstanding at any time, when aggregated with the Swingline Lender's other outstanding Advances hereunder, may exceed the Swingline Commitment then in effect), (ii) the Series 2007-1 Class A-1 Outstanding Principal Amount would exceed the

Series 2007-1 Class A-1 Maximum Principal Amount, (iii) the Series 2007-1 Class A-1-A Outstanding Principal Amount would exceed the Series 2007-1 Class A-1-A Maximum Principal Amount or (iv) the Series 2007-1 Class A-1-X Outstanding Principal Amount would exceed the Series 2007-1 Class A-1-X Maximum Principal Amount. Each such borrowing of a Swingline Loan will constitute a corresponding Subfacility Increase, on a pro rata basis, in the outstanding principal amount evidenced by the Series 2007-1 Class A-1 Swingline Notes based on their respective Applicable Sub-Class Percentages in an aggregate amount corresponding to such borrowing. Any such Subfacility Increase caused by a borrowing of a Swingline Loan pursuant to this Section 2.06(a) shall be allocated ratably among the Series 2007-1 Class A-1 Swingline Notes of each Swingline Sub-Class based on their respective Applicable Sub-Class Percentages. Subject to the terms of this Agreement and the Series 2007-1 Supplement, the outstanding principal amount evidenced by the Series 2007-1 Class A-1 Swingline Notes may be increased by borrowings of Swingline Loans or decreased by payments of principal thereon from time to time.

(b) Whenever the Co-Issuers desire that the Swingline Lender make Swingline Loans they shall (or shall cause the Servicer to) give the Swingline Lender and the Class A-1 Administrative Agent irrevocable notice in writing not later than 12:00 p.m. (New York time) on the proposed borrowing date, specifying (i) the amount to be borrowed, (ii) the requested borrowing date (which shall be a Business Day during the Commitment Term not later than the date that is two Business Days prior to the Commitment Termination Date) and (iii) the payment instructions for the proceeds of such borrowing (which shall be consistent with the terms and provisions of this Agreement and the Indenture). Such notice shall be in the form of a Swingline Loan request in the form attached as Exhibit A-1 hereto (a "Swingline Loan Request"). Promptly upon receipt of any Swingline Loan Request (but in no event later than 1:00 p.m. on the date of such receipt), the Swingline Lender shall promptly notify the Class A-1 Administrative Agent, the Indenture Trustee and the Series 2007-1 Class A Insurer thereof in writing. Each borrowing under the Swingline Commitment shall be in a minimum amount equal to $100,000. Promptly upon receipt of any Swingline Loan Request (but in no event later than 2:30 p.m. on the date of such receipt), the Class A-1 Administrative Agent (based, with respect to any portion of the Series 2007-1 Class A-1 Outstanding Subfacility Amount held by any Person other than the Class A-1 Administrative Agent, solely on written notices received by the Class A-1 Administrative Agent under this Agreement) will inform the Swingline Lender whether or not, after giving effect to the requested Swingline Loan, (i) the Series 2007-1 Class A-1 Outstanding Principal Amount would exceed the Series 2007-1 Class A-1 Maximum Principal Amount, (ii) the Series 2007-1 Class A-1-A Outstanding Principal Amount would exceed the Series 2007-1 Class A-1-A Maximum Principal Amount or (iii) the Series 2007-1 Class A-1-X Outstanding Principal Amount would exceed the Series 2007-1 Class A-1-X Maximum Principal Amount. If the Class A-1 Administrative Agent confirms (i) that the Series 2007-1 Class A-1 Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1 Maximum Principal Amount, (ii) the Series 2007-1 Class A-1-A Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1-A Maximum Principal Amount and (iii) the Series 2007-1 Class A-1-X Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1-X Maximum Principal

Amount after giving effect to the requested Swingline Loan, then not later than 3:00 p.m. (New York time) on the borrowing date specified in the Swingline Loan Request, subject to the other conditions set forth herein and in the Series 2007-1 Supplement, the Swingline Lender shall make available to the Co-Issuers in accordance with the payment instructions set forth in such notice an amount in immediately available funds equal to the amount of the requested Swingline Loan.

(c) The Co-Issuers hereby agree that each Swingline Loan made by the Swingline Lender to the Co-Issuers pursuant to Section 2.06(a) shall constitute the promise and obligation of the Co-Issuers jointly and severally to pay to the Swingline Lender the aggregate unpaid principal amount of all Swingline Loans made by such Swingline Lender pursuant to Section 2.06(a), which amounts shall be due and payable (whether at maturity or by acceleration) as set forth in the Indenture for Series 2007-1 Class A-1 Outstanding Principal Amount .

(d) The Swingline Lender, at any time and from time to time in its sole and absolute discretion, may, on behalf of the Co-Issuers (which hereby irrevocably direct the Swingline Lender to act on their behalf), on one Business Day's notice given by the Swingline Lender to the Class A-1 Administrative Agent (who shall promptly notify each Funding Agent of its pro rata share thereof and shall notify the Indenture Trustee and the Series 2007-1 Class A Insurer of such borrowing in writing) no later than 12:00 p.m. (New York time), request each Investor Group to make, and the applicable Investors in each Investor Group hereby agree to make, Advances in an aggregate amount for each Investor Group equal to such Investor Group's Commitment Percentage of the aggregate amount of the Swingline Loans (the "Refunded Swingline Loans") outstanding on the date of such notice, to repay the Swingline Lender. Such Investors shall make the amount of such Advances available to the Class A-1 Administrative Agent in immediately available funds not later than 10:00 a.m. (New York time) one Business Day after the date of such notice and the proceeds of such Advances shall be immediately made available by the Class A-1 Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Refunded Swingline Loans; provided that after giving effect thereto, (i) the related Investor Group Principal Amount would not exceed the related Maximum Investor Group Principal Amount, (ii) the Series 2007-1 Class A-1 Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1 Maximum Principal Amount, (iii) the Series 2007-1 Class A-1-A Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1-A Maximum Principal Amount and (iv) the Series 2007-1 Class A-1-X Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1-X Maximum Principal Amount.

(e) If prior to the time Advances would have otherwise been made pursuant to Section 2.06(d), an Event of Bankruptcy shall have occurred and be continuing with respect to any Co-Issuer or Guarantor or if for any other reason, as determined by the Swingline Lender in its sole and absolute discretion, Advances may not be made as contemplated by Section 2.06(d), each Committed Note Purchaser with respect to each Advance Sub-Class shall, on the date such Advances were to have been made pursuant to the notice referred to in Section 2.06(d) (the "Refunding Date"),

purchase for cash an undivided participating interest in the then outstanding Swingline Loans evidenced by the Series 2007-1 Class A-1 Swingline Note having the same alphanumeric label as such Advance Sub-Class (the "Applicable Swingline Loans") by paying to the Swingline Lender an amount (the "Swingline Participation Amount") equal to (i) its Committed Note Purchaser Percentage of the related Investor Group's Commitment Percentage times (ii) the sum of the aggregate principal amount of Swingline Loans then outstanding that were to have been repaid with such Advances.

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

(g) Each applicable Investor's obligation to make the Advances referred to in Section 2.06(d) and each Committed Note Purchaser's obligation to purchase participating interests pursuant to Section 2.06(e) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Investor, Committed Note Purchaser or the Co-Issuers may have against the Swingline Lender, the Co-Issuers or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Article VII other than at the time the related Swingline Loan was made; (iii) any adverse change in the condition (financial or otherwise) of the Co-Issuers; (iv) any breach of this Agreement or any other Indenture Document by any Co-Issuer or any other Person; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(h) The Co-Issuers may, upon three Business Days' notice to the Class A-1 Administrative Agent and the Swingline Lender, effect a permanent reduction in the Swingline Commitment; provided that any such reduction will be limited to the undrawn portion of the Swingline Commitment. If requested by the Co-Issuers in writing and with the prior written consent of the Class A-1 Administrative Agent, the Swingline Lender may (but shall not be obligated to) increase the amount of the Swingline Commitment; provided that, after giving effect thereto, the aggregate amount of the Swingline Commitment and the L/C Commitment does not exceed the aggregate amount of the Commitments. Any reduction or increase made pursuant to this Section 2.06(h) shall be made ratably among the Series 2007-1 Class A-1 Swingline Notes of each Swingline Sub-Class based on their respective Applicable Sub-Class Percentages.

(i) The Co-Issuers may, upon notice to the Swingline Lender (who shall promptly notify the Class A-1 Administrative Agent and the Indenture Trustee thereof in writing), at any time and from time to time, voluntarily prepay Swingline Loans in whole or in part without premium or penalty; provided that (x) such notice must be received by the Swingline Lender not later than 1:00 p.m. (New York time) on the date of the prepayment, and (y) any such prepayment shall be in a minimum principal amount of $100,000 or a whole multiple of $100,000 in excess thereof or, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment. If such notice is given, the Co-Issuers shall make such prepayment directly to the Swingline Lender and the payment amount specified in such notice shall be due and payable on the date specified therein. Any payment made pursuant to this Section 2.06(i) shall be made ratably among the Series 2007-1 Class A-1 Swingline Notes of each Swingline Sub-Class based on their respective Applicable Sub-Class Percentages.

SECTION 2.07 L/C Commitment.

(a) Subject to the terms and conditions hereof, the L/C Provider, in reliance on the agreements of the Committed Note Purchasers set forth in Sections 2.08 and 2.09, agrees to provide standby letters of credit (each, a "Letter of Credit" and, collectively, the "Letters of Credit") for the account of the Co-Issuers on any Business Day during the period commencing on the Series 2007-1 Closing Date and ending on the date that is seven Business Days prior to the Commitment Termination Date to be issued in accordance with Section 2.07(h) in such form as may be approved from time to time by the L/C Provider; provided that the L/C Provider shall have no obligation or right to provide any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment, (ii) the Series 2007-1 Class A-1 Outstanding Principal Amount would exceed the Series 2007-1 Class A-1 Maximum Principal Amount, (iii) the Series 2007-1 Class A-1-A Outstanding Principal Amount would exceed the Series 2007-1 Class A-1-A Maximum Principal Amount or (iv) the Series 2007-1 Class A-1-X Outstanding Principal Amount would exceed the Series 2007-1 Class A-1-X Maximum Principal Amount. Each Letter of Credit shall (x) be denominated in Dollars, (y) have a face amount of at least $100,000 (unless otherwise agreed by the L/C Provider) and (z) expire no later than the earlier of (A) the first anniversary of its date of issuance and (B) the date that is seven Business Days prior to the Commitment Termination Date; provided that any Letter of Credit may provide for the renewal thereof for additional periods not to exceed one year (which shall in no event extend beyond the date referred to in clause (B) above). The L/C Provider shall not at any time be obligated to (I) provide any Letter of Credit hereunder if such issuance would conflict with, or cause any L/C Issuing Bank to exceed any limits imposed by, any applicable Requirement of Law or (II) amend any Letter of Credit hereunder if (1) the L/C Provider would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof or (2) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(b) 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 shall issue and shall cause the Indenture Trustee to authenticate the initial Series 2007-1 Class A-1 L/C Notes for each L/C Sub-Class which the Co-Issuers shall deliver to the L/C Provider on the Series 2007-1 Closing Date. Such initial Series 2007-1 Class A-1 L/C Notes for each L/C Sub-Class shall be dated the Series 2007-1 Closing Date, shall be registered in the name of the L/C Provider or its nominee, or in such other name as the L/C Provider may request, shall have a maximum principal amount equal to the Applicable Sub-Class Percentage for such L/C Sub-Class of the L/C Commitment, shall have an initial outstanding principal amount equal to the Applicable Sub-Class Percentage for such L/C Sub-Class of the Series 2007-1 Class A-1 Initial Aggregate Undrawn L/C face Amount, and shall be duly authenticated in accordance with the provisions of the Indenture. Each issuance of a Letter of Credit after the Series 2007-1 Closing Date will constitute a corresponding Subfacility Increase, on a pro rata basis, in the outstanding principal amount evidenced by the Series 2007-1 Class A-1 L/C Notes based on their respective Applicable Sub-Class Percentages, in an aggregate amount corresponding to the Undrawn L/C Face Amount of such Letter of Credit. All L/C Obligations (whether in respect of Undrawn L/C Face Amounts or Unreimbursed L/C Drawings) shall be deemed to be principal outstanding under the Series 2007-1 Class A-1 L/C Notes based on their respective Applicable Sub-Class Percentages for all purposes of this Agreement, the Indenture and the other Transaction Documents other than, in the case of Undrawn L/C Face Amounts, for purposes of accrual of interest. Any payment of such principal in respect of Undrawn L/C Face Amounts shall be deposited into a cash collateral account as provided in Sections 4.02 and 4.03. Subject to the terms of this Agreement and the Series 2007-1 Supplement, the outstanding principal amount evidenced by the Series 2007-1 Class A-1 L/C Notes may be increased by issuances of Letters of Credit or decreased by expirations thereof or payments of drawings thereunder or other circumstances resulting in the permanent reduction in any Undrawn L/C Face Amounts from time to time. The L/C Provider and the Co-Issuers agree to promptly notify the Class A-1 Administrative Agent and the Indenture Trustee of any such decreases for which notice to the Class A-1 Administrative Agent is not otherwise provided hereunder.

(c) The Co-Issuers may from time to time request that the L/C Provider provide a Letter of Credit by delivering to the L/C Provider at its address for notices specified herein an Application therefor (in the form required by the applicable L/C Issuing Bank as notified to the Co-Issuers by the L/C Provider), completed to the satisfaction of the L/C Provider, and such other certificates, documents and other papers and information as the L/C Provider may request on behalf of the L/C Issuing Bank. Upon receipt of any completed Application, the L/C Provider shall notify the Class A-1 Administrative Agent and the Indenture Trustee in writing of the amount, the beneficiary and the requested expiration of the requested Letter of Credit which shall comply with Section 2.07(a) and, subject to the other conditions set forth herein and in the Series 2007-1 Supplement and upon receipt of confirmation from the Class A-1 Administrative Agent (based, with respect to any portion of the Series 2007-1 Class A-1 Outstanding Subfacility Amount held by any Person other than the Class A-1 Administrative Agent, solely on written notices received by the Class A-1 Administrative Agent under this Agreement) that after giving effect to the requested issuance, (i) the Series 2007-1 Class A-1 Outstanding Principal Amount would not exceed the

Series 2007-1 Class A-1 Maximum Principal Amount, (ii) the Series 2007-1 Class A-1-A Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1-A Maximum Principal Amount and (iii) the Series 2007-1 Class A-1-X Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1-X Maximum Principal Amount, the L/C Provider will cause such Application to be processed and the certificates, documents and other papers and information delivered in connection therewith in accordance with the L/C Issuing Bank's customary procedures and shall promptly provide the Letter of Credit requested thereby (but in no event shall the L/C Provider be required to provide any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by the L/C Provider and the Co-Issuers. The L/C Provider shall furnish a copy of such Letter of Credit to the Servicer (with a copy to the Class A-1 Administrative Agent) promptly following the issuance thereof. The L/C Provider shall promptly furnish to the Class A-1 Administrative Agent, which shall in turn promptly furnish to the Funding Agents, the Investors, the Indenture Trustee and the Series 2007-1 Class A Insurer, written notice of the issuance of each Letter of Credit (including the amount thereof).

(d) The Co-Issuers shall jointly and severally pay fees (the "L/C Monthly Fees") with respect to each Letter of Credit at a per annum rate equal to the L/C Monthly Fees Rate calculated on the daily maximum amount then available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit if such maximum amount increases periodically pursuant to the terms of such Letter of Credit) during the applicable Interest Period, shared ratably among the Committed Note Purchasers and payable in arrears on each Payment Date in accordance with the applicable provisions of the Indenture. In addition, under the circumstances set forth in Section 4.4 of the Series 2007-1 Supplement, the Co-Issuers shall jointly and severally pay contingent additional fees in respect of the outstanding Letters of Credit in an amount equal to the Series 2007-1 Class A-1 Contingent Additional L/C Fees payable pursuant to such Section 4.4 and shared ratably among the Committed Note Purchasers.

(e) In addition, the Co-Issuers shall jointly and severally pay to or reimburse the L/C Provider for the following amounts for the account of the applicable L/C Issuing Bank: (i) fronting fees (the "L/C Fronting Fees") with respect to each Letter of Credit issued by it at a per annum rate equal to the L/C Fronting Fees Rate calculated on the daily maximum amount then available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit if such maximum amount increases periodically pursuant to the terms of such Letter of Credit) during the applicable Interest Accrual Period, payable in arrears on each Payment Date in accordance with the applicable provisions of the Indenture, and (ii) such normal and customary costs and expenses as are incurred or charged by the L/C Issuing Bank in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit and separately charged to account parties (the "L/C Additional Charges"). Subject to the Priority of Payments, the L/C Additional Charges are due and payable within ten (10) Business Days of demand and are nonrefundable.

(f) To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Article II, the provisions of this Article II shall apply.

(g) The Co-Issuers may, upon three Business Days' notice to the Class A-1 Administrative Agent and the L/C Provider, effect a permanent reduction in the L/C Commitment; provided that any such reduction will be limited to the unused portion of the L/C Commitment. If requested by the Co-Issuers in writing and with the prior written consent of the Class A-1 Administrative Agent, the L/C Provider may (but shall not be obligated to) increase the amount of the L/C Commitment; provided further that, after giving effect thereto, the aggregate amount of the Swingline Commitment and the L/C Commitment does not exceed the aggregate amount of the Commitments. Any reduction or increase made pursuant to this Section 2.07(g) shall be made ratably among the Series 2007-1 Class A-1 L/C Notes of each L/C Sub-Class based on their respective Applicable Sub-Class Percentages.

(h) The L/C Provider shall have the right to satisfy its obligations under this Section 2.07 with respect to providing any Letter of Credit hereunder either by issuing such Letter of Credit itself or by causing another Person selected by the L/C Provider to issue such Letter of Credit (the L/C Provider in its capacity as the issuer of such Letter of Credit or such other Person selected by the L/C Provider being referred to as the " L/C Issuing Bank"); provided that the L/C Issuing Bank is a U.S. commercial bank that has, at the time of such issuance, (i) a short-term certificate of deposit rating of not less than "P-1" from Moody's and "A-1" from S&P and (ii) a long-term unsecured debt rating of not less than "Aa1" from Moody's and "A+" from S&P.

SECTION 2.08 L/C Reimbursement Obligations.

(a) For the purpose of reimbursing the payment of any draft presented under any Letter of Credit, the Co-Issuers jointly and severally agree to pay the L/C Provider for its own account (if it has already reimbursed the applicable L/C Issuing Bank for the payment of such draft) or for the account of the L/C Issuing Bank, as applicable, on the Business Day after the Business Day on which the L/C Provider notifies the Co-Issuers and the Class A-1 Administrative Agent by 10:00 a.m. (New York time) (or, on the second Business Day after the Business Day on which the L/C Provider notifies the Co-Issuers and the Class A-1 Administrative Agent after 10:00 a.m. (New York time)) (and in each case the Class A-1 Administrative Agent shall promptly notify the Funding Agents) of the date and amount of such draft an amount in Dollars equal to the sum of (i) the amount of such draft so paid (the " L/C Reimbursement Amount" and (ii) any taxes, fees, charges or other costs or expenses (collectively, the "L/C Other Reimbursement Costs") incurred by the L/C Issuing Bank in connection with such payment. Each drawing under any Letter of Credit shall (unless an Event of Bankruptcy shall have occurred and be continuing with respect to any Co-Issuer or Guarantor, in which cases the procedures specified in Section 2.09 for funding by Committed Note Purchasers shall apply) constitute a request by the Co-Issuers to the Class A-1 Administrative Agent and each Funding Agent for a Borrowing pursuant to Section 2.02 in the amount of the applicable L/C Reimbursement Amount, and the

Co-Issuers agree to make such request pursuant to the procedures set forth in Section 2.03. The applicable Investors in each Investor Group hereby agree to make Advances in an aggregate amount for each Investor Group equal to such Investor Group's Commitment Percentage of the L/C Reimbursement Amount to pay the L/C Provider. Each such Advance made pursuant to this Section 2.08(a) shall be made ratably among the Investor Groups and their respective Series 2007-1 Class A-1 Advance Notes. The Borrowing date with respect to such Borrowing shall be the first date on which a Borrowing could be made pursuant to Section 2.02 if the Class A-1 Administrative Agent had received a notice of such Borrowing at the time the Class A-1 Administrative Agent receives notice from the L/C Provider of such drawing under such Letter of Credit. Such Investors shall make the amount of such Advances available to the Class A-1 Administrative Agent in immediately available funds not later than 3:00 p.m. (New York time) on such Borrowing date and the proceeds of such Advances shall be immediately made available by the Class A-1 Administrative Agent to the L/C Provider for application to the reimbursement of such drawing; provided that after giving effect thereto, (i) the related Investor Group Principal Amount would not exceed the related Maximum Investor Group Principal Amount, (ii) the Series 2007-1 Class A-1 Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1 Maximum Principal Amount, (iii) the Series 2007-1 Class A-1-A Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1-A Maximum Principal Amount and (iv) the Series 2007-1 Class A-1-X Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1-X Maximum Principal Amount.

(b) The Co-Issuers' obligations under Section 2.08(a) shall be absolute and unconditional, and shall be performed strictly in accordance with the terms of this Agreement, under any and all circumstances and irrespective of (i) any setoff, counterclaim or defense to payment that the Co-Issuers may have or have had against the L/C Provider, the L/C Issuing Bank, any beneficiary of a Letter of Credit or any other Person, (ii) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (iii) payment by the L/C Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, (iv) payment by the L/C Issuing Bank under a Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under the Bankruptcy Code or any other liquidation, conservatorship, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of any jurisdictions or (v) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, any Co-Issuer's obligations hereunder. The Co-Issuers also agree that the L/C Provider and the L/C Issuing Bank shall not be responsible for, and the Co-Issuers' Reimbursement Obligations under Section 2.08(a) shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Co-Issuers and any beneficiary of any Letter of Credit or

any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Co-Issuers against any beneficiary of such Letter of Credit or any such transferee. Neither the L/C Provider nor the L/C Issuing Bank shall be liable for any error, omission, interruption, loss or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Co-Issuers to the extent permitted by applicable law) caused by errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the L/C Provider or the L/C Issuing Bank, as the case may be. The Co-Issuers agree that any action taken or omitted by the L/C Provider or the L/C Issuing Bank, as the case may be, under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards of care specified in the UCC of the State of New York, shall be binding on the Co-Issuers and shall not result in any liability of the L/C Provider or the L/C Issuing Bank to the Co-Issuers. As between the Co-Issuers and the L/C Issuing Bank, the Co-Issuers hereby assume all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit. In furtherance of the foregoing and without limiting the generality thereof, the Co-Issuers agree with the L/C Issuing Bank that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the L/C Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(c) If any draft shall be presented for payment under any Letter of Credit, the L/C Provider shall promptly notify the Co-Issuers and the Class A-1 Administrative Agent of the date and amount thereof. The responsibility of the applicable L/C Issuing Bank to the Co-Issuers in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit and, in paying such draft, such L/C Issuing Bank shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of any Person(s) executing or delivering any such document.

SECTION 2.09 L/C Participations.

(a) The L/C Provider irrevocably agrees to grant and hereby grants to each Committed Note Purchaser with respect to each Advance Sub-Class, and, to induce the L/C Provider to provide Letters of Credit hereunder (and, if the L/C Provider is not the L/C Issuing Bank for any Letter of Credit, to induce the L/C Provider to agree to reimburse such L/C Issuing Bank for any payment of any drafts presented thereunder), each Committed Note Purchaser with respect to such Advance Sub-Class irrevocably and

unconditionally agrees to accept and purchase and hereby accepts and purchases from the L/C Provider, on the terms and conditions set forth below, for such Committed Note Purchaser's own account and risk, an undivided interest in the Series 2007-1 Class A-1 L/C Note having the same alphanumeric label as such Advance Sub-Class (the "Applicable L/C Note") equal to its Committed Note Purchaser Percentage of the related Investor Group's Commitment Percentage of the L/C Provider's obligations and rights under and in respect of each Letter of Credit provided hereunder and the L/C Reimbursement Amount with respect to each draft paid or reimbursed by the L/C Provider in connection therewith. Each Committed Note Purchaser with respect to each Advance Sub-Class unconditionally and irrevocably agrees with the L/C Provider that, if a draft is paid under any Letter of Credit for which the L/C Provider is not paid in full by the Co-Issuers in accordance with the terms of this Agreement, such Committed Note Purchaser shall pay to the Class A-1 Administrative Agent upon demand of the L/C Provider an amount equal to its Committed Note Purchaser Percentage of the related Investor Group's Commitment Percentage of the L/C Reimbursement Amount with respect to such Letter of Credit, or any part thereof, that is not so paid, which payment shall constitute an undivided participating interest in the Applicable L/C Note; provided that after giving effect thereto, (i) the related Investor Group Principal Amount would not exceed the related Maximum Investor Group Principal Amount, (ii) the Series 2007-1 Class A-1 Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1 Maximum Principal Amount, (iii) the Series 2007-1 Class A-1-A Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1-A Maximum Principal Amount and (iv) the Series 2007-1 Class A-1-X Outstanding Principal Amount would not exceed the Series 2007-1 Class A-1-X Maximum Principal Amount. The Class A-1 Administrative Agent shall promptly forward such amounts to the L/C Provider.

(b) If any amount required to be paid by any Committed Note Purchaser to the Class A-1 Administrative Agent for forwarding to the L/C Provider pursuant to Section 2.09(a) in respect of any unreimbursed portion of any payment made or reimbursed by the L/C Provider under any Letter of Credit is paid to the Class A-1 Administrative Agent for forwarding to the L/C Provider within three Business Days after the date such payment is due, such Committed Note Purchaser shall pay to the Class A-1 Administrative Agent for forwarding to the L/C Provider on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the L/C Provider, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any Committed Note Purchaser pursuant to Section 2.09(a) is not made available to the Class A-1 Administrative Agent for forwarding to the L/C Provider by such Committed Note Purchaser within three Business Days after the date such payment is due, the L/C Provider shall be entitled to recover from such Committed Note Purchaser, on demand, such amount with interest thereon calculated from such due date at the Base Rate. A certificate of the L/C Provider submitted to any Committed Note Purchaser with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error. Such amounts payable under this Section 2.09(b) shall be paid without any deduction for any withholding taxes.

(c) Whenever, at any time after payment has been made under any Letter of Credit and the L/C Provider has received from any Committed Note Purchaser its pro rata share of such payment in accordance with Section 2.09(a), the Class A-1 Administrative Agent or the L/C Provider receives any payment related to such Letter of Credit (whether directly from the Co-Issuers or otherwise, including proceeds of collateral applied thereto by the L/C Provider), or any payment of interest on account thereof, the Class A-1 Administrative Agent or the L/C Provider, as the case may be, will distribute to such Committed Note Purchaser its pro rata share thereof; provided, however, that in the event that any such payment received by the Class A-1 Administrative Agent or the L/C Provider, as the case may be, shall be required to be returned by the Class A-1 Administrative Agent or the L/C Provider, such Committed Note Purchaser shall return to the Class A-1 Administrative Agent for the account of the L/C Provider the portion thereof previously distributed by the Class A-1 Administrative Agent or the L/C Provider, as the case may be, to it.

(d) Each Committed Note Purchaser's obligation to make the Advances referred to in Section 2.08(a) and to pay its pro rata share of any unreimbursed draft pursuant to Section 2.09(a) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Committed Note Purchaser or the Co-Issuers may have against the L/C Provider, any L/C Issuing Bank, the Co-Issuers or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Article VII other than at the time the related Letter of Credit was issued; (iii) an adverse change in the condition (financial or otherwise) of the Co-Issuers; (iv) any breach of this Agreement or any other Indenture Document by any Co-Issuer or any other Person; (v) any amendment, renewal or extension of any Letter of Credit in compliance with this Agreement or with the terms of such Letter of Credit, as applicable; or (vi) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

SECTION 2.10 Cash Collateralization of Existing Letters of Credit. Notwithstanding anything to the contrary herein, the Servicer and each Co-Issuer hereby agree that all proceeds received from Borrowings on the Series 2007-1 Closing Date up to an aggregate amount equal to $20,746,329 shall be allocated to Cash Collateralize the outstanding amount of all letters of credit issued under Applebee's International's existing credit agreement dated as of as of December 18, 2006 (as amended, restated, supplemented and/or otherwise modified prior to the date hereof), and entered into by and among Applebee's International, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Bank of America, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Chicago Branch, and Citibank, N.A., as syndication agents, and J.P. Morgan Securities Inc. and Banc of America Securities LLC, as joint lead arrangers and book runners (the "Existing Letters of Credit").

For purposes hereof, "Cash Collateralize" means to deposit as directed by and for the benefit of JPMorgan Chase Bank, N.A., as collateral for the Existing Letters of Credit, cash or deposit account balances ("cash collateral") pursuant to documentation

in form and substance reasonably satisfactory to JPMorgan Chase Bank, N.A.(which documents are hereby consented to by the Servicer and each of the Co-Issuers).

ARTICLE III
INTEREST AND FEES

SECTION 3.01 Interest.

(a) Each Advance funded or maintained by a Conduit Investor through the issuance of Commercial Paper shall bear interest at the CP Rate applicable to such Conduit Investor; provided that if at any time such Conduit Investor is not an Eligible Conduit Investor, (i) such Conduit Investor shall promptly notify the Class A-1 Administrative Agent (who shall promptly notify the related Funding Agent and the Co-Issuers) thereof and (ii) the Co-Issuers shall have the right, exercisable upon three Business Days' prior written notice to the Class A-1 Administrative Agent (who shall promptly notify the related Funding Agent) to cause such Advance commencing as of the next Payment Date to bear interest at the Base Rate or Eurodollar Rate, as applicable, in accordance with the following sentence. Each Advance funded or maintained either (A) by a Conduit Investor through means other than the issuance of Commercial Paper or (B) by a Committed Note Purchaser or a Program Support Provider or to the extent provided in the preceding sentence shall bear interest at (i) the Base Rate or (ii) if the required notice has been given pursuant to Section 3.01(b) with respect to such Advance for any Eurodollar Interest Period, the Eurodollar Rate applicable to such Eurodollar Interest Period for such Advance, in each case except as otherwise provided in the definition of Eurodollar Interest Period or in Section 3.03 or 3.04. For the avoidance of doubt, no Conduit Investor shall be obligated to fund or maintain an Advance through the issuance of Commercial Paper. By (x) 11:00 a.m. (New York time) on the second Business Day preceding each Accounting Date, each Funding Agent shall notify the Class A-1 Administrative Agent of the applicable CP Rate, if any, for each Advance made by its Investor Group that bears interest at the CP Rate and is outstanding during all or any portion of the Interest Accrual Period ending immediately prior to such Accounting Date and (y) 3:00 p.m. on such date, the Class A-1 Administrative Agent shall notify the Co-Issuers, the Servicer and the Funding Agents of such applicable CP Rate and of the applicable interest rate for each other Advance for such Interest Accrual Period.

(b) With respect to any Advance (other than one that bears interest at the CP Rate), so long no Rapid Amortization Period or Event of Default has commenced and is continuing, the Co-Issuers may elect that such Advance bear interest at the Eurodollar Rate for any Eurodollar Interest Period while such Advance is outstanding to the extent provided in Section 3.01(a) by giving notice thereof to the Funding Agents and the Class A-1 Administrative Agent prior to 12:00 p.m. (New York time) on the date which is three Eurodollar Business Days prior to the commencement of such Eurodollar Interest Period. If such notice is not given in a timely manner, such Advance shall bear interest at the Base Rate. Each such conversion to or continuation of Eurodollar Advances for a new Eurodollar Interest Period in accordance with this Section 3.01(b) shall be in an aggregate principal amount of $1,000,000 or an integral multiple of $500,000 in excess thereof.

(c) Any outstanding Swingline Loans and Unreimbursed L/C Drawings shall bear interest at the Base Rate unless and until repaid by a Eurodollar Advance or a CP Rate Advance. By (x) 11:00 a.m. (New York time) on the second Business Day preceding each Accounting Date, the Swingline Lender shall notify the Class A-1 Administrative Agent in reasonable detail of the amount of interest accrued on any Swingline Loans during the Interest Accrual Period ending on such date and the L/C Provider shall notify the Class A-1 Administrative Agent in reasonable detail of the amount of interest accrued on any Unreimbursed L/C Drawings during such Interest Accrual Period and the amount of fees accrued on any Undrawn L/C Face Amounts during such Interest Accrual Period and (y) 3:00 p.m. on such date, the Class A-1 Administrative Agent shall notify the Co-Issuers and the Servicer of the amount of such accrued interest and fees as set forth in such notices.

(d) All accrued interest pursuant to Section 3.01(a) or (c) shall be due and payable in arrears on each Payment Date in accordance with the applicable provisions of the Indenture.

(e) In addition, under the circumstances set forth in Section 4.4 of the Series 2007-1 Supplement, the Co-Issuers shall jointly and severally pay contingent additional interest in respect of the Series 2007-1 Class A-1 Outstanding Principal Amount in an amount equal to the Series 2007-1 Class A-1 Contingent Additional Interest and the Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Interest payable pursuant to such Section 4.4.

(f) All computations of interest at the CP Rate and the Eurodollar Rate, all computations of Series 2007-1 Class A-1 Contingent Additional Interest and Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Interest (other than any accruing on any Base Rate Advances) and all computations of fees shall be made on the basis of a year of 360 days and the actual number of days elapsed. All computations of interest at the Base Rate and all computations of Series 2007-1 Class A-1 Contingent Additional Interest or Series 2007-1 Class A-1 Post-ARD Monthly Contingent Additional Interest, in each case accruing on any Base Rate Advances, 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, principal or fees hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the amount of interest owed. Interest shall accrue on each Advance, Swingline Loan and Unreimbursed L/C Drawing from and including the day on which it is made to but excluding the date of repayment thereof.

SECTION 3.02 Fees.

(a) The Co-Issuers jointly and severally shall pay to the Class A-1 Administrative Agent for its own account the Class A -1 Administrative Agent Fees as provided in the Series 2007-1 Class A-1 VFN Fee Letter.

(b) On each Payment Date on or prior to the Commitment Termination Date, the Co-Issuers jointly and severally shall, in accordance with Section 4.01, pay to each Funding Agent, for the account of the related Committed Note Purchaser(s), undrawn commitment fees (the " Undrawn Commitment Fees") equal to the Undrawn Commitment Fees Rate per annum of the related Investor Group's Commitment Percentage of the daily average amount by which (i) the aggregate Commitment Amounts exceed (ii) the sum of (x) the aggregate principal amount outstanding of all Advances plus (y) all L/C Obligations then outstanding during the related Interest Accrual Period, payable in arrears in accordance with the applicable provisions of the Indenture. For the avoidance of doubt, for purposes of calculating the Undrawn Commitment Fees only, no portion of the Commitments shall be deemed drawn as a result of any outstanding Swingline Loans.

(c) The Co-Issuers jointly and severally shall pay the fees required pursuant to Section 2.07 in respect of Letters of Credit.

(d) All fees payable pursuant to this Section 3.02 shall be calculated in accordance with Section 3.01(f) and paid on the date due in accordance with the applicable provisions of the Indenture. Once paid, all fees shall be nonrefundable under all circumstances.

SECTION 3.03 Eurodollar Lending Unlawful. If any Investor or Program Support Provider shall determine that any Change in Law makes it unlawful, or any Official Body asserts that it is unlawful, for any such Person to fund or maintain any Advance as a Eurodollar Advance, the obligation of such Person to fund or maintain any such Advance as a Eurodollar Advance shall, upon such determination, forthwith be suspended until such Person shall notify the Class A-1 Administrative Agent, the related Funding Agent and the Co-Issuers that the circumstances causing such suspension no longer exist, and all then outstanding Eurodollar Advances of such Person shall be automatically converted into Base Rate Advances at the end of the then current Eurodollar Interest Period with respect thereto or sooner, if required by such law or assertion. If any suspension occurs under this Section 3.03 with respect to any Investor or Program Support Provider, the Co-Issuers may replace every member (but not any subset thereof) of the entire related Investor Group by giving written notice to each member of such Investor Group and the Class A-1 Administrative Agent designating one or more Persons that are willing and able to purchase each member of such Investor Group's rights and obligations under this Agreement for a purchase price that with respect to each such member of such Investor Group will equal the amount owed to each such member of such Investor Group with respect to the Series 2007-1 Class A-1 Advance Notes (whether arising under the Indenture, this Agreement, the Series 2007-1 Class A-1 Advance Notes or otherwise, including any Breakage Amounts). Upon receipt of such written notice, each member of such Investor Group shall assign its rights and obligations under this Agreement pursuant to and in accordance with Sections 9.17(a), (b), (c), and (d) as applicable, in consideration for such purchase price and at the reasonable expense of the Co-Issuers (including, without limitation, the reasonable documented fees and out-of-pocket expenses of counsel to each such member); provided,

however, that no member of such Investor Group shall be obligated to assign any of its rights and obligations under this Agreement if the purchase price to be paid to such member is not at least equal to the amount owed to such member with respect to the Series 2007-1 Class A-1 Advance Notes (whether arising under the Indenture, this Agreement, the Series 2007-1 Class A-1 Advance Notes or otherwise, including any Breakage Amounts).

SECTION 3.04 Deposits Unavailable. If the Class A-1 Administrative Agent shall have determined that:

(a) by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the interest rate applicable hereunder to the Eurodollar Advances; or

(b) with respect to any interest rate otherwise applicable hereunder to any Eurodollar Advances the Eurodollar Interest Period for which has not then commenced, Investor Groups holding in the aggregate more than 50% of the Eurodollar Advances have determined that such interest rate will not adequately and fairly reflect the cost to them of funding, agreeing to fund or maintaining such Eurodollar Advances for such Eurodollar Interest Period,

then, upon notice from the Class A-1 Administrative Agent to the Funding Agents and the Co-Issuers, the obligations of the Investors to fund or maintain any Advance as a Eurodollar Advance after the end of the then current Eurodollar Interest Period, if any, with respect thereto shall forthwith be suspended until the Class A-1 Administrative Agent has notified the Funding Agents and the Co-Issuers that the circumstances causing such suspension no longer exist.

SECTION 3.05 Increased Costs, etc. The Co-Issuers jointly and severally agree to reimburse each Investor and any Program Support Provider (each, an "Affected Person", which term, for purposes of Sections 3.07 and 3.08, shall also include the Swingline Lender and the L/C Issuing Bank) 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 funding or maintaining (or of its obligation to fund or maintain) any Advances as Eurodollar Advances 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 (whether or not amounts are payable thereunder in respect thereof). 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 (" Increased Costs") shall be payable by the Co-Issuers to such Funding Agent and by such Funding Agent directly to such Affected Person on or before 15 days after 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. The applicable Funding Agent shall give the Co-Issuers and the Servicer prompt written notice of any event which results in Increased Costs (provided, that such

Funding Agent shall be obligated to deliver such written notice only upon such Funding Agent's obtaining actual knowledge of the accurate and complete amount of such Increased Costs) and the Co-Issuers shall have no liability for any Increased Costs which accrue more than 365 days prior to the time the applicable Funding Agent gives such notice.

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 fund or maintain any portion of the principal amount of any Advance as a Eurodollar Advance) as a result of:

(a) any conversion, repayment, prepayment or redemption (for any reason, including, without limitation, as a result of any Decrease, the acceleration of the maturity of such Eurodollar Advance) or assignment pursuant to Section 3.03 of the principal amount of any Eurodollar Advance on a date other than the scheduled last day of the Eurodollar Interest Period applicable thereto;

(b) any Advance not being funded or maintained as a Eurodollar Advance after a request therefor has been made in accordance with the terms contained herein (for a reason other than the failure of such Affected Person to make an Advance after all conditions thereto have been met); or

(c) any failure of the Co-Issuers to make a Decrease, prepayment or redemption with respect to any Eurodollar Advance after giving notice thereof pursuant to the applicable provisions of the Series 2007-1 Supplement;

then, upon the written notice of any Affected Person to the related Funding Agent and the Co-Issuers, the Co-Issuers jointly and severally shall pay to such Funding Agent and such Funding Agent shall pay directly to such Affected Person, on or before 15 days after its receipt thereof, such amount (" Breakage Amount" or "Series 2007-1 Class A-1 Breakage 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 to be maintained by any Affected Person or any Person controlling such Affected Person and such Affected Person determines that the rate of return on its or such controlling Person's capital as a consequence of its commitment or the Advances, Swingline Loans or Letters of Credit made or issued 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 (or in the case of an L/C Issuing Bank, by the L/C Provider) to the related Funding Agent and the Co-Issuers (or, in the case of the Swingline Lender or the L/C Provider, to the Co-Issuers), the Co-Issuers jointly and severally shall pay to such Funding Agent (or, in

the case of the Swingline Lender or the L/C Provider, directly to such Person) and such Funding Agent shall pay to such Affected Person, on or before 15 days after the Co-Issuers' receipt of such notice, such amounts ("Increased Capital Costs") as will be 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. 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. The applicable Funding Agent shall give the Co-Issuers and the Servicer prompt written notice of any event which results in Increased Capital Costs (provided, that such Funding Agent shall be obligated to deliver such written notice only upon such Funding Agent's obtaining actual knowledge of the accurate and complete amount of such Increased Capital Costs) and the Co-Issuers shall have no liability for any Increased Costs which accrue more than 365 days prior to the time the applicable Funding Agent gives such notice.

SECTION 3.08 Taxes

(a) Except as otherwise required by law, all payments by the Co-Issuers of principal of, and interest on, the Advances, the Swingline Loans and the L/C Obligations and all other amounts payable hereunder (including fees) shall be made free and clear of and without deduction or withholding for or on account of any present or future income, excise, documentary, property, stamp or franchise taxes and other taxes, fees, duties, withholdings or other charges of any nature whatsoever imposed by any taxing authority including all interest, penalties or additions to tax and other liabilities with respect thereto (all such taxes, fees, duties, withholdings and other charges, and including all interest, penalties or additions to tax and other liabilities with respect thereto, being called "Class A-1 Taxes"), but excluding in the case of any Affected Person (i) net income, franchise (imposed in lieu of net income) or similar Class A-1 Taxes (and including branch profits or alternative minimum Class A-1 Taxes) imposed or levied on the Affected Person as a result of a connection between the Affected Person and the jurisdiction of the governmental authority imposing such Class A-1 Taxes or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from such Affected Person having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Transaction Document) and (ii) with respect to any Affected Person organized under the laws of a jurisdiction other than the United States or any state of the United States ("Foreign Affected Person"), any 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 withholding tax (such Class A-1 Taxes not excluded by (i) and (ii) above being called "Non-Excluded Taxes"). If any Class A-1 Taxes are imposed and required by law to be deducted from any amount payable by the Co-Issuers

hereunder, then (x) if such Class A-1 Taxes are Non-Excluded Taxes, the amount of the payment shall be increased so that such payment is made, after withholding or deduction for or on account of such Non-Excluded Taxes, in an amount that is not less than the amount provided for hereunder and (y) the Co-Issuers shall withhold the amount of such Class A-1 Taxes from such payment (as increased, if applicable, pursuant to the preceding clause (x)) and shall pay such amount to the taxing authority imposing such Class A-1 Taxes in accordance with applicable law.

(b) Moreover, if any Non-Excluded Taxes are directly asserted against any Affected Person or its agent with respect to any payment received by such Affected Person or its agent from the Co-Issuers or otherwise in respect of any Transaction Document or the transactions contemplated therein, such Affected Person or its agent may pay such Non-Excluded Taxes and the Co-Issuers will jointly and severally, on or before 15 days after any Co-Issuer's receipt of written notice stating the amount of such Non-Excluded Taxes (including the calculation thereof in reasonable detail), pay such additional amounts (collectively, "Increased Tax Costs," which term shall include all amounts payable by or on behalf of any Co-Issuer pursuant to this Section 3.08) as is necessary in order that the net amount received by such Affected Person or agent after the payment of such Non-Excluded Taxes (including any Non-Excluded Taxes on such additional amount) shall equal the amount such Person would have received had no such Non-Excluded Taxes been asserted.

(c) As promptly as practicable after the payment of any Class A-1 Taxes, and in any event within thirty (30) days of any such payment being due, the Co-Issuers shall furnish to each applicable Affected Person or its agents a certified copy of an official receipt (or other documentary evidence satisfactory to such Affected Person and agents) evidencing the payment of such Class A-1 Taxes. If the Co-Issuers fail to pay any Class A-1 Taxes when due to the appropriate taxing authority or fail to remit to the Affected Persons or their agents the required receipts (or such other documentary evidence), the Co-Issuers shall jointly and severally indemnify each Affected Person and its agents for any incremental Class A-1 Taxes that may become payable by any such Affected Person or its agents as a result of any such failure to the extent such amounts were previously not paid to such Affected Person. 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.

(d) Each Affected Person (other than any Affected Person that is not a Foreign Affected Person and is a corporation for federal tax purposes whose name contains any of the following: Incorporated, Inc., Corporation, Corp., P.C., Insurance Company, Reinsurance Company or Assurance Company) on or prior to the date it becomes a party to this Agreement (from time to time thereafter as soon as practicable after the obsolescence and prior to the date of expiration or invalidity of any form or document previously delivered) and to the extent permissible under then current law, shall deliver to any Co-Issuer (or to more than one Co-Issuer, as the Co-Issuers may reasonably request), a United States Internal Revenue Service Form W-8BEN, Form W-8ECI or Form W-9, as applicable, or applicable successor form, or such other forms or documents (or successor forms or documents), appropriately completed and executed, as

may be applicable to establish the extent to which a payment to such Affected Person is exempt from withholding or deduction of United States federal withholding taxes. The Co-Issuers shall not be required to pay any increased amount under Section 3.08(a) or Section 3.08(b) to an Affected Person in respect of the withholding or deduction of United States federal withholding taxes imposed as the result of the failure of such Affected Person to comply with the requirements set forth in this Section 3.08(d). The Co-Issuers may rely on any form or document provided pursuant to this Section 3.08(d) until notified otherwise by the Affected Person that delivered such form or document.

(e) If an Affected Person determines, in its sole discretion, that it has received a refund of any Non-Excluded Taxes as to which it has been indemnified pursuant to this Section 3.08 or as to which it has been paid additional amounts pursuant to this Section 3.08, it shall promptly notify a Co-Issuer in writing of such refund and shall, within 30 days after receipt of a written request from the Co-Issuers, pay over such refund to a Co-Issuer (but only to the extent of indemnity payments made or additional amounts paid to such Affected Person under this Section 3.08 with respect to the Non-Excluded Taxes giving rise to such refund), net of all out-of-pocket expenses (including the net amount of Taxes, if any, imposed on or with respect to such refund or payment) of the Affected Person and without interest (other than any interest paid by the relevant taxing authority that is directly attributable to such refund of such Non-Excluded Taxes); provided that the Co-Issuers, immediately upon the request of the Affected Person to any Co-Issuer (which request shall include a calculation in reasonable detail of the amount to be repaid), agree to repay the amount of the refund (and any applicable interest) (plus any penalties, interest or other charges imposed by the relevant taxing authority with respect to such amount) to the Affected Person in the event the Affected Person or any other Person is required to repay such refund to such taxing authority. This Section 3.08 shall not be construed to require the Affected Person to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the Co-Issuers or any other Person.

SECTION 3.09 Change of Lending Office. Each Committed Note Purchaser agrees that, upon the occurrence of any event giving rise to the operation of Section 3.05 or 3.07 or the payment of additional amounts to it under Section 3.08(a) or (b) with respect to such Committed Note Purchaser, it will, if requested by the Co-Issuers, use commercially reasonable efforts (subject to overall policy considerations of such Committed Note Purchaser) to avoid the need to pay, or reduce the amount of, any reimbursement obligations under such Section 3.05, 3.07, or 3.08 including, without limitation, designating another lending office for any Advances affected by such event with the object of avoiding the consequences of such event; provided that such designation is made on terms that, in the sole reasonable judgment of such Committed Note Purchaser, cause such Committed Note Purchaser and its lending office(s) or its related Conduit Investor to suffer no economic, legal or regulatory disadvantage; provided further that nothing in this Section shall affect or postpone any of the obligations of the Co-Issuers or the rights of any Committed Note Purchaser pursuant to Section 3.05, 3.07 and 3.08.

ARTICLE IV
OTHER PAYMENT TERMS

SECTION 4.01 Time and Method of Payment. Except as otherwise provided in Section 4.02, all amounts payable to any Funding Agent or Investor hereunder or with respect to the Series 2007-1 Class A-1 Advance Notes shall be made to the Class A-1 Administrative Agent for the benefit of the applicable Person, by wire transfer of immediately available funds in Dollars not later than 1:00 p.m. (New York time) on the date due. The Class A-1 Administrative Agent will promptly distribute to the applicable Funding Agent for the benefit of the applicable Person, or upon the order of the applicable Funding Agent for the benefit of the applicable Person, its pro rata share (or other applicable share as provided herein) of such payment by wire transfer in like funds as received. Except as otherwise provided in Section 4.02, all amounts payable to the Swingline Lender or the L/C Provider hereunder or with respect to the Swingline Loans and L/C Obligations shall be made to or upon the order of the Swingline Lender or the L/C Provider, respectively, by wire transfer of immediately available funds in Dollars not later than 3:00 p.m. (New York 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 Investor shall be discharged to the extent funds are disbursed by the Co-Issuers to the Class A-1 Administrative Agent as provided herein or by the Indenture Trustee in accordance with Section 4.02 whether or not such funds are properly applied by such Class A-1 Administrative Agent or by the Indenture Trustee. The Class A-1 Administrative Agent's obligations hereunder in respect of any amounts payable to any Investor shall be discharged to the extent funds are disbursed by the Class A-1 Administrative Agent to the applicable Funding Agent as provided herein whether or not such funds are properly applied by such Funding Agent.

SECTION 4.02 Order of Distributions. Any amounts deposited into the Series 2007-1 Class A-1 Distribution Account in respect of accrued interest, letter of credit fees or undrawn commitment fees shall be distributed by the Indenture Trustee or the Paying Agent, as applicable, on the date due and payable under the Indenture and in the manner provided therein, to the Series 2007-1 Class A-1 Noteholders of record on the applicable Record Date, ratably in proportion to the respective amounts due to such payees at each applicable level of the Priority of Payments in accordance with the Monthly Servicer's Certificate, the applicable written report provided to the Indenture Trustee under the Series 2007-1 Supplement or as provided in Section 4.3(b) of the Series 2007-1 Supplement. Any amounts deposited into the Series 2007-1 Class A-1 Distribution Account in respect of outstanding principal or face amounts shall be distributed by the Indenture Trustee or the Paying Agent, as applicable, on the date due and payable under the Indenture and in the manner provided therein, to the Series 2007-1 Class A-1 Noteholders of record on the applicable Record Date, in the following order of priority in accordance with the Monthly Servicer's Certificate, the applicable written report provided to the Indenture Trustee under the Series 2007-1 Supplement or as provided in Section 4.3(b) of the Series 2007-1 Supplement: first, to the Swingline Lender and the L/C Provider in respect of outstanding Swingline Loans and

Unreimbursed L/C Drawings, ratably in proportion to the respective amounts due to such payees and on a ratable basis among the various applicable sub-classes; second, to the other Series 2007-1 Class A-1 Noteholders in respect of their outstanding Advances, ratably in proportion thereto (or, in the case of an allocation of the payment of a Mandatory Decrease resulting from a Series 2007-1 Class A-1 Excess Principal Event relating to one or more Advance Sub-Classes, to the holders of the Series 2007-1 Advance Notes of such Advance Sub-Classes ratably in proportion to the outstanding principal amounts thereof); and, third, any balance remaining of such amounts (up to an aggregate amount not to exceed the amount of any then Undrawn L/C Face Amounts) shall be paid to the L/C Provider, to be deposited by the L/C Provider into a cash collateral account in the name of the L/C Provider in accordance with Section 4.03. Any amounts distributed to the Class A-1 Administrative Agent pursuant to the Priority of Payments in respect of any other amounts shall be distributed by the Class A-1 Administrative Agent in accordance with Section 4.01 on the date such amounts are due and payable hereunder to the applicable Series 2007-1 Class A-1 Noteholders and/or the Class A-1 Administrative Agent for its own account, as applicable, ratably in proportion to the respective aggregate of such amounts due to such payees.

SECTION 4.03 L/C Cash Collateral. All amounts to be deposited in a cash collateral account pursuant to Section 4.02 shall be held by the L/C Provider as collateral to secure the Co-Issuers' Reimbursement Obligations with respect to any outstanding Letters of Credit. The L/C Provider shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposit in Permitted Investments, which investments shall be made at the written direction, and at the risk and expense of, of the Master Issuer (provided that if an Event of Default has occurred and is continuing, such investments shall be made solely at the option and sole discretion of the L/C Provider), such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account and all Taxes on such amounts shall be payable by the Co-Issuers. Moneys in such account shall automatically be applied by such L/C Provider to reimburse it for any Unreimbursed L/C Drawings and on a ratable basis among the various applicable sub-classes. Upon expiration of all then outstanding Letters of Credit and payment in full of all Unreimbursed L/C Drawings, any balance remaining in such account shall be paid over (i) if the Base Indenture and any Series Supplement remains in effect, to the Indenture Trustee to be deposited into the Collection Account and distributed in accordance with the terms of the Base Indenture and (ii) otherwise to the Master Issuer.

ARTICLE V
THE CLASS A-1 ADMINISTRATIVE AGENT AND THE FUNDING AGENTS

SECTION 5.01 Authorization and Action of the Class A-1 Administrative Agent. Each of the Lender Parties and the Funding Agents hereby designates and appoints Lehman Commercial Paper Inc. as the Class A-1 Administrative Agent hereunder, and hereby authorizes the Class A-1 Administrative Agent to take such actions as agent on their behalf and to exercise such powers as are delegated to the Class A-1 Administrative Agent by the terms of this Agreement together with such powers as

are reasonably incidental thereto. The Class A-1 Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender Party or any Funding Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Class A-1 Administrative Agent shall be read into this Agreement or otherwise exist for the Class A-1 Administrative Agent. In performing its functions and duties hereunder, the Class A-1 Administrative Agent shall act solely as agent for the Lender Parties 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 their successors or assigns. The Class A-1 Administrative Agent shall not be required to take any action that exposes the Class A-1 Administrative Agent to personal liability or that is contrary to this Agreement or any Requirement of Law. The appointment and authority of the Class A-1 Administrative Agent hereunder shall terminate upon the indefeasible payment in full of the Series 2007-1 Class A-1 Notes and all other amounts owed by the Co-Issuers hereunder to the Class A-1 Administrative Agent, the Investor Groups, the Swingline Lender and the L/C Provider (the " Aggregate Unpaids") and termination in full of all Commitments, the Swingline Commitment and the L/C Commitment.

SECTION 5.02 Delegation of Duties. The Class A-1 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 Class A-1 Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it in good faith.

SECTION 5.03 Exculpatory Provisions. Neither the Class A-1 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 gross negligence or willful misconduct), or (b) responsible in any manner to any Lender Party 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 any Co-Issuer to perform its obligations hereunder, or for the satisfaction of any condition specified in Article VII. The Class A-1 Administrative Agent shall not be under any obligation to any Investor 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 Class A-1 Administrative Agent shall not be deemed to have knowledge of any Potential Rapid Amortization Event, Rapid Amortization Event, Change of Control, Default or Event of Default unless the Class A-1 Administrative Agent has received notice of such event from any Co-Issuer, any Lender Party or any Funding Agent.

SECTION 5.04 Reliance. The Class A-1 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 Class A-1 Administrative Agent. The Class A-1 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 Lender Party or any Funding Agent as it deems appropriate or it shall first be indemnified to its satisfaction by any Lender Party or any Funding Agent; provided that unless and until the Class A-1 Administrative Agent shall have received such advice, the Class A-1 Administrative Agent may take or refrain from taking any action, as the Class A-1 Administrative Agent shall deem advisable and in the best interests of the Lender Parties and the Funding Agents. The Class A-1 Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of (i) Investor Groups holding more than 75% of the Commitments if any one Investor Group holds more than 50% of the Commitments or (ii) Investor Groups holding more than 50% of the Commitments if no one Investor Group holds more than 50% of the Commitments, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lender Parties and the Funding Agents.

SECTION 5.05 Non-Reliance on the Class A-1 Administrative Agent and Other Purchasers. Each of the Lender Parties and the Funding Agents expressly acknowledges that neither the Class A-1 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 Class A-1 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 Class A-1 Administrative Agent. Each of the Lender Parties and the Funding Agents represents and warrants to the Class A-1 Administrative Agent that it has and will, independently and without reliance upon the Class A-1 Administrative 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 5.06 The Class A-1 Administrative Agent in its Individual Capacity. The Class A-1 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 Class A-1 Administrative Agent were not the Class A-1 Administrative Agent hereunder.

SECTION 5.07 Successor Class A-1 Administrative Agent. The Class A-1 Administrative Agent may, upon 30 days written notice to the Co-Issuers and each of the Lender Parties and the Funding Agents, and the Class A-1 Administrative Agent will, upon the direction of Investor Groups holding (i) more than 75% of the Commitments or

(ii) if any material default has occurred with respect to the obligations of the Class A-1 Administrative Agent set forth in Section 2.09, 4.01 or 4.02, at least 25% of the Commitments, resign as Class A-1 Administrative Agent. If the Class A-1 Administrative Agent shall resign, then the (i) Investor Groups holding more than 75% of the Commitments or (ii) if any material default has occurred with respect to the obligations of the Class A-1 Administrative Agent set forth in Section 2.09, 4.01 or 4.02, the non-defaulting Investor Groups holding at least 25% of the Commitments, during such 30 day period, shall appoint a member or an Affiliate of a member of the Investor Groups as a successor agent, subject to the consent of (i) the Co-Issuers at all times other than while an Event of Default has occurred and is continuing (which consent of the Co-Issuers shall not be unreasonably withheld) and (ii) the Series 2007-1 Controlling Party. If for any reason no successor Class A-1 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 Unpaids or under any fee letter delivered in connection herewith directly to the Funding Agents or the Swingline Lender or the L/C Provider, as applicable, and for all purposes shall deal directly with the Funding Agents or the Swingline Lender or the L/C Provider, as applicable, until such time, if any, as a successor agent is appointed as provided above, and the Co-Issuers shall instruct the Indenture Trustee in writing accordingly. After any retiring Class A-1 Administrative Agent's resignation hereunder as Class A-1 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 Class A-1 Administrative Agent under this Agreement.

SECTION 5.08 Authorization and Action of Funding Agents. Each Investor is hereby deemed to have designated and appointed its related Funding Agent set forth next to such Investor's name on Schedule I (or identified as such Investor's Funding Agent pursuant to any applicable Assignment and Assumption Agreement or Investor Group Supplement) 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, any of their successors or assigns or any other Person. 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 any Requirement of Law. The appointment and authority of the Funding Agents hereunder shall terminate upon the indefeasible payment in full of the Aggregate Unpaids of the Investor Groups and the termination in full of all the Commitments.

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 in good faith.

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 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 Potential Rapid Amortization Event, Rapid Amortization Event, Change of Control, Default or Event of Default unless such Funding Agent has received notice of such event from any Co-Issuer or any member of 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 Class A-1 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 made and will make, independently and without reliance upon such Funding Agent and based on such documents and information as it has deemed appropriate, its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Co-Issuers and has 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. Any Funding Agent may resign as Funding Agent upon 10 days written notice to the Class A-1 Administrative Agent, the Co-Issuers and the members of the related Investor Group. Each Funding Agent will, upon the direction of the related Investor Group, resign as such Funding Agent. If any Funding Agent shall resign, then the related Investor Group shall appoint a member or an Affiliate of a member of the related Investor Group as a successor agent (it being understood that such resignation shall not be effective until such successor is appointed). 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. The Co-Issuers jointly and severally represent and warrant to each Lender Party, as of the Series 2007-1 Closing Date and the date of each Borrowing, that:

(a) each of its representations and warranties in the Indenture and the other Transaction Documents (other than a Transaction Document relating solely to a Series of Notes other than the Series 2007-1 Notes) is true and correct in all material respects (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) no Potential Rapid Amortization Event, Rapid Amortization Event, Default or Event of Default has occurred and is continuing;

(c) neither they nor or any of their Affiliates, have, directly or through an agent, engaged in any form of general solicitation or general advertising in

connection with the offering of the Series 2007-1 Class A-1 Notes under the Securities Act or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine, or similar medium or broadcast over television or radio or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising; provided that no representation or warranty is made with respect to the Lender Parties and their Affiliates or the Initial Purchaser and its Affiliates; and none of the Co-Issuers nor any of their Affiliates has entered into any contractual arrangement with respect to the distribution of the Series 2007-1 Class A-1 Notes, except for this Agreement and the other Transaction Documents, and the Co-Issuers will not enter into any such arrangement;

(d) neither they nor any of their Affiliates (other than the Lender Parties in connection with the transactions contemplated by this Agreement or the Initial Purchaser, in each case about which no representation is made by the Co-Issuers) have, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any "security" (as defined in the Securities Act) that is or will be integrated with the sale of the Series 2007-1 Class A-1 Notes in a manner that would require the registration of the Series 2007-1 Class A-1 Notes under Section 4(2) or Rule 144A of the Securities Act or under the Investment Company Act;

(e) neither they nor any of their Affiliates have taken nor will take any action prohibited by Regulation M under the Exchange Act, in connection with the offering of the Series 2007-1 Class A-1 Notes;

(f) assuming each Lender Party is not purchasing with a view toward further distribution and there has been no general solicitation or general advertising within the meaning of Section 502(c) of Regulation D under the Securities Act (including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine, or similar medium or broadcast over television or radio or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising) by the Lender Parties or their Affiliates, and further assuming that the representations and warranties of each Lender Party set forth in Section 6.03 of this Agreement and the representations and warranties of the Initial Purchaser in Section 2 of the Series 2007-1 Term Note Purchase Agreement are true and correct, the offer and sale of the Series 2007-1 Class A-1 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

(g) each Co-Issuer has furnished to the Class A-1 Administrative Agent 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 2007-1 Notes) to which it is a party as of

the Series 2007-1 Closing Date, all of which Transaction Documents are in full force and effect as of the Series 2007-1 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 the Co-Issuers have informed each Funding Agent, the Swingline Lender and the L/C Provider.

SECTION 6.02 Servicer. The Servicer represents and warrants to each Lender Party, as of the Series 2007-1 Closing Date and the date of each Borrowing, 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 2007-1 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 (unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date); and

(b) the audited combined balance sheet of Applebee's International and its Affiliates as of December 31, 2006 and the related consolidated statements of income, stockholders equity and cash flows for fiscal year ended December 31, 2006 have been prepared in accordance with GAAP and present fairly the financial position of Applebee's International and its Affiliates as of the date thereof and the results of their operations and their cash flows for the periods covered thereby.

SECTION 6.03 Lender Parties. Each of the Lender Parties represents and warrants to the Co-Issuers and the Servicer as of the date hereof (or, in the case of a successor or assign of an Investor, as of the subsequent date on which such successor or assign 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 a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company 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 2007-1 Class A-1 Notes;

(c) it is purchasing the Series 2007-1 Class A-1 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 and "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company 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, and neither it nor its Affiliates has engaged in any general solicitation or general advertising within the meaning of the Securities Act with respect to the Series 2007-1 Class A-1 Notes;

(d) it understands that (i) the Series 2007-1 Class A-1 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 are 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, (ii) the Co-Issuers are not required to register the Series 2007-1 Class A-1 Notes, (iii) any transferee must be a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act and (iv) any transfer must comply with the provisions of Section 2.5 of the Base Indenture and Section 9.03 or 9.17, as applicable, of this Agreement;

(e) it will comply with the requirements of paragraph (d) above in connection with any transfer by it of the Series 2007-1 Class A-1 Notes;

(f) it understands that the Series 2007-1 Class A-1 Notes will bear the legend set out in the form of Series 2007-1 Class A-1 Notes attached to the Series 2007-1 Supplement and be subject to the restrictions on transfer described in such legend; and

(g) it will obtain for the benefit of the Co-Issuers from any purchaser of the Series 2007-1 Class A-1 Notes substantially the same representations and warranties contained in the foregoing paragraphs.

ARTICLE VII
CONDITIONS

SECTION 7.01 Conditions to Purchase and Effectiveness. Each Lender Party will have no obligation to purchase the Series 2007-1 Class A-1 Notes hereunder on the Series 2007-1 Closing Date, and the Commitments, the Swingline Commitment and the L/C Commitment will not become effective, unless:

(a) the Base Indenture, the Series 2007-1 Supplement, the Guaranty and Collateral Agreements, the Series 2007-1 Class A-1 VFN Fee Letter and the other Transaction Documents shall be in full force and effect;

(b) the Series 2007-1 Class A Policy shall have been executed and delivered to the Indenture Trustee and shall be in full force and effect;

(c) on the Series 2007-1 Closing Date, each Investor shall have received a letter, in form and substance reasonably satisfactory to it, from each of Moody's and S&P stating that the applicable ratings required by Section 6.1(d) and (e) of the Series 2007-1 Supplement have been assigned to the Series 2007-1 Class A-1 Notes;

(d) each Lender Party shall have received opinions of counsel from Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Co-Issuers, the Guarantors and the Parent Companies (as defined in the Series 2007-1 Term Note Purchase Agreement), and such local, franchise, special and foreign counsel as the Class A-1 Administrative Agent shall reasonably request, dated as of the Series 2007-1 Closing Date and addressed to the Lender Parties, with respect to such matters as the Class A-1 Administrative Agent shall reasonably request (including, without limitation, company matters, appropriate opinions regarding non-consolidation, UCC security interest, tax and no-conflicts matters, appropriate opinions to the effect that property transferred to the respective Securitization Entities are each a "true contribution" or other absolute transfer and is not property of the bankruptcy estate of the respective transferors and, from appropriate special counsel, appropriate opinions regarding franchise law matters); and

(e) at the time of such purchase and effectiveness, the additional conditions set forth in Schedule III and all other conditions to the issuance of the Series 2007-1 Class A-1 Notes under the Indenture shall have been satisfied or waived by such Lender Party.

SECTION 7.02 Conditions to Initial Extensions of Credit. The election of each Conduit Investor to fund, and the obligation of each Committed Note Purchaser to fund, the initial Borrowing hereunder, and the obligations of the Swingline Lender and the L/C Provider to fund the initial Swingline Loan or provide the initial Letters of Credit hereunder, respectively, shall be subject to the satisfaction of the conditions precedent that (a) each Funding Agent shall have received a duly executed and authenticated Series 2007-1 Class A-1 Advance Note registered in its name or in such other name as shall have been directed by such Funding Agent and stating that the principal amount thereof shall not exceed the Maximum Investor Group Principal Amount of the related Investor Group, (b) each of the Swingline Lender and the L/C Provider shall have received a duly executed and authenticated Series 2007-1 Class A-1-A Swingline Note and Series 2007-1 Class A-1-X Swingline Note, Series 2007-1 Class A-1-A L/C Note and Series 2007-1 Class A-1-X L/C Note, as applicable, registered in its name or in such other name as shall have been directed by it and stating that the principal amount thereof shall not exceed the Applicable Sub-Class Percentage of the Swingline Commitment or L/C Commitment, respectively, and (c) the Co-Issuers shall have paid all fees required to be paid by them on the Series 2007-1 Closing Date, including all fees required hereunder.

SECTION 7.03 Conditions to Each Extension of Credit. 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 but excluding any

Borrowings to repay Swingline Loans or L/C Obligations pursuant to Section 2.05, 2.06 or 2.08, as applicable), and the obligations of the Swingline Lender to fund any Swingline Loan (including the initial Swingline Loan) and of the L/C Provider to provide any Letter of Credit (including the initial one), respectively, shall be subject to the conditions precedent that on the date of such funding or provision, before and after giving effect thereto and to the application of any proceeds therefrom, the following statements shall be true (without regard to (x) any waiver, amendment or other modification of Section 7.03, (d), (e) or (f) or any definitions used therein consented to by the Series 2007-1 Controlling Party unless (i) Investors holding more than 75% of the Commitments if any one Investor Group holds more than 50% of the Commitments or (ii) Investors holding more than 50% of the Commitments if no one Investor Group holds more than 50% of the Commitments have consented to such waiver, amendment or other modification for purposes of this Section 7.03 or (y) any waiver, amendment or other modifications of Section 7.03(a), (b) or (c) or any definitions used therein consented to by the Series 2007-1 Controlling Party unless either (A) the Series 2007-1 Controlling Party is the Series 2007-1 Class A Insurer or (B) (i) Investors holding more than 75% of the Commitments if any one Investor Group holds more than 50% of the Commitments or (ii) Investors holding more than 50% of the Commitments if no one Investor Group holds more than 50% of the Commitments have consented to such waiver, amendment or other modification for purposes of this Section 7.03; provided, however, that if a Rapid Amortization Event has occurred and is continuing, consent to such waiver, amendment or other modification from all Investors as well as the Series 2007-1 Controlling Party is required for purposes of this Section 7.03; provided further that if the proviso to Section 9.01 is applicable to such waiver, amendment or other modification, then consent to such waiver, amendment or other modification from the Persons required by such proviso shall also be required for purposes of this Section 7.03):

(a) (i) the representations and warranties of the Co-Issuers set out in this Agreement, (ii) the representations and warranties of the Servicer set out in this Agreement and (iii) the representations and warranties 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 2007-1 Notes) to which each is a party, in each such case, shall be true and correct in all material respects as of the date of such funding or issuance, 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) there shall be no Potential Rapid Amortization Event, Rapid Amortization Event, Default or Event of Default in existence at the time of, or after giving effect to, such funding or issuance, and no Change of Control to which the Class A Insurer and, if different, the Series 2007-1 Controlling Party has not provided its prior written consent;

(c) (i) on or after the third Payment Date following the Series 2007-1 Closing Date but before the nineteenth Payment Date following the Series 2007-1 Closing Date, the Three-Month Adjusted DSCR is at least 1.85x as of the most

recent Payment Date after giving effect to all payments of principal of all Series of Notes Outstanding on such Payment Date without giving credit to any Retained Collections Contribution; and (ii) on or after the nineteenth Payment Date following the Series 2007-1 Closing Date, the Three-Month DSCR is at least 1.85x as of the most recent Payment Date after giving effect to all payments of principal of all Series of Notes Outstanding on such Payment Date without giving credit to any Retained Collections Contribution;

(d) in the case of any Borrowing, the Co-Issuers shall have delivered to the Class A-1 Administrative Agent an executed advance request in the form of Exhibit A hereto with respect to such Borrowing such that, after giving effect to any such Borrowing or Borrowings made hereunder, the advance requests under Series 2007-1 Class A-1-A Advance Notes and Series 2007-1 Class A-1-X Advance Notes are made ratably among Series 2007-1 Class A-1-A Advance Notes and Series 2007-1 Class A-1-X Advance Notes (each such request, an "Advance Request" or a "Series 2007-1 Class A-1 Advance Request");

(e) all conditions to such funding or provision specified in Section 2.02, 2.03, 2.06 or 2.07, as applicable, shall have been satisfied; and

(f) the Series 2007-1 Class A Policy shall be in full force and effect and no Insurer Default shall have occurred and be continuing;

provided, however, that neither (b) nor (c) immediately above shall apply for one or more Borrowings made after the date of any such events, which amounts shall not exceed $15,000,000 in the aggregate to the extent that the proceeds of such Borrowing or Borrowings, as the case may be, are used by the Securitization Entities to pay amounts owed to third parties for Advertising Fees for which there are insufficient funds in the National Advertising Fund attributable to the Securitization Entities.

The giving of any notice pursuant to Section 2.03, 2.06 or 2.07, as applicable, shall constitute a representation and warranty by the Co-Issuers and the Servicer that all conditions precedent to such funding or provision have been satisfied.

ARTICLE VIII
COVENANTS

SECTION 8.01 Covenants. Each of the Co-Issuers, jointly and severally, and the Servicer, severally, covenants and agrees that, until all Aggregate Unpaids have been paid in full and all Commitments, the Swingline Commitment and the L/C Commitment have been terminated, it will:

(a) unless waived in writing by the Series 2007-1 Controlling Party in accordance with the applicable provisions of the Base Indenture, duly and timely perform all of its covenants (both affirmative and negative) and obligations under each Transaction Document to which it is a party other than this Agreement;

(b) not amend, modify, waive or give any approval, consent or permission under, any provision of the Base 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 Base Indenture or such other Transaction Document, as applicable;

(c) reasonably concurrently with the time any report, notice or other document is provided to the Rating Agencies, the Series 2007-1 Class A Insurer and/or the Indenture Trustee, or caused to be provided, by the Co-Issuers or the Servicer under the Base Indenture, or under the Series 2007-1 Supplement or this Agreement, provide the Class A-1 Administrative Agent (who shall provide a copy thereof to the Lender Parties) 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 Class A-1 Administrative Agent copies of any Monthly Noteholders' Reports which relate solely to a Series of Notes other than the Series 2007-1 Notes;

(d) at any time and from time to time, following reasonable prior notice from the Class A-1 Administrative Agent, and during regular business hours, permit such Class A-1 Administrative Agent, any Funding Agent, the Swingline Lender or the L/C Provider, or any of their respective agents, representatives or permitted assigns, at their own expense, access to the offices of the Servicer, the Co-Issuers and the Guarantors, (i) to examine and make copies of and abstracts from all documentation relating to the Collateral on the same terms as are provided to the Indenture Trustee under Section 7.13(b) of the Base Indenture, and (ii) to visit the offices and properties of the Servicer, the Co-Issuers and the Guarantors for the purpose of examining such materials described in clause (i) in this clause (d), and to discuss matters relating to the Collateral, or the administration and performance of the Base Indenture, the Series 2007-1 Supplement and the other Transaction Documents with any of the officers or employees of, the Servicer, the Co-Issuers and/or the Guarantors, as applicable, having knowledge of such matters; provided, however, that the Class A-1 Administrative Agent is entitled to one such visit (during which it may conduct such activities) per calendar year at the expense of the Co-Issuers; provided further that during the continuance of a Potential Rapid Amortization Event, Rapid Amortization Event or an Event of Default any such Person may visit and conduct such activities at any time and all such visits and activities shall be at the Co-Issuers' expense;

(e) not take, or cause to be taken, any action, including, without limitation, acquiring any Margin Stock, that could cause the transactions contemplated by the Transaction Documents to fail to comply with the regulations of the Board of Governors of the Federal Reserve System, including Regulations T, U and X thereof;

(f) not permit any amounts owed with respect to the Series 2007-1 Class A-1 Notes to 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 a Series of Notes other than the Series 2007-1 Notes), the Co-Issuers, the Servicer or the Guarantors as the Class A-1 Administrative Agent may from time to time reasonably request; and

(h) deliver to the Class A-1 Administrative Agent (who shall provide a copy thereof to the Lender Parties), the financial statements prepared pursuant to Section 12.1 of the Base Indenture reasonably contemporaneously with the delivery of such statements under the Base Indenture.

ARTICLE IX
MISCELLANEOUS PROVISIONS

SECTION 9.01 Amendments. No amendment to or waiver or other modification of any provision of this Agreement, nor consent to any departure therefrom 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 and the Series 2007-1 Class A Insurer (or, if an Insurer Default has occurred and is continuing with respect to the Series 2007-1 Class A Insurer or the Series 2007-1 Class A Policy is not in effect, the Class A-1 Administrative Agent with the consent of (i) Investors holding more than 75% of the Commitments if any one Investor Group holds more than 50% of the Commitments or (ii) Investors holding more than 50% of the Commitments if no one Investor Group holds more than 50% of the Commitments); provided, however, that, in addition, (i) the prior written consent of each affected Investor shall be required in connection with any amendment, modification or waiver that (x) increases the amount of the Commitment of such Investor, extends the Commitment Termination Date, modifies the conditions to funding such Commitment or otherwise subjects such Investor to any increased or additional duties or obligations hereunder or in connection herewith, (y) reduces the amount or delays the timing of payment of any principal, interest, fees or other amounts payable to such Investor hereunder, or (z) would have an effect comparable to any of those set forth in Section 8.2 of the Base Indenture that require the consent of each Noteholder or each affected Noteholder; (ii) any amendment, modification or waiver that affects the rights or duties of any of the Swingline Lender, the L/C Provider, the Class A-1 Administrative Agent or the Funding Agents shall require the prior written consent of such affected Person; and (iii) the prior written consent of each Investor, the Swingline Lender, the L/C Provider, the Class A-1 Administrative Agent and each Funding Agent shall be required in connection with any amendment, modification or waiver of this Section 9.01. For purposes of any provision of any other Transaction Document relating to any vote, consent, direction or the like to be given by the Series 2007-1 Class A-1 Noteholders, such vote, consent, direction or the like shall be given by the Holders of the Series 2007-1 Class A-1 Advance Notes only and not by the Holders of any Series 2007-1 Class A-1 Swingline Notes or Series 2007-1 Class A-1 L/C Notes except to the extent that such vote, consent, direction or the like is to be given by each affected Noteholder.

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.

(a) This Agreement shall be binding upon, and inure to the benefit of, the Co-Issuers, the Servicer, the Lender Parties, the Funding Agents, the Class A-1 Administrative Agent and their respective successors and assigns; provided, however, that neither any of 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 Lender Party; provided that nothing herein shall prevent the Co-Issuers from assigning their rights (but none of their duties or liabilities) to the Indenture Trustee under the Base Indenture and the Series 2007-1 Supplement; provided further that none of the Lender Parties 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, 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 except as provided in Section 9.16.

(b) Notwithstanding any other provision set forth in this Agreement, each Investor may at any time grant to one or more Program Support Providers a participating interest in or lien on such Investor's interests in the Advances made hereunder and such Program Support Provider, with respect to its participating interest, shall be entitled to the benefits granted to such Investor under this Agreement.

(c) In addition to its rights under Section 9.17, each Conduit Investor may at any time assign its rights in the Series 2007-1 Class A-1 Advance Notes (and its rights hereunder and under the Transaction Documents) to its related Committed Note Purchaser or, subject to Section 6.03 and Section 9.17(g), its related Program Support Provider or any Affiliate of any of the foregoing, in each case in accordance with the applicable provisions of the Indenture. 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 2007-1 Class A-1 Advance 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 Commercial Paper or the Series 2007-1 Class A-1 Advance 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 Commercial Paper or the Series 2007-1 Class A-1 Advance 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 2007-1 Class A-1 Advance Note to its related Committed Note Purchaser. Each Committed Note Purchaser may assign its Commitment, or all or any portion of its interest under its Series 2007-1 Class A-1 Advance Note, this Agreement and the Transaction Documents to any Person to the extent permitted by Section 9.17. 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 2007-1 Class A-1 Advance Note and the Transaction Documents in favor of any Federal Reserve Bank in accordance with Regulation A of the F.R.S. Board or any similar foreign entity.

SECTION 9.04 Survival of Agreement. All covenants, agreements, representations and warranties made herein and in the Series 2007-1 Class A-1 Notes delivered pursuant hereto shall survive the making and the repayment of the Advances, the Swingline Loans and the Letters of Credit and the execution and delivery of this Agreement and the Series 2007-1 Class A-1 Notes and shall continue in full force and effect until all interest on and principal of the Series 2007-1 Class A-1 Notes, and all other amounts owed to the Lender Parties, the Funding Agents and the Class A-1 Administrative Agent hereunder and under the Series 2007-1 Supplement have been paid in full, all Letters of Credit have expired or been fully cash collateralized in accordance with the terms of this Agreement and the Commitments, the Swingline Commitment and the L/C Commitment have been terminated. In addition, the obligations of the Co-Issuers and the Lender Parties under Sections 3.05, 3.06, 3.07, 3.08, 9.05, 9.10 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. The Co-Issuers jointly and severally agree to pay, on the Series 2007-1 Closing Date (if invoiced on or before such date) or on or before 15 days after written demand (in all other cases), all reasonable expenses of the Class A-1 Administrative Agent, each initial Funding Agent and each initial Lender Party (including the reasonable fees and out-of-pocket expenses of counsel to each of the foregoing, if any, as well as the fees and expenses of the Rating Agencies) in connection with (i) the negotiation, preparation, execution, delivery and administration of this Agreement and of each other Transaction Document, including schedules and exhibits, whether or not the transactions contemplated hereby or thereby are consummated, and (ii) 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. The Co-Issuers further jointly and severally agree to pay, and to hold the Class A-1 Administrative Agent, each Funding Agent and each Lender Party harmless from all liability for (x) any breach by the Co-Issuers of their obligations under

this Agreement, (y) all reasonable costs incurred by the Class A-1 Administrative Agent, such Funding Agent or such Lender Party in enforcing this Agreement and (z) any Non-Excluded Taxes which may be payable in connection with the execution or delivery of this Agreement, any Borrowing or Swingline Loan hereunder, or the issuance of the Series 2007-1 Class A-1 Notes, any Letter of Credit or any other Transaction Documents. The Co-Issuers also jointly and severally agree to reimburse the Class A-1 Administrative Agent, such Funding Agent and such Lender Party upon demand for all reasonable out-of-pocket expenses incurred by the Class A-1 Administrative Agent, such Funding Agent and such Lender Party in connection with (1) the negotiation of any restructuring or "work-out", whether or not consummated, of the Transaction Documents and (2) the enforcement of, or any waiver or amendment requested under or with respect to, this Agreement or any other of the Transaction Documents.

Notwithstanding the foregoing, the Co-Issuers shall have no obligation to reimburse any Lender Party for any of the fees and/or expenses incurred by such Lender Party with respect to its sale or assignment of all or any part of its respective rights and obligations under this Agreement and the Series 2007-1 Class A-1 Notes pursuant to Section 9.17.

(b) Indemnification of the Lender Parties. In consideration of the execution and delivery of this Agreement by the Lender Parties, the Co-Issuers hereby jointly and severally indemnify and hold each Lender Party 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, liabilities and damages, and reasonable costs and 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 2007-1 Class A-1 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 Advance, Swingline Loan or Letter of Credit; or

(ii) the entering into and performance of this Agreement and any other Transaction Document by any of the Indemnified Parties,

except for (x) 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, willful misconduct or breach of representation set forth herein and (y) any fees or expenses in connection with the negotiation, preparation, execution and delivery of this Agreement or any of the other Transaction Documents or any amendments, waivers, consents, supplements or other modifications thereto (other than in connection with any enforcement, restructuring or "work-out"). If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Co-Issuers hereby

jointly and severally agree to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. The indemnity set forth in this Section 9.05(b) shall in no event include indemnification for any Taxes which are covered by (or expressly excluded from) the indemnification provided in Section 3.08 or for any transfer taxes with respect to its sale or assignment of all or any part of its respective rights and obligations under this Agreement and the Series 2007-1 Class A-1 Notes pursuant to Section 9.17. 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 Class A-1 Administrative Agent and each Funding Agent.

(i) In consideration of the execution and delivery of this Agreement by the Class A-1 Administrative Agent and each Funding Agent, the Co-Issuers hereby jointly and severally indemnify and hold the Class A-1 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, liabilities and damages, and reasonable costs and 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 2007-1 Class A-1 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 (x) 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 and (y) any fees or expenses in connection with the negotiation, preparation, execution and delivery of this Agreement or any of the other Transaction Documents or any amendments, waivers, consents, supplements or other modifications thereto (other than in connection with any enforcement, restructuring or "work-out"). If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Co-Issuers hereby jointly and severally agree 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)(i) shall in no event include indemnification for any Taxes which are covered by (or expressly excluded from) the indemnification 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 Section 9.05(c)(i).

(ii) In consideration of the execution and delivery of this Agreement by the Class A-1 Administrative Agent and the related Funding Agent, each

Committed Note Purchaser, ratably according to its respective Commitment, hereby indemnifies and holds the Class A-1 Administrative Agent and each of its officers, directors, employees and agents (collectively, the "Administrative Agent Indemnified Parties") and such 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 " Applicable Agent Indemnified Parties") harmless from and against any and all actions, causes of action, suits, losses, liabilities and damages, and reasonable costs and expenses incurred in connection therewith (solely to the extent not reimbursed by or on behalf of the Co-Issuers) (irrespective of whether any such Applicable 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 2007-1 Class A-1 Notes), including reasonable attorneys' fees and disbursements (collectively, the "Applicable Agent Indemnified Liabilities"), incurred by the Applicable 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 Applicable Agent Indemnified Parties, except for any such Applicable Agent Indemnified Liabilities arising for the account of a particular Applicable Agent Indemnified Party by reason of the relevant Applicable 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 Committed Note Purchaser, ratably according to its respective Commitment, hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Applicable 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 are covered by (or expressly excluded from) the indemnification provided in Section 3.08.

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 2007-1 Supplement, the documents delivered pursuant to Article VII 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 in Section 7.15 of the Series 2007-1 Supplement, in the case of the Co-Issuers or the Servicer, or on Schedule II, in the case of the Lender Parties, the Class A-1 Administrative Agent and the Funding Agents, or in each case 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 2007-1 Class A-1 Notes will be treated as evidence of indebtedness, (b) agrees to treat the Series 2007-1 Class A-1 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 Securitization Entities. 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 the last maturing Note issued by the Co-Issuers pursuant to the Base Indenture, it will not institute against, or join with any other Person in instituting against, any Securitization Entity, Applebee's Holdings II or any Liquor License Holder, 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 16.8 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 Securitization Entities pursuant to this Agreement, the Series 2007-1 Supplement, the Base Indenture or any other Transaction Document. In the event that a Lender Party (solely in its capacity as such) takes action in violation of this Section 9.10(a), each affected Securitization Entity and if affected, Applebee's Holdings II and any Liquor License Holder, 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 Person against such Securitization Entity, Applebee's Holdings II or Liquor License Holder, as applicable, or the commencement of such action and raising 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(a) shall survive the termination of this Agreement. Nothing contained herein shall preclude participation by a Lender Party in the assertion or defense of its claims in any such proceeding involving any Securitization Entity, Applebee's Holdings II or any Liquor License Holder. The obligations of the Co-Issuers under this Agreement are solely the limited liability company obligations of the Co-Issuers.

(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 Commercial Paper or other debt securities or instruments issued by a Conduit Investor, if any, 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; 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 2007-1 Supplement, the Base Indenture or any other Transaction Document. In the event that the Co-Issuers, the Servicer or a Lender Party (solely in its capacity as such) 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 contesting the filing of such a petition by any such Person against such Conduit Investor or the commencement of such action and raising 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 Lender Party 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. 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 gross negligence or willful misconduct.

SECTION 9.11 Confidentiality. Each Lender Party 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 (it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep it confidential), (b) to actual or prospective assignees and participants, and then only on a confidential basis (after obtaining such actual or prospective assignee’s or participant’s agreement to keep such Confidential Information confidential in a manner substantially similar to this Section 9.11), (c) 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 Lender Party 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 Lender Party is prohibited by law, rule or regulation from disclosing such requirement to the Co-Issuers or the Servicer, as the case may be, (d) to Program Support Providers (after obtaining such Program Support

Providers' agreement to keep such Confidential Information confidential in a manner substantially similar to this Section 9.11), (e) to any Rating Agency providing a rating for any Notes, (f) to any rating agency providing a rating for the debt of or for the benefit of any Conduit Investor or (g) in the course of litigation with the Co-Issuers, the Servicer, the Series 2007-1 Class A Insurer or such Lender Party or (h) to the Series 2007-1 Class A Insurer.

"Confidential Information" means information that the Co-Issuers or the Servicer furnishes to a Lender Party, 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 Lender Party or other Person to which a Lender Party delivered such information, (ii) any such information that was in the possession of a Lender Party prior to its being furnished to such Lender Party by the Co-Issuers or the Servicer, or (iii) any such information that is or becomes available to a Lender Party 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 (x) known to a Lender Party to be bound by a confidentiality agreement with the Co-Issuers, the Servicer or the Series 2007-1 Class A Insurer, as the case may be, or (y) known to a Lender Party to be otherwise prohibited from transmitting the information by a contractual, legal or fiduciary obligation.

SECTION 9.12 **GOVERNING LAW. THIS AGREEMENT AND ALL MATTERS ARISING UNDER OR IN ANY MANNER RELATING TO THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORKWITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).**

SECTION 9.13 **JURISDICTION. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY OF THE PARTIES HEREUNDER WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN ANY STATE OR (TO THE EXTENT PERMITTED BY LAW) FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY HEREUNDER ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT.**

SECTION 9.14 **WAIVER OF JURY TRIAL. ALL PARTIES HEREUNDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY**

COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE PARTIES IN CONNECTION HEREWITH OR THEREWITH. ALL PARTIES ACKNOWLEDGE AND AGREE THAT THEY HAVE RECEIVED FULL AND SIGNIFICANT CONSIDERATION FOR THIS PROVISION AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR ALL PARTIES TO ENTER INTO THIS 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. The Series 2007-1 Class A Insurer is an express third party beneficiary of this Agreement.

SECTION 9.17 Assignment.

(a) Subject to Sections 6.03 and 9.17(b), (d) and (g), any Committed Note Purchaser may at any time sell all or any part of its rights and obligations under this Agreement, the Series 2007-1 Class A-1 Advance Notes and any other Transaction Documents to which it is a party, with the prior written consent (not to be unreasonably withheld) of the Co-Issuers, the Swingline Lender and the L/C Provider, 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 and the Funding Agent with respect to such Committed Note Purchaser and, if applicable, the Co-Issuers, the Swingline Lender and the L/C Provider, and delivered to the Class A-1 Administrative Agent; provided that no consent of the Co-Issuers, the L/C Provider or the Swingline Lender shall be required for an assignment to another Committed Note Purchaser or any Affiliate of a Committed Note Purchaser; provided further that no consent of the Co-Issuers shall be required if an Event of Default has occurred and is continuing.

(b) Without limiting the foregoing, subject to Sections 6.03 and 9.17(g), any Committed Note Purchaser may assign all or a portion of the Investor Group Principal Amount with respect to such Committed Note Purchaser and its rights and (to the extent applicable to Conduit Investors) obligations under this Agreement, the Series 2007-1 Class A-1 Notes and any other Transaction Documents to which it is a party to a Conduit Assignee with respect to such Committed Note Purchaser, without the prior written consent of the Co-Issuers or any other Person. Upon such assignment by a Committed Note Purchaser 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 Committed Note Purchaser, (ii) the Funding Agent for such Committed Note Purchaser 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 Commercial Paper and/or the Series 2007-1 Class A-1 Notes, shall have the benefit of all the rights and protections provided to such Committed Note Purchaser herein and in the other Transaction Documents (including, without limitation, any limitation on recourse against such Conduit Assignee as provided in this Agreement), (iv) such Conduit Assignee shall assume all of the obligations of the Committed Note Purchaser, if any, to the extent they are applicable to a Conduit Investor hereunder or under the Base Indenture or under any other Transaction Document with respect to such portion of the Investor Group Principal Amount and, except as provided in the last sentence of this Section 9.17(b) such Committed Note Purchaser 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 Committed Note Purchaser to the extent assigned to the Conduit Assignee 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 Assignee, as applicable, funded or maintained with Commercial Paper, if any, 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 costs referred to therein applicable to such Conduit Assignee (rather than any other Conduit Investor), (vii) the Conduit Assignee shall be a Conduit Investor that is part of the same Investor Group as the assigning Committed Note Purchaser and 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 Committed Note Purchaser to a Conduit Assignee of all or any portion of the Investor Group Principal Amount with respect to such Committed Note Purchaser shall in any way diminish the obligation of such Committed Note Purchaser under Section 2.03 to fund any Increase not funded by such Conduit Assignee.

(c) Without limiting the foregoing, subject to Sections 6.03 and 9.17(g), and in addition to its rights under Section 9.03(c), 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, the Series 2007-1 Class A-1 Advance Notes and any other Transaction Documents to which it is a party to a Conduit Assignee with respect to such Conduit Investor, without the prior written consent of the Co-Issuers or any other Person. 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 Funding Agent for such Conduit Investor 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 Commercial Paper and/or the Series 2007-1 Class A-1 Advance 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 Agreement), (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 Assignee, as applicable, funded or maintained with Commercial Paper, if any, 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 costs referred to therein applicable to 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.

(d) Without limiting any of the foregoing, subject to Sections 6.03 and 9.17(g), any Conduit Investor and the related Committed Note Purchaser(s) may at any time sell all or any part of their respective rights and obligations under this Agreement, the Series 2007-1 Class A-1 Advance Notes and any other Transaction Documents to which it is a party, with the prior written consent (not to be unreasonably withheld) of the Co-Issuers, the Swingline Lender and the L/C Provider, to a multi-seller commercial paper conduit, whose Commercial Paper is rated by at least two of the Specified Rating Agencies and is rated at least "A-1" from Standard & Poor's, "P1" from Moody's and/or "F1" from Fitch, as applicable, 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" or the "Series 2007-1 Class A-1 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, and the Funding Agent with respect to such assigning Conduit Investor and Committed Note Purchasers, and if applicable, the Co-Issuers, the Swingline Lender and the L/C Provider, and delivered to the Class A-1 Administrative Agent; provided that no consent of the Co-Issuers, the L/C Provider or the Swingline Lender shall be required for an assignment to another Committed Note Purchaser or any Affiliate of a Committed Note Purchaser and its related Conduit Investor; provided further that no consent of the Co-Issuers shall be required if an Event of Default has occurred and is continuing.

(e) Subject to Sections 6.03 and 9.17(g), the Swingline Lender may at any time assign all its rights and obligations hereunder and under each of the Series 2007-1 Class A-1 Swingline Notes, in whole but not in part, with the prior written consent of the Co-Issuers and the Class A-1 Administrative Agent, which consent shall not be unreasonably withheld, to a financial institution pursuant to an agreement with, and in form and substance reasonably satisfactory to, the Class A-1 Administrative Agent and the Co-Issuers, whereupon the assignor shall be released from its obligations hereunder; provided that no consent of the Co-Issuers shall be required if an Event of Default has occurred and is continuing.

(f) Subject to Sections 6.03 and 9.17(g), the L/C Provider may at any time assign all or any portion of its rights and obligations hereunder and under each of the Series 2007-1 Class A-1 L/C Notes, with the prior written consent of the Co-Issuers and the Class A-1 Administrative Agent, which consent shall not be unreasonably withheld, to a financial institution pursuant to an agreement with, and in form and substance reasonably satisfactory to, the Class A-1 Administrative Agent and the Co-Issuers, a copy of which shall be provided to the Series 2007-1 Class A Insurer, whereupon the assignor shall be released from its obligations hereunder to the extent so assigned; provided that no consent of the Co-Issuers shall be required if an Event of Default has occurred and is continuing.

(g) Any assignment of the Series 2007-1 Class A-1 Notes shall be made in accordance with the applicable provisions of the Indenture; provided however, if the holder of any Series 2007-1 Class A-1 Advance Note transfers, in whole or in part, its interest therein pursuant to an Assignment and Assumption Agreement or an Investor Group Supplement, then such holder will not be required to submit a certificate substantially in the form of Exhibit F to the Base Indenture upon transfer of such interest.

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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.

APPLEBEE'S ENTERPRISES LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin L. Stutz
Title: President

APPLEBEE'S IP LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin L. Stutz
Title: President

APPLEBEE'S RESTAURANTS NORTH LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin L. Stutz
Title: President

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin L. Stutz
Title: President

APPLEBEE'S RESTAURANTS WEST LLC, as Co-Issuer

By: /s/ Beverly Elving
Name: Beverly Elving
Title:

APPLEBEE'S RESTAURANTS
VERMONT, INC., as Co-Issuer

By: /s/ Rebecca Tilden
Name: Rebecca R. Tilden
Title: President

APPLEBEE'S RESTAURANTS TEXAS
LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin L. Stutz
Title: President

APPLEBEE'S RESTAURANTS INC., as
Co-Issuer

By: /s/ Carin Stutz
Name: Carin L. Stutz
Title: President

APPLEBEE'S RESTAURANTS KANSAS
LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Crain L. Stutz
Title: President

APPLEBEE'S SERVICES, INC., as
Servicer

By: /s/ Rebecca Tilden
Name: Rebecca Tilden
Title: Secretary

Signature Page to Series 2007-1 Class A-1 Note Purchase Agreement

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LEHMAN COMMERCIAL PAPER INC.,
as Class A-1 Administrative Agent

By: /s/ Frank Prezioso
Name: Frank Prezioso
Title: Managing Director
Address: 745 Seventh Avenue,
13th Floor
New York, NY 10019
Attention: Michelle Rosolinsky, Vice
President
Facsimile: 646-758-5015

LEHMAN COMMERCIAL PAPER INC.,
as Swingline Lender

By: /s/ Frank Prezioso
Name: Frank Prezioso
Title: Managing Director
Address: 745 Seventh Avenue,
13th Floor
New York, NY 10019
Attention: Michelle Rosolinsky, Vice
President
Facsimile: 646-758-5015

LEHMAN BROTHERS BANK, FSB, as
Committed Note Purchaser

By: /s/ Vincent Primiano
Name: Vincent Primiano
Title: Managing Director
Address: 745 Seventh Avenue,
30th Floor
New York, NY 10019
Attention: Errington Hibbert
Managing Director
Facsimile: 646-758-1007

LEHMAN BROTHERS BANK, FSB, as
Funding Agent

By: /s/ Vincent Primiano
Name: Vincent Primiano
Title: Managing Director
Address: 745 Seventh Avenue,
30th Floor
New York, NY 10019
Attention: Errington Hibbert
Managing Director
Facsimile: 646-758-1007

Signature Page to Series 2007-1 Class A-1 Note Purchase Agreement

SCHEDULE I
TO CLASS A-1 NOTE PURCHASE AGREEMENT

CLASS A-1-A:
INVESTOR GROUPS AND COMMITMENTS

Class A-1-A Investor Group/ Funding Agent	Maximum Investor Group Principal Amount	Conduit Investor (if any)	Committed Note Purchaser(s)	Commitment Amount
A-1-A GROUP/LEHMAN BROTHERS BANK, FSB	$ 30,000,000	N/A	LEHMAN BROTHERS BANK, FSB	$ 30,000,000

CLASS A-1-X:
INVESTOR GROUPS AND COMMITMENTS

Class A-1-X Investor Group/ Funding Agent	Maximum Investor Group Principal Amount	Conduit Investor (if any)	Committed Note Purchaser(s)	Commitment Amount
A-1-X GROUP/LEHMAN BROTHERS BANK, FSB	$ 70,000,000	N/A	LEHMAN BROTHERS BANK, FSB	$ 70,000,000

SCHEDULE II TO CLASS A-1
NOTE PURCHASE AGREEMENT

NOTICE ADDRESSES FOR LENDER PARTIES AND AGENTS

COMMITTED NOTE PURCHASERS:

Lehman Brothers Bank, FSB
745 Seventh Avenue, 13th Floor
New York, NY 10019
Attention: Errington Hibbert, Managing
Phone: (212) 526-5856
Fax: [•]

FUNDING AGENTS:

Lehman Brothers Bank, FSB
745 Seventh Avenue, 13th Floor
New York, NY 10019
Attention: Errington Hibbert, Managing
Phone: (212) 526-5856
Fax: [•]

CLASS A-1 ADMINISTRATIVE AGENT:

Lehman Commercial Paper Inc.
Michelle Rosolinsky
Vice President
745 Seventh Avenue, 16th Floor
New York, NY 10019
Phone: (212) 526-8275
Fax: (646) 758-5015

with a copy to:

Maritza Ospina
Assistant Vice President
745 Seventh Avenue, 16th Floor
New York, NY 10019
Phone: (212) 526-4332

SWINGLINE LENDER:

Lehman Commercial Paper Inc.
Michelle Rosolinsky
Vice President
745 Seventh Avenue, 16th Floor
New York, NY 10019
Phone: (212) 526-8275
Fax: (646) 758-5015

with a copy to:

Maritza Ospina
Assistant Vice President
745 Seventh Avenue, 16th Floor
New York, NY 10019
Phone: (212) 526-4332

SCHEDULE III TO CLASS A-1
NOTE PURCHASE AGREEMENT

ADDITIONAL CLOSING CONDITIONS(1)

The following are the additional conditions to initial issuance and effectiveness referred to in Section 7.01(e):

(a) All corporate proceedings and other legal matters incident to the authorization, form and validity of each of the Transaction Documents, and all other legal matters relating to the Transaction Documents and the transactions contemplated thereby, shall be satisfactory in all material respects to the Lender Parties, and the Co-Issuers, the Guarantors and the Parent Companies shall have furnished to the Lender Parties all documents and information that the Lender Parties or their counsel may reasonably request to enable them to pass upon such matters.

(b) The Lender Parties shall have received evidence satisfactory to the Lender Parties and their counsel, that on or before the Series 2007-1 Closing Date, all existing liens (other than Permitted Liens) on the Indenture Collateral shall have been released and UCC-1 financing statements and all assignments and other instruments required to be filed on or prior to the Series 2007-1 Closing Date pursuant to the Transaction Documents have been or are being filed.

(c) The Lender Parties shall have received an opinion of in-house counsel to Assured Guaranty with respect to the Series 2007-1 Class A-1-A Notes, dated the Series 2007-1 Closing Date and addressed to the Lender Parties, in form and substance satisfactory to the Lender Parties and their counsel.

(d) The Lender Parties shall have received an opinion of Chapman and Cutler LLP, counsel to the Indenture Trustee, dated the Series 2007-1 Closing Date and addressed to the Lender Parties, in form and substance satisfactory to the Lender Parties and their counsel.

(e) The Lender Parties shall have received an opinion of in-house counsel to the Back-Up Manager, dated the Series 2007-1 Closing Date and addressed to the Lender Parties, in form and substance satisfactory to the Lender Parties and their counsel.

(f) The Lender Parties shall have received an opinion of special Vermont counsel to Applebee's Restaurants Vermont, Inc. ("Applebee's Vermont"), dated the Series 2007-1 Closing Date and addressed to the Lender Parties, regarding the due organization of Applebee's Vermont, the enforceability of the Charter Documents of Applebee's Vermont against Applebee's Vermont, in form and substance satisfactory to the Lender Parties and their counsel.

(g) The Lender Parties shall have received a certificate from each Co-Issuer executed on behalf of such Co-Issuer by any two of the President, any Manager, the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Secretary, any Assistant Secretary, the General Counsel or the Treasurer of such Co-Issuer, provided that one such officer shall include the President, the Chief Financial Officer or a Vice President, dated the Series 2007-1 Closing Date, to the effect that, to the best of each such officer's knowledge (i) the representations and warranties of such Co-Issuer in this Agreement are true and correct on and as of the date hereof (to the extent made on and as of the date hereof) and the Series 2007-1 Closing Date and the representations and warranties of such Co-Issuer in any other Transaction Documents to which such Co-Issuer is a party are true and correct on and as of the date hereof and the Series 2007-1 Closing Date; (ii) that such Co-Issuer has complied in all material respects with all agreements and satisfied all conditions on such Co-Issuer's part to be performed or satisfied hereunder or under the Transaction Documents at or prior to the Series 2007-1 Closing Date; (iii) subsequent to the date as of which information is given in the Draft Offering Memorandum (as defined in the Series 2007-1 Term Note Purchase Agreement), there has not been any development in the general affairs, business, properties, capitalization, condition (financial or otherwise) or results of operation of such Co-Issuer except as set forth or contemplated in the Draft Offering Memorandum or as described in such certificate or certificates that could reasonably be expected to result in a Material Adverse Effect; and (iv) nothing has come to such officer's attention that would lead such officer to believe that (A) as of the Series 2007-1 Closing Date, the Draft Offering Memorandum did not present fairly, in all material respects, the business, results of operations and financial condition of the Co-Issuers and the Guarantors or (B) since the date of the Draft Offering Memorandum, any event has occurred which should have been set forth in a supplement or amendment to the Draft Offering Memorandum.

(h) The Lender Parties shall have received a certificate from each Parent Company executed on behalf of such Parent Company by any two of the President, any Manager, the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Secretary or any Assistant Secretary, the General Counsel or the Treasurer of such Parent Company, provided that one such officer shall include the President, the Chief Financial Officer or a Vice President, dated the Series 2007-1 Closing Date, to the effect that, to the best of each such officer's knowledge (i) the representations and warranties of such Parent Company in this Agreement are true and correct on and as of the date hereof (to the extent made on and as of the date hereof) and the Series 2007-1 Closing Date and the representations and warranties of such Parent Company in any other Transaction Documents to which such Parent Company is a party are true and correct on and as of the date hereof and the Series 2007-1 Closing Date; (ii) the representations and warranties of each Securitization Entity in any Transaction Documents to which such Securitization Entity is a party are true and correct on and as of the date hereof (to the extent made on and as of the date hereof) and the Series 2007-1 Closing Date; (iii) the representations and warranties with respect to each Applebee's Entity and each IHOP Entity that is neither a Securitization Entity nor a Parent Company (each a "Pre-Securitization Entity"), in any Transaction Documents to which such Pre-Securitization Entity is a party are true and correct on and as of the date hereof and the Series 2007-1 Closing Date; (iv) that such Parent Company has complied in all material

respects with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder or under the Transaction Documents at or prior to the Series 2007-1 Closing Date; (v) subsequent to the date as of which information is given in the Draft Offering Memorandum, there has not been any development in or affecting particularly the business or assets of such Parent Company and their subsidiaries considered as a whole or in the financial position or results of operations of such Parent Company and its subsidiaries considered as a whole, otherwise than as set forth or contemplated in the Draft Offering Memorandum or as described in such certificate or certificates that could reasonably be expected to result in a Material Adverse Effect; and (vi) nothing has come to such officer's attention that would lead such officer to believe that (A) as of the Series 2007-1 Closing Date, the Draft Offering Memorandum did not present fairly, in all material respects, the business, results of operations and financial condition of the Co-Issuers and the Guarantors or (B) since the date of the Draft Offering Memorandum, any event has occurred which should have been set forth in a supplement or amendment to the Draft Offering Memorandum so that it would present fairly, in all material respects, the business, results of operations and financial condition of the Co-Issuers and the Guarantors.

(i) The Lender Parties shall have received a certificate from each Securitization Entity that is not a Co-Issuer signed by any two of the President, any Manager, the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Secretary, any Assistant Secretary, the General Counsel or the Treasurer of such Securitization Entity, provided that one such officer shall include the President, the Chief Financial Officer or a Vice President, dated the Series 2007-1 Closing Date, in which each such officer shall state that, to the best of each such officer's knowledge (i) the representations and warranties of such Securitization Entity in this Agreement are true and correct on and as of the Series 2007-1 Closing Date and the representations and warranties of such Securitization Entity in any other Transaction Documents to which such Securitization Entity is a party are true and correct on and as of the Series 2007-1 Closing Date; (ii) that such Securitization Entity has complied in all material respects with all agreements and satisfied all conditions on such Securitization Entity's part to be performed or satisfied hereunder or under the Transaction Documents at or prior to the Series 2007-1 Closing Date and (iii) subsequent to the date as of which information is given in the Draft Offering Memorandum, there has not been any development in the general affairs, business, properties, capitalization, condition (financial or otherwise) or results of operation of such Securitization Entity except as set forth or contemplated in the Draft Offering Memorandum or as described in such certificate or certificates that could reasonably be expected to result in a Material Adverse Effect.

(j) The Lender Parties shall have received a certificate from each Pre-Securitization Entity, executed on behalf of such entity by any two of the President, any Manager, the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Secretary, any Assistant Secretary, any Managing Director, any Director, the General Counsel or the Treasurer of such entity, dated the Series 2007-1 Closing Date, to the effect that, to the best of each such officer's knowledge (i) the representations and warranties of such Pre-Securitization Entity in any Transaction Documents to which such Pre-Securitization Entity is a party are true and correct on and as of the Series 2007-1

Closing Date; (ii) that such Pre-Securitization Entity has complied in all material respects with all agreements and satisfied all conditions on such Pre-Securitization Entity's part to be performed or satisfied hereunder or under the Transaction Documents at or prior to the Series 2007-1 Closing Date and (iii) subsequent to the date as of which information is given in the Draft Offering Memorandum, there has not been any development in the general affairs, business, properties, capitalization, condition (financial or otherwise) or results of operation of such Pre-Securitization Entity except as set forth or contemplated in the Draft Offering Memorandum or as described in such certificate or certificates that could reasonably be expected to result in a Material Adverse Effect.

(k) The Co-Issuers shall have delivered the $350,000,000 of Series 2007-1 Class A-2-I-X Notes, $675,000,000 of Series 2007-1 Class A-2-II-A Notes, the $650,000,000 of Series 2007-1 Class A-2-II-X and $119,000,000 of Series 2007-1 Class M-1 Notes to the Initial Purchaser on the Series 2007-1 Closing Date.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Class A-1 Administrative Agent.

EXHIBIT A TO CLASS A-1
NOTE PURCHASE AGREEMENT

ADVANCE REQUEST

APPLEBEE'S ENTERPRISES LLC,
APPLEBEE'S IP LLC, and
the
"RESTAURANT HOLDERS"

SERIES 2007-1 VARIABLE FUNDING SENIOR NOTES, CLASS A-1

TO:

LEHMAN COMMERCIAL PAPER INC., as Class A-1 Administrative Agent
747 Seventh Avenue
New York, NY 10019
Attention: Michelle Rosolinsky

Ladies and Gentlemen:

This Advance Request is delivered to you pursuant to Section 2.03 of that certain Series 2007-1 Class A-1 Note Purchase Agreement, dated as of November 29, 2007 (as amended, supplemented, restated or otherwise modified from time to time, the " Series 2007-1 Class A-1 Note Purchase Agreement") among Applebee's Enterprises LLC, the other Co-Issuers named therein, Applebee's Services, Inc., as Servicer, the Conduit Investors, Committed Note Purchasers and Funding Agents named therein, the L/C Provider named therein, Lehman Commercial Paper Inc., as Swingline Lender (in such capacity, the "Swingline Lender") and Lehman Commercial Paper Inc., as Class A-1 Administrative Agent (in such capacity, the " Class A-1 Administrative Agent").

Unless otherwise defined herein or as the context otherwise requires, terms used herein have the meaning assigned thereto under or as provided in the Recitals and Section 1.01 of the Series 2007-1 Class A-1 Note Purchase Agreement.

The undersigned hereby requests that Advances be made in the aggregate principal amount of $ on , 20 , which such principal amount shall be allocated ratably among the Series 2007-1 Class A-1-A Advance Notes and the Series 2007-1 Class A-1-X Advance Notes according to their respective portions of the Series 2007-1 Class A-1 Maximum Principal Amount.

[IF CO-ISSUERS ARE ELECTING EURODOLLAR RATE FOR THESE ADVANCES ON THE DATE MADE IN ACCORDANCE WITH SECTION 3.01(b) OF THE CLASS A-1 NOTE PURCHASE AGREEMENT, ADD THE FOLLOWING SENTENCE: The undersigned hereby elects that the Advances that are not funded at the CP Rate by a Conduit Investor shall be Eurodollar Advances and the related Eurodollar Interest Period shall commence on the date of such Eurodollar Advances and end on but excluding the second Business Day before the next Accounting Date.]

The undersigned hereby acknowledges that the delivery of this Advance Request and the acceptance by the undersigned of the proceeds of the Advances requested hereby constitute a representation and warranty by the undersigned that, on the date of such Advances, and before and after giving effect thereto and to the application of the proceeds therefrom, all conditions set forth in Section 7.03 of the Series 2007-1 Class A-1 Note Purchase Agreement have been satisfied and all statements set forth in Section 6.01 of the Series 2007-1 Class A-1 Note Purchase Agreement are true and correct.

The undersigned agrees that if prior to the time of the Advances requested hereby any matter certified to herein by it will not be true and correct at such time as if then made, it will immediately so notify both you and each Investor. Except to the extent, if any, that prior to the time of the Advances requested hereby you and each Investor shall receive written notice to the contrary from the undersigned, each matter certified to herein shall be deemed once again to be certified as true and correct at the date of such Advances as if then made.

Please wire transfer the proceeds of the Advances, first, $[ ] to the Swingline Lender and $[ ] to the L/C Provider for application to repayment of outstanding Swingline Loans and Unreimbursed L/C Drawings, as applicable, and, second, pursuant to the following instructions:

[insert any other payment instructions]

The undersigned has caused this Advance Request to be executed and delivered, and the certification and warranties contained herein to be made, by its duly Authorized Officer this day of , 20 .

APPLEBEE'S ENTERPRISES LLC

By: ________________________
Name:
Title:

APPLEBEE'S IP LLC

By: ________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH
LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST
LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS
LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC., as
Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS
LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-
ATLANTIC LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS
VERMONT, INC., as Co-Issuer

By: ______________________________
Name:
Title:

EXHIBIT A-1 TO CLASS A-1
NOTE PURCHASE AGREEMENT

SWINGLINE LOAN REQUEST

APPLEBEE'S ENTERPRISES LLC,
APPLEBEE'S IP LLC, and
the "RESTAURANT HOLDERS"

SERIES 2007-1 VARIABLE FUNDING SENIOR NOTES, CLASS A-1

TO:

LEHMAN COMMERCIAL PAPER INC., as Swingline Lender
747 Seventh Avenue
New York, NY 10019
Attention: Michelle Rosolinsky

Ladies and Gentlemen:

This Swingline Loan Request is delivered to you pursuant to Section 2.06 of that certain Series 2007-1 Class A-1 Note Purchase Agreement, dated as of November 29, 2007 (as amended, supplemented, restated or otherwise modified from time to time, the " Series 2007-1 Class A-1 Note Purchase Agreement") among Applebee's Enterprises LLC, the other Co-Issuers named therein, Applebee's Services, Inc., as Servicer, the Conduit Investors, Committed Note Purchasers and Funding Agents named therein, the L/C Provider named therein, Lehman Commercial Paper Inc., as Swingline Lender (in such capacity, the "Swingline Lender") and Lehman Commercial Paper Inc., as Class A-1 Administrative Agent (in such capacity, the " Class A-1 Administrative Agent").

Unless otherwise defined herein or as the context otherwise requires, terms used herein have the meaning assigned thereto under or as provided in the Recitals and Section 1.01 of the Series 2007-1 Class A-1 Note Purchase Agreement.

The undersigned hereby requests that Swingline Loans be made in the aggregate principal amount of $ on , 20 which principal amount shall be allocated ratably between the Series 2007-1 Class A-1-A Swingline Note and the Series 2007-1 Class A-1-X Swingline Note according to their respective Applicable Sub-Class Percentages.

The undersigned hereby acknowledges that the delivery of this Swingline Loan Request and the acceptance by the undersigned of the proceeds of the Swingline Loans requested hereby constitute a representation and warranty by the undersigned that, on the date of such Swingline Loans, and before and after giving effect thereto and to the application of the proceeds therefrom, all conditions set forth in Section 7.03 of the Series 2007-1 Class A-1 Note Purchase Agreement have been satisfied and all statements set forth in Section 6.01 of the Series 2007-1 Class A-1 Note Purchase Agreement are true and correct.

The undersigned agrees that if prior to the time of the Swingline Loans requested hereby any matter certified to herein by it will not be true and correct at such time as if then made, it will immediately so notify you. Except to the extent, if any, that prior to the time of the Swingline Loans requested hereby you shall receive written notice to the contrary from the undersigned, each matter certified to herein shall be deemed once again to be certified as true and correct at the date of such Swingline Loans as if then made.

Please wire transfer the proceeds of the Swingline Loans pursuant to the following instructions:

[insert payment instructions]

The undersigned has caused this Swingline Loan Request to be executed and delivered, and the certification and warranties contained herein to be made, by its duly Authorized Officer this day of , 20 .

APPLEBEE'S ENTERPRISES LLC

By: ____________________________
Name:
Title:

APPLEBEE'S IP LLC

By: ____________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC, as Co-Issuer

By: ____________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC, as Co-Issuer

By: ____________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC., as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT, INC., as Co-Issuer

By: ______________________________
Name:
Title:

EXHIBIT A-2 TO CLASS A-1
NOTE PURCHASE AGREEMENT

VOLUNTARY DECREASE REQUEST

APPLEBEE'S ENTERPRISES LLC,
APPLEBEE'S IP LLC, and
the "RESTAURANT HOLDERS"

SERIES 2007-1 VARIABLE FUNDING SENIOR NOTES, CLASS A-1

TO: Addresses on Schedule I Hereto

Ladies and Gentlemen:

This Voluntary Decrease Request is delivered to you pursuant to Section 3.2(b) of that certain Series 2007-1 Supplement, dated as of November 29, 2007 (as amended, supplemented, restated or otherwise modified from time to time, the " Series 2007-1 Supplement") among Applebee's Enterprises LLC, the other Co-Issuers named therein, and Wells Fargo Bank, National Association, as Indenture Trustee and Series 2007-1 Securities Intermediary (in such capacity, the "Indenture Trustee"). All capitalized terms used herein shall have the meanings described in Article I of the Series 2007-1 Supplement.

Pursuant to Section 3.2(b) of the Series 2007-1 Supplement, the undersigned hereby requests that a Voluntary Decrease of the Series 2007-1 Class A-1 Outstanding Principal Amount be made in the aggregate amount of $ on , 20 .

In compliance therewith, the priority of payment for this Voluntary Decrease should be as follows:

Outstanding Swingline Loans as of , 20 : $

Unreimbursed L/C Drawings as of , 20 : $

Net amount due to Class A-1 Noteholders (below) on , 20 :

[: $]

The undersigned has caused this Voluntary Decrease Request to be executed and delivered by its duly Authorized Officer this day of , 20 .

APPLEBEE'S ENTERPRISES LLC

By: ______________________________________
Name:
Title:

APPLEBEE'S IP LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS INC., as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, as Co-Issuer

By: ______________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT, INC., as Co-Issuer

By: ______________________
Name:
Title:

INDENTURE TRUSTEE:

Wells Fargo Bank, National Association
6th & Marquette MAC [N9311-161]
Minneapolis, MN 55479
Attention: Corporate Trust Services / Asset Backed Administration
Facsimile: (612) 667-3464

CLASS A-1 ADMINISTRATIVE AGENT:

Lehman Commercial Paper Inc.
Michelle Rosolinsky
Vice President
745 Seventh Avenue, 16th Floor
New York, NY 10019
Phone: (212) 526-8275
Fax: (646) 758-5015

with a copy to:

Maritza Ospina
Assistant Vice President
745 Seventh Avenue, 16th Floor
New York, NY 10019
Phone: (212) 526-4332

COMMITTED NOTE PURCHASERS:

Lehman Brothers Bank, FSB
745 Seventh Avenue, 13th Floor
New York, NY 10019
Attention: Errington Hibbert, Managing
Phone: (212) 526-5856
Fax: [•]

[OTHER SERIES 2007-1 CLASS A-1 INVESTORS, IF ANY]

<u>CLASS A INSURER</u>:

Assured Guaranty Corp.
1325 Avenue of the Americas
New York, NY 10019
Attention: Risk Management Dept.
Re: Applebee's Series 2007-1 Notes
Policy No. D-2007-151
Facsimile: (212) 581-3268

with a copy to:

Sidley Austin LLP
One South Dearborn Street
Chicago, Illinois 60603
Attention: Kevin Hochberg
Facsimile: (312) 853-7036

EXHIBIT B
TO CLASS A-1 NOTE PURCHASE AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT , dated as of [ ], among [ ] (the "Transferor"), each purchaser listed as an Acquiring Committed Note Purchaser on the signature pages hereof (each, an " Acquiring Committed Note Purchaser"), the Funding Agent with respect to such Acquiring Committed Note Purchaser listed on the signature pages hereof (each, a " Funding Agent"), and, if applicable, the Co-Issuers, Swingline Lender and L/C Provider listed on the signature pages hereof.

W I T N E S S E T H:

WHEREAS, this Assignment and Assumption Agreement is being executed and delivered in accordance with Section 9.17(a) of the Series 2007-1 Class A-1 Note Purchase Agreement, dated as of November 29, 2007 (as from time to time amended, supplemented or otherwise modified in accordance with the terms thereof, the "Series 2007-1 Class A-1 Note Purchase Agreement"; terms defined therein being used herein as therein defined), among the Co-Issuers, the Conduit Investors, Committed Note Purchasers and Funding Agents named therein, the L/C Provider and Swingline Lender named therein, Applebee's Services, Inc., as Servicer, and Lehman Commercial Paper Inc., as Class A-1 Administrative Agent (in such capacity, the "Class A-1 Administrative Agent");

WHEREAS, each Acquiring Committed Note Purchaser (if it is not already an existing Committed Note Purchaser) wishes to become a Committed Note Purchaser party to the Series 2007-1 Class A-1 Note Purchase Agreement; and

WHEREAS, the Transferor is selling and assigning to each Acquiring Committed Note Purchaser, [all] [a portion of] its rights, obligations and commitments under the Series 2007-1 Class A-1 Note Purchase Agreement, the Series 2007-1 Class A-1 Advance Notes of the Advance Sub-Class identified on Schedule I attached hereto, and each other Transaction Document to which it is a party with respect to the percentage of its Commitment Amount specified on such Schedule I.

NOW, THEREFORE, the parties hereto hereby agree as follows:

Upon the execution and delivery of this Assignment and Assumption Agreement by each Acquiring Committed Note Purchaser, each related Funding Agent and the Transferor and, to the extent required by Section 9.17(a) of the Series 2007-1 Class A-1 Note Purchase Agreement, the Co-Issuers, the Swingline Lender and the L/C Provider (the date of such execution and delivery, the " Transfer Issuance Date"), each Acquiring Committed Note Purchaser shall be a Committed Note Purchaser party to the Series 2007-1 Class A-1 Note Purchase Agreement for all purposes thereof.

The Transferor acknowledges receipt from each Acquiring Committed Note Purchaser of an amount equal to the purchase price, as agreed between the Transferor and such Acquiring Committed Note Purchaser (the "Purchase Price"), of the

portion being purchased by such Acquiring Committed Note Purchaser (such Acquiring Committed Note Purchaser's " Purchased Percentage") of (i) the Transferor's Commitment under the Series 2007-1 Class A-1 Note Purchase Agreement and (ii) the Transferor's Committed Note Purchaser Percentage of the related Investor Group Principal Amount. The Transferor hereby irrevocably sells, assigns and transfers to each Acquiring Committed Note Purchaser, without recourse, representation or warranty, and each Acquiring Committed Note Purchaser hereby irrevocably purchases, takes and assumes from the Transferor, such Acquiring Committed Note Purchaser's Purchased Percentage of (x) the Transferor's Commitment under the Series 2007-1 Class A-1 Note Purchase Agreement and (y) the Transferor's Committed Note Purchaser Percentage of the related Investor Group Principal Amount.

The Transferor has made arrangements with each Acquiring Committed Note Purchaser with respect to [(i)] the portion, if any, to be paid, and the date or dates for payment, by the Transferor to such Acquiring Committed Note Purchaser of any program fees, undrawn facility fee, structuring and commitment fees or other fees (collectively, the "Fees") [heretofore received] by the Transferor pursuant to Section 3.02 of the Series 2007-1 Class A-1 Note Purchase Agreement prior to the Transfer Issuance Date [and (ii) the portion, if any, to be paid, and the date or dates for payment, by such Acquiring Committed Note Purchaser to the Transferor of Fees or [ ] received by such Acquiring Committed Note Purchaser pursuant to the Series 2007-1 Supplement from and after the Transfer Issuance Date].

From and after the Transfer Issuance Date, amounts that would otherwise be payable to or for the account of the Transferor pursuant to the Series 2007-1 Supplement or the Series 2007-1 Class A-1 Note Purchase Agreement shall, instead, be payable to or for the account of the Transferor and the Acquiring Committed Note Purchasers, as the case may be, in accordance with their respective interests as reflected in this Assignment and Assumption Agreement, whether such amounts have accrued prior to the Transfer Issuance Date or accrue subsequent to the Transfer Issuance Date.

Each of the parties to this Assignment and Assumption Agreement agrees that at any time and from time to time upon the written request of any other party, it will execute and deliver such further documents and do such further acts and things as such other party may reasonably request in order to effect the purposes of this Assignment and Assumption Agreement.

By executing and delivering this Assignment and Assumption Agreement, the Transferor and each Acquiring Committed Note Purchaser confirm to and agree with each other and the other parties to the Series 2007-1 Class A-1 Note Purchase Agreement as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned hereby free and clear of any adverse claim, the Transferor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Series 2007-1 Supplement, the Series 2007-1 Class A-1 Note Purchase Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the

Indenture, the Series 2007-1 Class A-1 Notes, the Transaction Documents or any instrument or document furnished pursuant thereto; (ii) the Transferor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Co-Issuers or the performance or observance by the Co-Issuers of any of the Co-Issuer's obligations under the Indenture, the Series 2007-1 Class A-1 Note Purchase Agreement, the Transaction Documents or any other instrument or document furnished pursuant hereto; (iii) each Acquiring Committed Note Purchaser confirms that it has received a copy of the Indenture, the Series 2007-1 Class A-1 Note Purchase Agreement and such other Transaction Documents and other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption Agreement; (iv) each Acquiring Committed Note Purchaser will, independently and without reliance upon the Class A-1 Administrative Agent, the Transferor, the Funding Agent or any other Investor Group and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Series 2007-1 Class A-1 Note Purchase Agreement; (v) each Acquiring Committed Note Purchaser appoints and authorizes the Class A-1 Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Series 2007-1 Class A-1 Note Purchase Agreement as are delegated to the Class A-1 Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto, all in accordance with Article V of the Series 2007-1 Class A-1 Note Purchase Agreement; (vi) each Acquiring Committed Note Purchaser appoints and authorizes the related Funding Agent to take such action as agent on its behalf and to exercise such powers under the Series 2007-1 Class A-1 Note Purchase Agreement as are delegated to such Funding Agent by the terms thereof, together with such powers as are reasonably incidental thereto, all in accordance with Article V of the Series 2007-1 Class A-1 Note Purchase Agreement; (vii) each Acquiring Committed Note Purchaser agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Series 2007-1 Class A-1 Note Purchase Agreement are required to be performed by it as an Acquiring Committed Note Purchaser; and (viii) the Acquiring Committed Note Purchaser hereby represents and warrants to the Co-Issuers and the Servicer that the representations and warranties contained in Section 6.03 of the Series 2007-1 Class A-1 Note Purchase Agreement are true and correct with respect to the Acquiring Committed Note Purchaser on and as of the date hereof and the Acquiring Committed Note Purchaser shall be deemed to have made such representations and warranties contained in Section 6.03 of the Series 2007-1 Class A-1 Note Purchase Agreement on and as of the date hereof.

Schedule I hereto sets forth (i) the Advance Sub-Class and the Purchased Percentage for each Acquiring Committed Note Purchaser, (ii) the revised Commitment Amounts of the Transferor and each Acquiring Committed Note Purchaser, and (iii) the revised Maximum Investor Group Principal Amounts for the Investor Groups of the Transferor and each Acquiring Committed Note Purchaser (it being understood that if the Transferor was part of an Investor Group and the Acquiring Committed Note Purchaser is intended to be part of the same Investor Group, there will not be any change to the Maximum Investor Group Principal Amount for that Investor Group) and

(iv) administrative information with respect to each Acquiring Committed Note Purchaser and its Funding Agent.

This Assignment and Assumption Agreement and all matters arising under or in any manner relating to this Assignment and Assumption Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such law.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption Agreement to be executed by their respective duly authorized officers as of the date first set forth above.

[•], as Transferor

By: ______________________________
Name:
Title:

[•], as Acquiring Committed Note Purchaser

By: ______________________________
Name:
Title:

[•], as Funding Agent

By: ______________________________
Name:
Title:

[CONSENTED AND ACKNOWLEDGED
BY THE CO-ISSUERS:](2)

APPLEBEE'S ENTERPRISES LLC

By: ______________________________
Name:
Title:

APPLEBEE'S IP LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH
LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST
LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS
LLC, as Co-Issuer

By: ______________________________
Name:
Title:

(2) Note: Only if required by Section 9.17.

APPLEBEE'S RESTAURANTS INC., as Co-Issuer

By: ____________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC, as Co-Issuer

By: ____________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, as Co-Issuer

By: ____________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT, INC., as Co-Issuer

By: ____________________________
Name:
Title:

[CONSENTED BY:](3)

LEHMAN COMMERCIAL PAPER INC.,
as Swingline Lender

By: ______________________________
Name:
Title:

[•], as L/C Provider

By: ______________________________
Name:
Title:

---

(3) Note: Only if required by Section 9.17.

SCHEDULE I TO ASSIGNMENT AND ASSUMPTION AGREEMENT

LIST OF ADDRESSES FOR NOTICES AND OF COMMITMENT AMOUNTS

[ ], as Transferor

Advance Sub-Class: [ ]

Prior Commitment Amount: $[ ]

Revised Commitment Amount: $[ ]

Prior Maximum Investor Group Principal Amount: $[ ]

Revised Maximum Investor Group Principal Amount: $[ ]

Related Conduit Investor (if applicable) [ ]

[ ], as Acquiring Committed Note Purchaser

Address:

Attention:

Telephone:
Facsimile:

Purchased Percentage of Transferor's Commitment: [ ]%

Prior Commitment Amount: $[ ]

Revised Commitment Amount: $[ ]

Prior Maximum Investor Group Principal Amount: $[ ]

Revised Maximum Investor
Group Principal Amount: $[ ]

Related Conduit Investor
(if applicable) [ ]

[ ], as
related Funding Agent

Address:

Attention:

Telephone:
Facsimile:

EXHIBIT C TO CLASS A-1
NOTE PURCHASE AGREEMENT

INVESTOR GROUP SUPPLEMENT, dated as of [ ], among (i) [ ] (the "Transferor Investor Group"), (ii) [ ] (the "Acquiring Investor Group"), (iii) the Funding Agent with respect to the Acquiring Investor Group listed on the signature pages hereof (each, a "Funding Agent"), and (iv), if applicable, the Co-Issuers, the Swingline Lender and the L/C Provider listed on the signature pages hereof.

W I T N E S S E T H:

WHEREAS, this Investor Group Supplement is being executed and delivered in accordance with Section 9.17(d) of the Series 2007-1 Class A-1 Note Purchase Agreement, dated as of [November 29, 2007] (as from time to time amended, supplemented or otherwise modified in accordance with the terms thereof, the "Series 2007-1 Class A-1 Note Purchase Agreement"; terms defined therein being used herein as therein defined), among the Co-Issuers, the Conduit Investors, Committed Note Purchasers and Funding Agents named therein, the L/C Provider and Swingline Lender named therein, Applebee's Services, Inc., as Servicer, and Lehman Commercial Paper Inc., as Class A-1 Administrative Agent (in such capacity, the "Class A-1 Administrative Agent");

WHEREAS, the Acquiring Investor Group wishes to become a Conduit Investor and [a] Committed Note Purchaser[s] with respect to such Conduit Investor under the Series 2007-1 Class A-1 Note Purchase Agreement; and

WHEREAS, the Transferor Investor Group is selling and assigning to the Acquiring Investor Group [all] [a portion of] its respective rights, obligations and commitments under the Series 2007-1 Class A-1 Note Purchase Agreement, the Series 2007-1 Class A-1 Advance Notes of the Advance Sub-Class identified on Schedule I attached hereto and each other Transaction Document to which it is a party with respect to the percentage of its Commitment Amount specified on Schedule I attached hereto;

NOW, THEREFORE, the parties hereto hereby agree as follows:

Upon the execution and delivery of this Investor Group Supplement by the Acquiring Investor Group, each related Funding Agent with respect thereto and the Transferor Investor Group and, to the extent required by Section 9.17(d) of the Series 2007-1 Class A-1 Note Purchase Agreement, the Co-Issuers, the Swingline Lender and the L/C Provider (the date of such execution and delivery, the "Transfer Issuance Date"), the Conduit Investor and the Committed Note Purchaser[s] with respect to the Acquiring Investor Group shall be parties to the Series 2007-1 Class A-1 Note Purchase Agreement for all purposes thereof.

The Transferor Investor Group acknowledges receipt from the Acquiring Investor Group of an amount equal to the purchase price, as agreed between the Transferor Investor Group and the Acquiring Investor Group (the "Purchase Price"), of

the portion being purchased by the Acquiring Investor Group (the Acquiring Investor Group's " Purchased Percentage") of (i) the aggregate Commitment[s] of the Committed Note Purchaser[s] included in the Transferor Investor Group under the Series 2007-1 Class A-1 Note Purchase Agreement and (ii) the aggregate related Committed Note Purchaser Percentage[s] of the related Investor Group Principal Amount. The Transferor Investor Group hereby irrevocably sells, assigns and transfers to the Acquiring Investor Group, without recourse, representation or warranty, and the Acquiring Investor Group hereby irrevocably purchases, takes and assumes from the Transferor Investor Group, such Acquiring Investor Group's Purchased Percentage of (x) the aggregate Commitment[s] of the Committed Note Purchaser[s] included in the Transferor Investor Group under the Series 2007-1 Class A-1 Note Purchase Agreement and (y) the aggregate related Committed Note Purchaser Percentage[s] of the related Investor Group Principal Amount.

The Transferor Investor Group has made arrangements with the Acquiring Investor Group with respect to [(i)] the portion, if any, to be paid, and the date or dates for payment, by the Transferor Investor Group to such Acquiring Investor Group of any program fees, undrawn facility fee, structuring and commitment fees or other fees (collectively, the "Fees") [heretofore received] by the Transferor Investor Group pursuant to Section 3.02 of the Series 2007-1 Class A-1 Note Purchase Agreement prior to the Transfer Issuance Date [and (ii) the portion, if any, to be paid, and the date or dates for payment, by such Acquiring Investor Group to the Transferor Investor Group of Fees or [   ] received by such Acquiring Investor Group pursuant to the Series 2007-1 Supplement from and after the Transfer Issuance Date].

From and after the Transfer Issuance Date, amounts that would otherwise be payable to or for the account of the Transferor Investor Group pursuant to the Series 2007-1 Supplement or the Series 2007-1 Class A-1 Note Purchase Agreement shall, instead, be payable to or for the account of the Transferor Investor Group and the Acquiring Investor Group, as the case may be, in accordance with their respective interests as reflected in this Investor Group Supplement, whether such amounts have accrued prior to the Transfer Issuance Date or accrue subsequent to the Transfer Issuance Date.

Each of the parties to this Investor Group Supplement agrees that at any time and from time to time upon the written request of any other party, it will execute and deliver such further documents and do such further acts and things as such other party may reasonably request in order to affect the purposes of this Investor Group Supplement.

By executing and delivering this Investor Group Supplement, the Transferor Investor Group and the Acquiring Investor Group confirm to and agree with each other and the other parties to the Series 2007-1 Class A-1 Note Purchase Agreement as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned hereby free and clear of any adverse

claim, the Transferor Investor Group makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Series 2007-1 Supplement, the Series 2007-1 Class A-1 Note Purchase Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Indenture, the Series 2007-1 Class A-1 Notes, the Transaction Documents or any instrument or document furnished pursuant thereto; (ii) the Transferor Investor Group makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Co-Issuers or the performance or observance by the Co-Issuers of any of the Co-Issuers' obligations under the Indenture, the Series 2007-1 Class A-1 Note Purchase Agreement, the Transaction Documents or any other instrument or document furnished pursuant hereto; (iii) the Acquiring Investor Group confirms that it has received a copy of the Indenture, the Series 2007-1 Class A-1 Note Purchase Agreement and such other Transaction Documents and other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Investor Group Supplement; (iv) the Acquiring Investor Group will, independently and without reliance upon the Class A-1 Administrative Agent, the Transferor Investor Group, the Funding Agents or any other Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Series 2007-1 Class A-1 Note Purchase Agreement; (v) the Acquiring Investor Group appoints and authorizes the Class A-1 Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Series 2007-1 Class A-1 Note Purchase Agreement as are delegated to the Class A-1 Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto, all in accordance with Article V of the Series 2007-1 Class A-1 Note Purchase Agreement; (vi) each member of the Acquiring Investor Group appoints and authorizes the related Funding Agent, listed on Schedule I hereto, to take such action as agent on its behalf and to exercise such powers under the Series 2007-1 Class A-1 Note Purchase Agreement as are delegated to such Funding Agent by the terms thereof, together with such powers as are reasonably incidental thereto, all in accordance with Article V of the Series 2007-1 Class A-1 Note Purchase Agreement; (vii) each member of the Acquiring Investor Group agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Series 2007-1 Class A-1 Note Purchase Agreement are required to be performed by it as a member of the Acquiring Investor Group; and (viii) each member of the Acquiring Investor Group hereby represents and warrants to the Co-Issuers and the Servicer that the representations and warranties contained in Section 6.03 of the Series 2007-1 Class A-1 Note Purchase Agreement are true and correct with respect to the Acquiring Investor Group on and as of the date hereof and the Acquiring Investor Group shall be deemed to have made such representations and warranties contained in Section 6.03 of the Series 2007-1 Class A-1 Note Purchase Agreement on and as of the date hereof.

Schedule I hereto sets forth (i) the Advance Sub-Class and the Purchased Percentage for the Acquiring Investor Group, (ii) the revised Commitment Amounts of the Transferor Investor Group and the Acquiring Investor Group, and (iii) the revised Maximum Investor Group Principal Amounts for the Transferor Investor Group and the

Acquiring Investor Group and (iv) administrative information with respect to the Acquiring Investor Group and its Funding Agent.

This Investor Group Supplement and all matters arising under or in any manner relating to this Investor Group Supplement shall be governed by, and construed in accordance with, the laws of the State of New York, and the obligations, rights and remedies of the parties hereto shall be determined in accordance with such law.

IN WITNESS WHEREOF, the parties hereto have caused this Investor Group Supplement to be executed by their respective duly authorized officers as of the date first set forth above.

[•], as Transferor Investor Group

By: ______________________________
Name:
Title:

[•], as Acquiring Investor Group

By: ______________________________
Name:
Title:

[•], as Funding Agent

By: ______________________________
Name:
Title:

[CONSENTED AND ACKNOWLEDGED BY THE CO-ISSUERS:](4)

APPLEBEE'S ENTERPRISES LLC

By: ______________________________
Name:
Title:

APPLEBEE'S IP LLC

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS NORTH LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS WEST LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS TEXAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

(4) Note: Only if required by Section 9.17.

APPLEBEE'S RESTAURANTS INC., as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS KANSAS LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS MID-ATLANTIC LLC, as Co-Issuer

By: ______________________________
Name:
Title:

APPLEBEE'S RESTAURANTS VERMONT, INC., as Co-Issuer

By: ______________________________
Name:
Title:

[CONSENTED BY:](5)

LEHMAN COMMERCIAL PAPER INC.,
as Swingline Lender

By: ______________________________
Name:
Title:

---

(5) Note: Only if required by Section 9.17.

[•], as L/C Provider

By: ________________________________

Name:

Title:

SCHEDULE I TO
INVESTOR GROUP SUPPLEMENT

LIST OF ADDRESSES FOR NOTICES
AND OF COMMITMENT AMOUNTS

[ ], as
Transferor Investor Group

Advance Sub-Class: [ ]

Prior Commitment Amount: $[ ]

Revised Commitment Amount: $[ ]

Prior Maximum Investor Group
Principal Amount: $[ ]

Revised Maximum Investor
Group Principal Amount: $[ ]

[ ], as
Acquiring Investor Group

Address:

Attention:

Telephone:
Facsimile:

Purchased Percentage of
Transferor Investor Group's Commitment: [ ]%

Prior Commitment Amount: $[ ]

Revised Commitment Amount: $[ ]

Prior Maximum Investor Group
Principal Amount: $[ ]

Revised Maximum Investor
Group Principal Amount: $[ ]

[ ], as
related Funding Agent

Address:

Attention:

Telephone:
Facsimile:

Exhibit 10.34

Execution Copy

$1,794,000,000

APPLEBEE'S ENTERPRISES LLC
APPLEBEE'S IP LLC
AND THE RESTAURANT HOLDERS LISTED HEREIN

$350,000,000 7.2836% Fixed Rate Series 2007-1 Class A-2-I Senior Notes

$675,000,000 6.4267% Fixed Rate Series 2007-1 Class A-2-II-A Senior Notes

$650,000,000 7.0588% Fixed Rate Series 2007-1 Class A-2-II-X Senior Notes

$119,000,000 8.4044% Fixed Rate Series 2007-1 Class M-1 Subordinated Notes

PURCHASE AGREEMENT

November 29, 2007

Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

APPLEBEE'S ENTERPRISES LLC, a Delaware limited liability company (the " Master Issuer"), APPLEBEE'S IP LLC, a Delaware limited liability company (the "IP Holder") and each of the entities listed on Schedule A-1 herein (collectively, the "Restaurant Holders", and together with the Master Issuer and the IP Holder, the "Co-Issuers" and each a "Co-Issuer"), propose, upon the terms and conditions set forth in this agreement (the " Agreement"), to issue and sell U.S. $350,000,000 principal amount of their Series 2007-1 Class A-2-I Notes, U.S. $675,000,000 principal amount of their Series 2007-1 Class A-2-II-A Notes, U.S. $650,000,000 principal amount of their Series 2007-1 Class A-2-II-X Notes and U.S. $119,000,000 principal amount of their Series 2007-1 Class M-1 Subordinated Notes (collectively, the "Securities"), which will be guaranteed (each, a "Guarantee") unconditionally and irrevocably by Applebee's Holdings LLC, a Delaware limited liability company ("Holdings"), pursuant to a Guarantee and Collateral Agreement (the " Holdings G&C Agreement"), to be dated as of the Closing Date (as defined herein) among Holdings and Wells Fargo Bank National Association, as trustee (the " Trustee") and by Applebee's Franchising, LLC (the "Franchise Holder", and together with Holdings, the "Guarantors") pursuant to a Guarantee and Collateral Agreement, to be dated as of the Closing Date (the "Franchise Holder G&C Agreement", and together with the Holdings G&C Agreement, the " G&C Agreements") among the Franchise Holder and the Trustee. The Securities, together with the Guarantees, are collectively referred to as the " Guaranteed Securities". The Securities will be issued pursuant to the Series 2007-1 Supplement, to be dated as of the

Closing Date (the "Supplement"), by and among the Co-Issuers and the Trustee, to the Base Indenture, dated as of the Closing Date (the " Base Indenture" and, together with the Supplement, the "Indenture"), by and among the Co-Issuers and the Trustee. The Master Issuer is a wholly-owned subsidiary of Holdings, which is 99%-owned by Applebee's International, Inc., a Delaware corporation ("Applebee's International"), which will be a wholly-owned subsidiary of IHOP Corp., a Delaware corporation ("IHOP") and 1%-owned by Applebee's Holdings II Corp., a Delaware corporation (" Holdings II"), which is a wholly-owned subsidiary of Applebee's International. Applebee's Services, Inc., a Kansas Corporation (the "Servicer") is a wholly-owned subsidiary of Applebee's International. Applebee's International is entering into this Agreement as the guarantor of the obligations of the Servicer under the transaction documents to which it is a party. IHOP is entering into this Agreement as the guarantor of the obligations of Applebee's International under the transaction documents to which it is a party. The Co-Issuers, the Guarantors and the Parent Companies (as defined below) hereby confirm their agreement with Lehman Brothers Inc. (the "Initial Purchaser") concerning the purchase of the Securities from the Co-Issuers by the Initial Purchaser.

Pursuant to an Agreement and Plan of Merger, dated as of July 15, 2007 (the " Merger Agreement"), by and among Applebee's International, IHOP, CHLC Corp., a Delaware corporation ("Merger Sub", and together with Applebee's International, the Servicer, Holdings, Holdings II and IHOP, the "Parent Companies"), which is a wholly-owned subsidiary of IHOP, Merger Sub will merge with and into Applebee's International (the " Merger"), and each outstanding share of common stock of Applebee's International (except for shares held by IHOP and certain other shares), will be automatically converted into the right to receive U.S. $25.50 in cash, without interest, subject to certain adjustments (the " Acquisition"). Applebee's International will be the surviving corporation of the Merger and a wholly-owned subsidiary of IHOP. IHOP expects to finance the Acquisition with (i) the cash proceeds from the issuance of the Notes and (ii) cash proceeds from the issuance of U.S. $245.0 million aggregate principal amount of additional asset-backed securities (the " IHOP Securitization") of IHOP Franchising, LLC, a Delaware limited liability corporation (" IHOP Franchising") and IHOP IP, LLC, a Delaware limited liability corporation ("IHOP IP" and, together with IHOP Franchising, the "IHOP Securitization Entities").

The Securities will be offered and sold to the Initial Purchaser without being registered under the Securities Act of 1933 (the " Securities Act"), in reliance upon an exemption therefrom. The Parent Companies, the Co-Issuers and the Guarantors have prepared a draft preliminary offering memorandum and a term sheet describing certain terms of the Guaranteed Securities, together attached hereto as Exhibit 1 (collectively, the "Draft Offering Memorandum"), materials circulated in connection with the syndication of bridge loans to finance the Acquisition listed on Schedule B-1 (collectively, the "Bridge Syndication Materials") and the preliminary marketing materials listed on Schedule B-2 (collectively, the "Preliminary Marketing Materials").

Pursuant to Sections 4(a) and (c) of this Agreement, the Co-Issuers intend to prepare an offering memorandum, setting forth information concerning the Parent Companies, the Co-Issuers, certain affiliated entities, the Indenture Collateral and the

Securities. Such offering memorandum, as of the Initial Date (as defined herein), each Supplemental Date (as defined herein) and each Bringdown Date (as defined herein) is referred to herein as the "Offering Memorandum".

Any reference to the Offering Memorandum or the Draft Offering Memorandum shall be deemed to refer to and include (i) the most recent Annual Report on Form 10-K, (ii) the Quarterly Reports on Form 10-Q filed since the most recent Annual Report on Form 10-K and (iii) the Current Reports on Form 8-K filed since the most recent Annual Report on Form 10-K, of each of Applebee's International and IHOP, filed with the United States Securities and Exchange Commission (the "Commission") pursuant to Section 13(a) or 15(d) of the United States Securities Exchange Act of 1934 (the " Exchange Act"), on or prior to the date of the Offering Memorandum, as the case may be. All documents filed by Applebee's International under the Exchange Act and so deemed to be included in the Draft Offering Memorandum or the Offering Memorandum, as the case may be, or any amendment or supplement thereto are hereinafter called the "Applebee's Exchange Act Documents". All documents filed by IHOP under the Exchange Act and so deemed to be included in the Draft Offering Memorandum or the Offering Memorandum, as the case may be, or any amendment or supplement thereto are hereinafter called the " IHOP Exchange Act Documents", and together with the Applebee's Exchange Act Documents, the " Exchange Act Documents."

"Free Writing Communication" means a written communication (as such term is defined in Rule 405 under the Securities Act) that constitutes an offer to sell or a solicitation of an offer to buy the Securities and is made by means other than the Offering Memorandum. " Issuer Free Writing Communication" means a Free Writing Communication prepared by or on behalf of the Parent Companies or the Co-Issuers, used or referred to by the Parent Companies or the Co-Issuers or containing a description of the final terms of the Securities or of their offering, in the form retained in the Parent Companies or the Co-Issuers records.

Copies of the Offering Memorandum will be delivered by the Co-Issuers, the Guarantors and the Parent Companies to the Initial Purchaser pursuant to the terms of this Agreement. Any references herein to the Offering Memorandum shall be deemed to include all amendments and supplements thereto. The Co-Issuers, the Guarantors and the Parent Companies hereby confirm that they have authorized the use of the Offering Memorandum in connection with the offering and resale of the Securities by the Initial Purchaser in accordance with Section 2.

For purposes of this Agreement, (a) capitalized terms used but not defined herein shall have the meanings given to such terms in the Indenture, (b) the term "business day" means any day on which the New York Stock Exchange, Inc. is open for trading, (c) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act, (d) the term " Transaction Documents" means the "Transaction Documents" as defined in the Base Indenture, plus the "IHOP Residual Certificate" (as defined in the Base Indenture), and (e) the " Relevant Date" means the date on which representations, warranties and agreements are being made by the

Co-Issuers, the Guarantors or the Parent Companies (as the case may be) in accordance with Section 1(c) or 1(d). The Base Indenture is attached hereto as Exhibit 2. The Supplement is attached hereto as Exhibit 3.

1. Representations, Warranties and Agreements of the Co-Issuers, the Guarantors and the Parent Companies

(a) Each of the Co-Issuers and the Guarantors, jointly and severally, represents and warrants to, and agrees with, the Initial Purchaser, as of the Closing Date, that:

(i) As of the Closing Date, the Draft Offering Memorandum presents fairly, in all material respects, the business, results of operations and financial condition of the Co-Issuers and the Guarantors. As of the Relevant Date, the Offering Memorandum does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) As of the Relevant Date, the Offering Memorandum contains all of the information that, if requested by a prospective purchaser of the Securities, would be required to be provided to such prospective purchaser pursuant to Rule 144A(d)(4) under the Securities Act;

(iii) The Preliminary Marketing Materials and the Offering Memorandum have been or will have been prepared by the Co-Issuers, the Parent Companies and the Guarantors for use by the Initial Purchaser in connection with the Exempt Resales (as defined below). No order or decree preventing the use of the Preliminary Marketing Materials or the Offering Memorandum, or any order asserting that the transactions contemplated by this Agreement are subject to the registration requirements of the Securities Act has been issued, and no proceeding for that purpose has commenced or is pending or, to the knowledge of the Co-Issuers, or any of the Guarantors is contemplated;

(iv) As of the Relevant Date, each of the Base Indenture, the Supplement, the Guaranteed Securities and the G&C Agreements will conform in all material respects to the description thereof contained in the Offering Memorandum;

(v) Assuming the accuracy of the representations and warranties of the Initial Purchaser contained in Section 2 and their compliance with the agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Securities to the Initial Purchaser and the offer, resale and delivery of the Securities by the Initial Purchaser in the manner contemplated by this Agreement and the Indenture, to register the Guaranteed Securities under the Securities Act or to qualify the Indenture or the G&C Agreements under the Trust Indenture Act of 1939, as amended;

(vi) Each of the Co-Issuers and the Guarantors has been duly incorporated as a corporation or formed as a limited liability company, as the case may

be, and is validly existing and in good standing under the laws of the jurisdiction of its formation, is qualified to do business and is in good standing as a foreign corporation or limited liability company in each jurisdiction in which the ownership or lease of property or the conduct of its business requires such qualification except for such failures to qualify to do business or be in good standing as a foreign corporation or limited liability company as are not reasonably likely to result in a Material Adverse Effect, and has the requisite corporate power and authority or the requisite power and authority under its operating agreement, as the case may be, to own or hold its properties and to conduct the business in which it is engaged as described in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date);

(vii) Each of the Co-Issuers and the Guarantors has the requisite corporate power and authority or the requisite limited liability company power and authority under its operating agreement, as the case may be, to execute and deliver this Agreement, the Guaranteed Securities, the Indenture and any other Transaction Document to which it is a party and perform its obligations hereunder and thereunder;

(viii) No Co-Issuer or Guarantor is in violation of (i) its respective Charter Documents, (ii) any Requirements of Law with respect to such Co-Issuer or Guarantor or (iii) any indenture, contract, agreement, mortgage, deed of trust or other instrument to which any of Co-Issuer or Guarantor is a party or by which either it or its assets is bound (each, a "Contractual Obligation") except, solely with respect to clauses (ii) and (iii), to the extent such violation could not reasonably be expected to result in a Material Adverse Effect. The execution and delivery of this Agreement and the other Transaction Documents, the application of the proceeds from the sale of the Securities as described herein, in the Draft Offering Memorandum (as of the Closing Date) and in the Offering Memorandum (as of the Relevant Date) and the incurrence of the obligations and consummation of the transactions herein and therein contemplated (a) requires no action by or in respect of, or filing with, any Governmental Authority which has not been obtained, (b) will not conflict with, or constitute a breach of or default under, any Charter Documents of any Co-Issuer or Guarantor, and (c) do not contravene, or constitute a default under, any Requirements of Law with respect to such Co-Issuer or Guarantor or any Contractual Obligation with respect to such Co-Issuer or Guarantor or result in the creation or imposition of any Lien on any property of any Co-Issuer or Guarantor, except for Liens created by the Transaction Documents and except, in the case of clause (a) and (c), solely with respect to the Asset Contribution Agreements, the violation of which could reasonably be expected to have a Material Adverse Effect;

(ix) Each Transaction Document to which a Co-Issuer or Guarantor is a party has been duly and validly authorized, executed and delivered by such Co-Issuer or Guarantor, and, assuming due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the applicable Co-Issuer or Guarantor and is enforceable in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing). As of the Relevant Date, each of the

Transaction Documents will conform in all material respects to the description thereof in the Offering Memorandum;

(x) (1) The Transaction Documents are in full force and effect; (2) there are no outstanding defaults thereunder; and (3) no events have occurred which, with the giving of notice, the passage of time or both, would constitute a default thereunder;

(xi) (a) No Co-Issuer or Guarantor is a party to any contract or agreement of any kind or nature and (b) no Co-Issuer or Guarantor is subject to any material obligations or liabilities of any kind or nature in favor of any third party, including, without limitation, guarantees, keep-well agreements, dividends, endorsements, letters of credit or other contingent obligations. No Co-Issuer or Guarantor has engaged in any activities since its formation (other than those incidental to its formation, the authorization and the issue of the Guaranteed Securities, the execution of the Transaction Documents to which such Co-Issuer or Guarantor is a party and the performance of the activities referred to in or contemplated by such agreements);

(xii) This Agreement has been duly authorized, executed and delivered by the Co-Issuers and the Guarantors and constitutes the legal, valid and binding obligation of the Co-Issuers enforceable in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing and except that any indemnification or contribution provisions herein may be deemed unenforceable);

(xiii) The Securities have been duly authorized for issuance, offer and sale by the Co-Issuers as contemplated by this Agreement and, when authenticated by the Trustee and issued and delivered against payment of the purchase price therefor, will constitute legal, valid and binding obligations of the Co-Issuers enforceable in accordance with their terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing);

(xiv) The Holdings G&C Agreement has been duly and validly authorized, executed and delivered by Holdings and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a legal, valid and binding obligation of Holdings, enforceable against Holdings in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing). As of the Relevant Date, the Holdings G&C Agreement will conform in all material respects to the description thereof in the Offering Memorandum;

(xv) The Franchise Holder G&C Agreement has been duly and validly authorized by the Franchise Holder, and, assuming due authorization, execution and delivery by the other parties thereto, when executed and delivered by a duly Authorized Officer of the Franchise Holder, will be a legal, valid and binding obligation of the Franchise Holder, enforceable against it in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing). As of the Relevant Date, the Franchise Holder G&C Agreement will conform in all material respects to the description thereof in the Offering Memorandum;

(xvi) No consent, action by or in respect of, approval or other authorization of, or registration, declaration or filing with, any Governmental Authority or other Person is required for the issuance, offer or sale of the Guaranteed Securities by the Co-Issuers or the Guarantors in accordance with the terms of this Agreement, the execution, delivery and performance by the Co-Issuers and the Guarantors of the Guaranteed Securities, the Indenture, this Agreement and the Transaction Documents (to the extent they are parties thereto), the application of the proceeds from the sale of the Securities as described herein, in the Draft Offering Memorandum (as of the Closing Date) and in the Offering Memorandum (as of the Relevant Date) or for the consummation by the Co-Issuers and the Guarantors of the transactions contemplated by this Agreement and the other Transaction Documents or for the performance of any of the Co-Issuers' or the Guarantors' obligations hereunder or thereunder other than such consents, approvals, authorizations, registrations, declarations or filings (a) as have been obtained prior to the Closing Date or as permitted to be obtained subsequent to the Closing Date or (b) relating to the performance of any Franchise Document the failure of which to obtain consent is not reasonably likely to have a Material Adverse Effect;

(xvii) There is no action, suit, proceeding or investigation pending against or, to the knowledge of any Co-Issuer or Guarantor, threatened against or affecting any Co-Issuer or Guarantor or of which any property or assets of the Co-Issuers or Guarantors is the subject before any court or arbitrator or any Governmental Authority that would, individually or in the aggregate, affect the validity or enforceability of this Agreement or any of the Transaction Documents, materially adversely affect the performance by the Co-Issuers or the Guarantors of their obligations hereunder or thereunder or which is reasonably likely to have a Material Adverse Effect;

(xviii) The Co-Issuers and Guarantors maintain the insurance coverages described on Schedule 7.12(v) to the Base Indenture, in such amounts and covering such risks as is adequate for the conduct of their respective businesses and the value of their respective properties and as is customary for companies engaged in similar businesses in similar industries. All policies of insurance of the Co-Issuers and Guarantors are in full force and effect and the Co-Issuers and Guarantors are in compliance with the terms of such policies in all material respects. None of the Co-Issuers or Guarantors has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be

necessary to continue its business at a cost that would not reasonably be expected to have a Material Adverse Effect. All such insurance is primary coverage, all premiums therefor due on or before the date hereof have been paid in full, and the terms and conditions thereof are no less favorable to the Co-Issuers or Guarantors than the terms and conditions of insurance maintained by their affiliates that are not Co-Issuers or Guarantors;

(xix) (1) Each Co-Issuer and Guarantor owns and has good title to its Indenture Collateral, free and clear of all Liens other than Permitted Liens. The Co-Issuers' and Guarantors' rights under the collateral documents relating to the security interests held by the Secured Parties constitute general intangibles under the applicable UCC. The Base Indenture and the G&C Agreements each constitute a valid and continuing Lien on the Indenture Collateral in favor of the Trustee on behalf of and for the benefit of the Secured Parties, which Lien on the Indenture Collateral has been perfected (except as described on Schedule 7.17 to the Base Indenture) and is prior to all other Liens (other than Permitted Liens), and is enforceable as such as against creditors of and purchasers from each Co-Issuer and each Guarantor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing. The Co-Issuers and the Guarantors have received all consents and approvals required by the terms of the Indenture Collateral to the pledge of the Indenture Collateral to the Trustee under the Base Indenture and under the G&C Agreements. All action necessary to perfect such first-priority security interest has been duly taken, except for the filing of mortgages on real property; and

(2) Other than the security interest granted to the Trustee under the Base Indenture, pursuant to the other Transaction Documents or any other Permitted Lien, none of the Co-Issuers and none of the Guarantors have pledged, assigned, sold or granted a security interest in the Indenture Collateral. All action necessary (including the filing of UCC-1 financing statements and filings with the United States Patent and Trademark Office, the United States Copyright Office or any applicable foreign intellectual property office or agency) to protect and evidence the Trustee's security interest in the Indenture Collateral in the United States will have been duly and effectively taken consistent with the obligations of Section 7.17(c) of the Base Indenture, except as described on Schedule 7.17 to the Base Indenture). No security agreement, financing statement, equivalent security or lien instrument or continuation statement authorized by any Co-Issuer and any Guarantor and listing such Co-Issuer or Guarantor as debtor covering all or any part of the Indenture Collateral is on file or of record in any jurisdiction in the United States, except in respect of Permitted Liens or such as may have been filed, recorded or made by such Co-Issuer or such Guarantor in favor of the Trustee on behalf of the Secured Parties in connection with the Base Indenture and the G&C Agreements, and no Co-Issuer or Guarantor has authorized any such filing;

(xx) Each of the Co-Issuers and each of the Guarantors possesses all licenses, permits, orders, patents, franchises, certificates of need and other governmental

and regulatory approvals to own or lease its properties and conduct its business in the jurisdictions in which such business is transacted as described in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) with only such exceptions as would not, individually or in the aggregate, have a Material Adverse Effect, and has not received any notice of proceedings relating to the revocation or modification of any such license, permit, order or approval, except for those whose revocation or modification would not, individually or in the aggregate, have a Material Adverse Effect;

(xxi) Except as described in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date), no labor disturbance by the employees of the Co-Issuers or the Guarantors exists or, to the knowledge of the Co-Issuers or any Guarantor, is imminent that would reasonably be expected to have a Material Adverse Effect;

(xxii) None of the Securitization Entities has established or otherwise has any Plan covered by Title IV of ERISA (other than any Restaurant Holder that may be required to have employees to comply with applicable law relating to the sale of alcoholic beverages);

(xxiii) 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 of any of the Co-Issuers (including, to the Actual Knowledge of the Co-Issuers and the Guarantors, 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. 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, none of the Co-Issuers, the Guarantors nor any affiliate thereof have had a complete or partial withdrawal from any Multiemployer Plan, and the Co-Issuers and the Guarantors would not become subject to any liability under ERISA if a Co-Issuer, a Guarantor 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 and the Guarantors, 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, the Guarantors 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 and the Guarantors does not, in the aggregate, exceed the assets under all such Plans allocable to such benefits. None of the Co-Issuers, the Guarantors or 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 and the Guarantor 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;

(xxiv) Each Co-Issuer and Guarantor has filed, or caused to be filed, all federal, state, local and foreign Tax returns and all other Tax returns which, to the knowledge of any Co-Issuer, are required to be filed by, or with respect to the income, properties or operations of, such Co-Issuer or Guarantor (whether information returns or not), and has paid, or caused to be paid, all Taxes due, if any, pursuant to said returns or pursuant to any assessment received by any Co-Issuer or Guarantor or otherwise, except such Taxes, if any, as are being contested in good faith and by appropriate proceedings and for which adequate reserves have been set aside in accordance with GAAP. Except as would not reasonably be expected to have a Material Adverse Effect, no tax deficiency has been determined adversely to any Co-Issuer or Guarantor, nor does any Co-Issuer or Guarantor have any knowledge of any tax deficiencies. Each Co-Issuer or Guarantor has paid all fees and expenses required to be paid by it in connection with the conduct of its business, the maintenance of its existence and its qualification as a foreign entity authorized to do business in each state and each Foreign Country in which it is required to so qualify, except to the extent that the failure to pay such fees and expenses is not reasonably likely to result in a Material Adverse Effect;

(xxv) There are no transfer taxes or other similar fees or charges under Federal law or the laws of any state, or any political subdivision thereof, required to be paid in connection with the execution and delivery of this Agreement or the issuance by the Co-Issuers or sale by the Co-Issuers of the Securities;

(xxvi) All certificates, reports, statements, notices, documents and other information furnished to the Trustee, Assured Guaranty Corp, a Maryland stock insurance corporation ("Assured Guaranty"), or the Initial Purchaser by or on behalf of the Co-Issuers or Guarantors pursuant to any provision of the Indenture or any other Transaction Document, or in connection with or pursuant to any amendment or modification of, or waiver under, the Indenture or any other Transaction Document, are, at the time the same are so furnished, complete and correct in all material respects (when taken together with all other information furnished by or on behalf of the Co-Issuers, the Guarantors or the Parent Companies) to the Trustee, Assured Guaranty or the Initial

Purchaser, as the case may be, and give the Trustee, Assured Guaranty or the Initial Purchaser, as the case may be, true and accurate knowledge of the subject matter thereof in all material respects, and the furnishing of the same to the Trustee, Assured Guaranty or the Initial Purchaser, as the case may be, shall constitute a representation and warranty by each Co-Issuer or Guarantor made on the date the same are furnished to the Trustee, Assured Guaranty or the Initial Purchaser, as the case may be, to the effect specified herein;

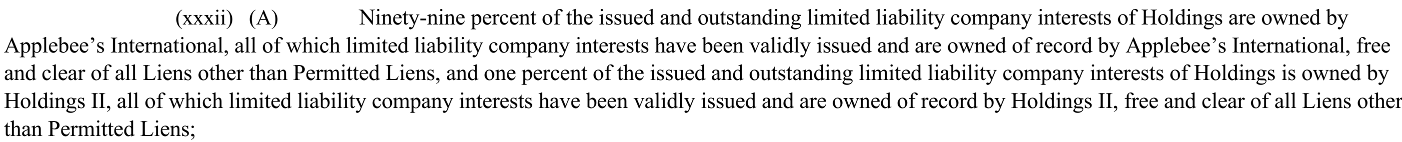
(xxvii) No Co-Issuer or Guarantor is, after giving effect to the issuance of the Guaranteed Securities, the transactions contemplated by the Transaction Documents and the application of the proceeds from the sale of the Securities as described herein, in the Draft Offering Memorandum (as of the Closing Date) and in the Offering Memorandum (as of the Relevant Date), an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended (the " 1940 Act");

(xxviii) The proceeds of the Securities will not be used to purchase or carry any "margin stock" (as defined or used in the regulations of the Board of Governors of the Federal Reserve System, including Regulations T, U and X thereof) in such a way that could cause the transactions contemplated by the Transaction Documents to fail to comply with the regulations of the Board of Governors of the Federal Reserve System, including Regulations T, U, and X thereof. No Co-Issuer or Guarantor owns or is engaged in the business of extending credit for the purpose of purchasing or carrying any margin stock;

(xxix) No subsidiary of the Co-Issuers is currently prohibited, directly or indirectly, from paying any dividends to its parent Co-Issuer, from making any other distribution on such subsidiary's capital stock or limited liability company interests, from repaying its parent Co-Issuer any loans or advances to such subsidiary from its parent Co-Issuer or from transferring any such subsidiary's property or assets to its parent Co-Issuer or any other subsidiary of the parent Co-Issuer, except as described in the Draft Offering Memorandum (as of the Closing Date) or in the Offering Memorandum (as of the Relevant Date);

(xxx) The representations and warranties of each Co-Issuer and Guarantor contained in the Transaction Documents to which such Co-Issuer or Guarantor is a party are true and correct and are repeated herein as though fully set forth herein;

(xxxi) None of the Co-Issuers or Guarantors (after giving effect to the issuance of the Guaranteed Securities and to the other transactions related thereto as described in the Draft Offering Memorandum) are insolvent within the meaning of the Bankruptcy Code or any applicable state law and none of the Co-Issuers or Guarantors are 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 Co-Issuer or Guarantor;


(xxxii) (A) Ninety-nine percent of the issued and outstanding limited liability company interests of Holdings are owned by Applebee’s International, all of which limited liability company interests have been validly issued and are owned of record by Applebee’s International, free and clear of all Liens other than Permitted Liens, and one percent of the issued and outstanding limited liability company interests of Holdings is owned by Holdings II, all of which limited liability company interests have been validly issued and are owned of record by Holdings II, free and clear of all Liens other than Permitted Liens;

(B) All of the issued and outstanding capital stock of Holdings II is owned by Applebee’s International, all of which capital stock has been validly issued and are owned of record by Applebee’s International free and clear of all Liens other than Permitted Liens;

(C) All of the issued and outstanding limited liability company interest of Applebee’s International are owned by IHOP, all of which limited liability company interests have been validly issued and are owned of record by IHOP free and clear of all Liens other than Permitted Liens;

(D) All of the issued and outstanding limited liability company interests of the Master Issuer are owned by Holdings, all of which limited liability company interests have been validly issued and are owned of record by Holdings free and clear of all Liens other than Permitted Liens;

(E) All of the issued and outstanding limited liability company interests of the Franchise Holder, the IP Holder and each of the Restaurant Holders that is a limited liability company are owned by the Master Issuer, all of which limited liability company interests have been validly issued and are owned of record by the Master Issuer, free and clear of all Liens other than Permitted Liens;

(F) All of the issued and outstanding capital stock of the each of the Restaurant Holders that is a corporation are owned by the Master Issuer, all of which capital stock has been validly issued, is fully paid and non-assessable and are owned of record by the Master Issuer, free and clear of all Liens other than Permitted Liens;

(G) At least a majority of the issued and outstanding limited liability company interests of the each of the entities listed on Schedule A-2 herein (collectively, the “Liquor License Holders”) are owned by the Master Issuer, all of which limited liability company interests have been validly issued and are owned of record by the Master Issuer, free and clear of all Liens other than Permitted Liens; and

(H) The Master Issuer has no subsidiaries and owns no Equity Interests in any other Person, other than the Franchise Holder, the IP Holder, the Restaurant Holders and the Liquor License Holders. The Franchise Holder, the IP Holder, the Restaurant Holders and the Liquor License Holders have no subsidiaries and own no Equity Interests in any other Person;

(xxxiii) The Guaranteed Securities satisfy the eligibility requirements of Rule 144A(d)(3) under the Securities Act;

(xxxiv) No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) of any of the Co-Issuers, the Guarantors or the Parent Companies contained in the Preliminary Marketing Materials, the Draft Offering Memorandum or the Offering Memorandum has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith;

(xxxv) With respect to those Guaranteed Securities sold in reliance upon Regulation S of the Securities Act (" Regulation S") (i) none of the Co-Issuers or Guarantors or any of their affiliates or any other person acting on their behalf has engaged in any directed selling efforts within the meaning of Rule 902 of Regulation S and (ii) the Co-Issuers, the Guarantors and their affiliates and each person acting on their behalf have complied with the offering restrictions set forth in Rule 902 of Regulation S;

(xxxvi) Except pursuant to this Agreement, none of the Co-Issuers or Guarantors or any of their affiliates or any other person acting on their behalf has, within the six-month period prior to the date hereof, offered or sold in the United States or to any U.S. person (as such terms are defined in Rule 902 of Regulation S) the Guaranteed Securities or any security of the same class or series as the Guaranteed Securities ;

(xxxvii) None of the Co-Issuers or Guarantors or any of their affiliates have participated in a plan or scheme to evade the registration requirements of the Securities Act through the sale of the Guaranteed Securities pursuant to Regulation S;

(xxxviii) Deloitte & Touche LLP ("D&T"), who have audited or reviewed the consolidated financial statements of Applebee's International contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date), are independent certified public accountants with respect to Applebee's International, Holdings II and the Securitization Entities within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants (" AICPA") and its interpretations and rulings thereunder. The historical consolidated financial statements (including the related notes and supporting schedules) of Applebee's International contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) have been prepared in accordance with generally accepted accounting principles in the United States consistently applied throughout the periods covered thereby and fairly present the financial position of the entities purported to be covered thereby at the respective dates indicated and the results of their operations and their cash flows for the respective periods indicated; and the financial information contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) under the headings "Capitalization of Applebee's International and its Subsidiaries," "Capitalization of the Master Issuer and its Subsidiaries," "Unaudited Pro Forma Condensed Consolidated Financial Information of Applebee's International," "Selected Historical and Pro Forma Financial Data of Applebee's International and its Subsidiaries," "Applebee's Enterprises LLC Unaudited Supplemental Financial

Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations of Applebee's" and in the Applebee's Exchange Act Documents under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" is derived from the accounting records of Applebee's International or the applicable subsidiary of Applebee's International (each, an "Applebee's Entity") and fairly present the information purported to be shown thereby. The other historical financial and statistical information and data of Applebee's International, the other Applebee's Entities and the Securitization Entities contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) are, in all material respects, fairly presented;

(xxxix) Ernst & Young LLP ("E&Y"), who have audited or reviewed the consolidated financial statements of IHOP contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date), are independent certified public accountants with respect to the IHOP and Merger Sub within the meaning of Rule 101 of the Code of Professional Conduct of the AICPA and its interpretations and rulings thereunder. The historical consolidated financial statements (including the related notes and supporting schedules) of IHOP contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) have been prepared in accordance with generally accepted accounting principles in the United States consistently applied throughout the periods covered thereby and fairly present the financial position of the entities purported to be covered thereby at the respective dates indicated and the results of their operations and their cash flows for the respective periods indicated; and the financial information contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) under the headings "Capitalization of IHOP Corp. and its Subsidiaries," "Selected Historical and Pro Forma Financial Data of IHOP Corp. and its Subsidiaries," "Unaudited Pro Forma Condensed Combined Financial Information of IHOP Corp.," "Capitalization of IHOP Franchising, LLC," "Unaudited Pro Forma Condensed Consolidated Financial Information of IHOP Franchising, LLC," "IHOP Franchising, LLC Unaudited Supplemental Financial Information" and in the IHOP Exchange Act Documents under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations of IHOP" is derived from the accounting records of IHOP or the relevant subsidiary of IHOP (each, an " IHOP Entity") and fairly present the information purported to be shown thereby. The other historical financial and statistical information and data of IHOP and the other IHOP Entities contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) are, in all material respects, fairly presented;

(xl) The pro forma financial information included in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) include assumptions that provide a reasonable basis for presenting the significant effects directly attributable to the transactions and events described therein (it being understood that the securities that are assumed to be issued in the pro forma financial information that is contained in the Draft Offering Memorandum as of the Closing Date are different from the securities being issued hereunder and in the IHOP Securitization), the related pro forma adjustments give appropriate effect to those

assumptions, and the pro forma adjustments reflect the proper application of those adjustments to the historical financial statement amounts in the pro forma financial information included in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date). The pro forma financial information included in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) comply as to form in all material respects with the applicable requirements of Regulation S-X under the Securities Act;

(xli) The Exchange Act Documents did not, when filed with the Commission, contain an untrue statement of material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The Exchange Act Documents, when filed with the Commission, conformed or will conform in all material respects to the applicable requirements of the Exchange Act and the applicable rules and regulations of the Commission thereunder;

(xlii) The market-related and customer-related data and estimates included in the Preliminary Marketing Materials, the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) are based on or derived from sources that the Co-Issuers believe to be reliable and accurate in all material respects or represent the Co-Issuers' good faith estimates made on the basis of data derived from such sources;

(xliii) The Co-Issuers and the Guarantors maintain and have maintained effective internal control over financial reporting, as defined in Rule 13a-15 under the Exchange Act, and a system of accounting controls that is sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in the United States and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(xliv) (i) Each of the Co-Issuers and Guarantors has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-15 under the Exchange Act), (ii) such disclosure controls and procedures are designed to ensure that the information required to be disclosed by each Co-Issuer or Guarantor in the reports it files or submits under the Exchange Act (assuming each Co-Issuer or Guarantor was required to file or submit such reports under the Exchange Act) is accumulated and communicated to management of such Co-Issuer or Guarantor, including their respective principal executive officers and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure to be made; and (iii) such disclosure controls and procedures are effective in all material respects to perform the functions for which they were established.

(xlv) None of the Co-Issuers, the Guarantors or any of their affiliates have, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of any security (as such term is defined in the Securities Act), which is or will be integrated with the sale or resale of the Guaranteed Securities in a manner that would require registration of the sale or resale of the Guaranteed Securities under the Securities Act;

(xlvi) None of the Co-Issuers, the Guarantors or any of their affiliates or any other person acting on their behalf have engaged, in connection with the offering of the Guaranteed Securities, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act (including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising);

(xlvii) None of the Co-Issuers, the Guarantors or any of their affiliates or any other person acting on their behalf have offered, sold, contracted to sell or otherwise disposed of, directly or indirectly, any securities under circumstances where such offer, sale, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act or Section 3(c)(7) of the 1940 Act to cease to be applicable to the offering, sale and resale of the Guaranteed Securities as contemplated by this Agreement;

(xlviii) None of the Co-Issuers or the Guarantors or any of their affiliates have taken and none of the Co-Issuers or Guarantors or any of their affiliates will take any action prohibited by Regulation M under the Exchange Act, in connection with the offering or resale of the Securities;

(xlix) (A) None of the Co-Issuers or Guarantors are subject to any liabilities or obligations pursuant to any Environmental Law, which could, individually or in the aggregate, reasonably be expected to result in the payment of a Material Environmental Amount; and

(B) The Co-Issuers and the Guarantors 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 the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) and such as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Co-Issuers and the Guarantors; and all assets held under lease by the Co-Issuers and the Guarantors are held by them under valid, subsisting and enforceable leases, with such exceptions as do not materially interfere with the use made and proposed to be made of such assets by the Co-Issuers and the Guarantors;

(l) There is and has been no failure on the part of the Co-Issuers, the Guarantors or any of the Co-Issuers' or Guarantors' managers, directors or officers, in

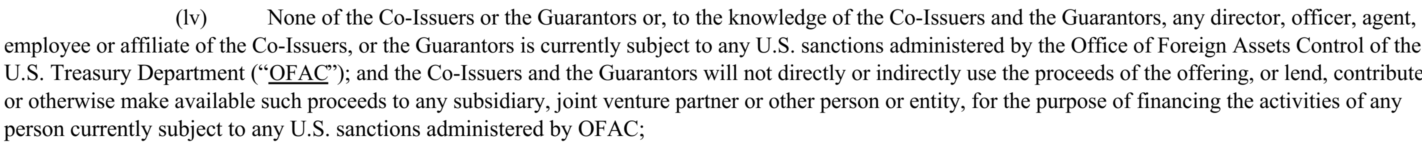
their capacities as such, to comply with the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith;

(li) The section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Application of Critical Accounting Policies" contained in the Applebee's Exchange Act Documents and in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) accurately and fully describes (A) the accounting policies that the Co-Issuers and the Guarantors believe are the most important in the portrayal of Applebee's International's financial condition and results of operations and that require management's most difficult, subjective or complex judgments; (B) the judgments and uncertainties affecting the application of critical accounting policies; and (C) the likelihood that materially different amounts would be reported under different conditions or using different assumptions and an explanation thereof;

(lii) The section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies" contained in the IHOP Exchange Act Documents and in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) accurately and fully describes (A) the accounting policies that the Co-Issuers and the Guarantors believe are the most important in the portrayal of IHOP's financial condition and results of operations and that require management's most difficult, subjective or complex judgments; (B) the judgments and uncertainties affecting the application of critical accounting policies; and (C) the likelihood that materially different amounts would be reported under different conditions or using different assumptions and an explanation thereof;

(liii) None of the Co-Issuers or the Guarantors is in violation of or has received notice of any violation with respect to any federal or state law relating to discrimination in the hiring, promotion or pay of employees, or any applicable federal or state wage and hour laws, or any state law precluding the denial of credit due to the neighborhood in which a property is situated, the violation of any of which would reasonably be expected to have a Material Adverse Affect;

(liv) The operations of the Co-Issuers and the Guarantors are and have been conducted at all times in compliance with applicable financial record keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Co-Issuers or the Guarantors with respect to the Money Laundering Laws is pending or, to the knowledge of the Co-Issuers or the Guarantors, threatened, except, in each case, as would not reasonably be expected to have a Material Adverse Effect;



(lv) None of the Co-Issuers or the Guarantors or, to the knowledge of the Co-Issuers and the Guarantors, any director, officer, agent, employee or affiliate of the Co-Issuers, or the Guarantors is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); and the Co-Issuers and the Guarantors will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC;

(lvi) (A) All of the material registrations and applications included in the IP Assets are subsisting, unexpired and have not been abandoned in any applicable jurisdiction except where such abandonment could not reasonably be expected to have a Material Adverse Effect;

(B) Except as set forth on Schedule 7.12(y) to the Base Indenture, (i) the use of the IP Assets does not infringe or violate the rights of any third party, (ii) the IP Assets are not being infringed or violated by any third party in a manner that could reasonably be expected to have a Material Adverse Effect and (iii) there is no action or proceeding pending or, to the Co-Issuers' or Guarantors' knowledge, threatened alleging same that could reasonably be expected to have a Material Adverse Effect;

(C) Except as set forth on Schedule 7.12(y) to the Base Indenture, no action or proceeding is pending or, to the Co-Issuers' or Guarantors' knowledge, threatened that seeks to limit, cancel or question the validity of any material IP Assets, or the use thereof, that could reasonably be expected to have a Material Adverse Effect;

(D) The IP Holder is the exclusive owner of the IP Assets, free and clear of all Liens, set-offs, defenses and counterclaims of whatsoever kind or nature (other than licenses granted in the ordinary course of business and the rights granted under the IP License Agreements, the Franchise Agreements and the Permitted Liens);

(E) The Co-Issuers and Guarantors have not made and will not hereafter make any material assignment, pledge, mortgage, hypothecation or transfer of any of the IP Assets (other than licenses granted in the ordinary course of business and the rights granted under the IP License Agreements, the Franchise Agreements and the Permitted Liens);

(lvii) The Co-Issuers and the Guarantors have not taken any action or omitted to take any action (such as issuing any press release relating to any Securities without an appropriate legend) which may result in the loss by any of the Initial Purchaser of the ability to rely on any stabilization safe harbor provided by the Financial Services Authority under the Financial Services and Markets Act 2000 (the " FSMA"). The Co-Issuers and the Guarantors have been informed of the guidance relating to stabilization provided by the Financial Services Authority; and

(lviii) Since the date as of which information is given in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date), there has not been any development in the condition, financial or otherwise, of the Securitization Entities, taken as a whole, or in the earnings, business affairs or management, whether or not arising in the course of business of the Securitization Entities, taken as a whole, that could reasonably be expected to result in a Material Adverse Effect.

(b) Each of the Parent Companies, jointly and severally, represents and warrants to, and agrees with, the Initial Purchaser, as of the Closing Date, that:

(i) As of the Closing Date, the Draft Offering Memorandum presents fairly, in all material respects, the business, results of operations and financial condition of the Co-Issuers and the Guarantors. As of the Relevant Date, the Offering Memorandum does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) The Preliminary Marketing Materials and the Offering Memorandum have been or will have been prepared by the Co-Issuers, the Parent Companies and the Guarantors for use by the Initial Purchaser in connection with the Exempt Resales (as defined below). No order or decree preventing the use of the Preliminary Marketing Materials or the Offering Memorandum, or any order asserting that the transactions contemplated by this Agreement are subject to the registration requirements of the Securities Act has been issued, and no proceeding for that purpose has commenced or is pending or, to the knowledge of the Parent Companies is contemplated;

(iii) Each of the Parent Companies (other than the Servicer) and the IHOP Securitization Entities has been duly formed as a corporation or limited liability company and is validly existing and in good standing under the laws of the State of Delaware, is qualified to do business and is in good standing as a foreign corporation or limited liability company in each jurisdiction in which the ownership or lease of property or the conduct of its business requires such qualification except for such failures to qualify to do business or be in good standing as are not reasonably likely to result in a Material Adverse Effect, and has the requisite corporate or limited liability company power and authority to own or hold its properties and to conduct the business in which it is engaged as described in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date);

(iv) The Servicer been duly formed as a corporation and is validly existing and in good standing under the laws of the State of Kansas, is qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the ownership or lease of property or the conduct of its business requires such qualification except for such failures to qualify to do business or be in good standing as are not reasonably likely to result in a Material Adverse Effect, and has the requisite corporate power and authority to own or hold its properties and to conduct the business in which it

is engaged as described in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date);

(v) Each of the Parent Companies has the requisite corporate or limited liability company power and authority to execute and deliver this Agreement and all other Transaction Documents to which it is a party and perform its obligations hereunder and thereunder;

(vi) None of the Parent Companies or the IHOP Securitization Entities (collectively the " Other Entities") is in violation of (i) its respective Charter Documents, (ii) any Requirements of Law with respect to such Other Entity or (iii) any Contractual Obligation with respect to such Other Entity except, solely with respect to clauses (ii) and (iii), to the extent such violation could not reasonably be expected to result in a Material Adverse Effect. The execution and delivery of this Agreement and the other Transaction Documents, the application of the proceeds from the sale of the Securities as described as described herein and in the Offering Memorandum (as of the Relevant Date) and the incurrence of the obligations and consummation of the transactions herein and therein contemplated (a) will not conflict with, or constitute a breach of or default under, any Charter Documents of any Other Entity, and (b) does not contravene, or constitute a default under, any Requirements of Law with respect to such Other Entity or any Contractual Obligation with respect to such Other Entity or result in the creation or imposition of any Lien on any property of any Other Entity, except for Liens created by the Transaction Documents and except, in the case of clause (b), solely with respect to the Asset Contribution Agreements, the violation of which could reasonably be expected to have a Material Adverse Effect;

(vii) Each of the Transaction Documents to which any Other Entity is a party has been duly and validly authorized, executed and delivered by it and, assuming due authorization, execution and delivery by the other parties thereto, constitutes its legal, valid and binding obligation enforceable in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing). Each of the Transaction Documents to which an Other Entity is a party will conform in all material respects to the description thereof in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date);

(viii) (1) The Transaction Documents to which an Other Entity is a party are in full force and effect; (2) there are no outstanding defaults thereunder; and (3) no events shall have occurred which, with the giving of notice, the passage of time or both, would constitute a default thereunder;

(ix) This Agreement has been duly authorized, executed and delivered by each Parent Company party hereto and constitutes the legal, valid and binding obligation of each Parent Company enforceable in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance,

reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing and except that any indemnification or contribution provisions herein may be deemed unenforceable);

(x) There is no consent, approval, authorization, order, registration or qualification of or with any court or any regulatory authority or other governmental agency or body which is required for, and the absence of which would materially affect, the consummation of the transactions contemplated by this Agreement and the other Transaction Documents, the issuance of the Guaranteed Securities, the execution, delivery and performance by the Parent Companies of this Agreement and by the Other Entities of the Transaction Documents (to the extent they are parties thereto) or the application of the proceeds from the sale of the Securities as described herein and in the Offering Memorandum (as of the Relevant Date);

(xi) Each of the Other Entities possesses all licenses, permits, orders, patents, franchises, certificates of need and other governmental and regulatory approvals to own or lease its properties and conduct its business in the jurisdictions in which such business is transacted as described in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date), with only such exceptions as would not individually or in the aggregate have a Material Adverse Effect, and has not received any notice of proceedings relating to the revocation or modification of any such license, permit, order or approval, except for those whose revocation or modification would not, individually or in the aggregate, have a Material Adverse Effect;

(xii) Except as described in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date), no labor disturbance by the employees of the Other Entities exists or, to the knowledge of the Other Entities, is imminent that would reasonably be expected to have a Material Adverse Effect;

(xiii) No Other Entity has established or maintains any Plan covered by Title IV of ERISA(other than any Restaurant Holder that may be required to have employees to comply with applicable law relating to the sale of alcoholic beverages);

(xiv) 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 Other Entities, 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. 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 Other Entities nor any affiliate thereof have had a complete or partial withdrawal from any Multiemployer Plan, and the Other Entities would not become subject to any liability under ERISA if an Other Entity 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 Other Entities, 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 Other Entities 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 Other Entities does not, in the aggregate, exceed the assets under all such Plans allocable to such benefits. Neither the Other Entities 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 Other Entities 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;

(xv) There is no action, suit, proceeding or investigation pending against or, to the knowledge of any Parent Company, threatened against or affecting any Other Entity or of which any property or assets of the Other Entities is the subject before any court or arbitrator or any Governmental Authority that would, individually or in the aggregate, affect the validity or enforceability of this Agreement or any of the Transaction Documents, materially adversely affect the performance by the Parent Companies of their obligations hereunder or by the Other Entities thereunder or which is reasonably likely to have a Material Adverse Effect;

(xvi) None of the Other Entities is, after giving effect to the issuance of the Guaranteed Securities, the transactions contemplated by the Transaction Documents and the application of the proceeds from the sale of the Securities as described herein, in the Draft Offering Memorandum (as of the Closing Date) and in the Offering Memorandum (as of the Relevant Date), an “investment company”, or a company “controlled” by an “investment company”, within the meaning of the 1940 Act;

(xvii) Each of the Other Entities (after giving effect to the transactions contemplated by the Transaction Documents) is not insolvent within the meaning of the

Bankruptcy Code and none of the Other Entities 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 of the Other Entities;

(xviii) No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date) has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith;

(xix) Since the date as of which information is given in the Draft Offering Memorandum (as of the Closing Date) or the Offering Memorandum (as of the Relevant Date), there has not been any development in the condition, financial or otherwise, of the Securitization Entities, taken as a whole, or in the earnings, business affairs or management, whether or not arising in the course of business of the Securitization Entities, taken as a whole, that could reasonably be expected to result in a Material Adverse Effect;

(xx) D&T, who have audited or reviewed the consolidated financial statements of Applebee's International contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date), are independent certified public accountants with respect to Applebee's International, Holdings II and the Securitization Entities within the meaning of Rule 101 of the Code of Professional Conduct of the AICPA and its interpretations and rulings thereunder. The historical consolidated financial statements (including the related notes and supporting schedules) of Applebee's International contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) have been prepared in accordance with generally accepted accounting principles in the United States consistently applied throughout the periods covered thereby and fairly present the financial position of the entities purported to be covered thereby at the respective dates indicated and the results of their operations and their cash flows for the respective periods indicated; and the financial information contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) under the headings "Capitalization of Applebee's International and its Subsidiaries," "Capitalization of the Master Issuer and its Subsidiaries," "Unaudited Pro Forma Condensed Consolidated Financial Information of Applebee's International," "Selected Historical and Pro Forma Financial Data of Applebee's International and its Subsidiaries," "Applebee's Enterprises LLC Unaudited Supplemental Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations of Applebee's" and in the Applebee's Exchange Act Documents under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" is derived from the accounting records of the applicable Applebee's Entities and fairly present the information purported to be shown thereby. The other historical financial and statistical information and data of Applebee's International, the other Applebee's Entities and the Securitization Entities contained in

the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) are, in all material respects, fairly presented;

(xxi) E&Y, who have audited or reviewed the consolidated financial statements of IHOP contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date), are independent certified public accountants with respect to IHOP and Merger Sub within the meaning of Rule 101 of the Code of Professional Conduct of the AICPA and its interpretations and rulings thereunder. The historical consolidated financial statements (including the related notes and supporting schedules) of IHOP contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) have been prepared in accordance with generally accepted accounting principles in the United States consistently applied throughout the periods covered thereby and fairly present the financial position of the entities purported to be covered thereby at the respective dates indicated and the results of their operations and their cash flows for the respective periods indicated; and the financial information contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) under the headings "Capitalization of IHOP Corp. and its Subsidiaries," "Selected Historical and Pro Forma Financial Data of IHOP Corp. and its Subsidiaries," "Unaudited Pro Forma Condensed Combined Financial Information of IHOP Corp.," "Capitalization of IHOP Franchising, LLC," "Unaudited Pro Forma Condensed Consolidated Financial Information of IHOP Franchising, LLC," "IHOP Franchising, LLC Unaudited Supplemental Financial Information" and in the IHOP Exchange Act Documents under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations of IHOP" is derived from the accounting records of the applicable IHOP Entities and fairly present the information purported to be shown thereby. The other historical financial and statistical information and data of IHOP and the other IHOP Entities contained in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) are, in all material respects, fairly presented;

(xxii) The pro forma financial information included in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) include assumptions that provide a reasonable basis for presenting the significant effects directly attributable to the transactions and events described therein (it being understood that the securities that are assumed to be issued in the pro forma financial information that is contained in the Draft Offering Memorandum as of the Closing Date are different from the securities being issued hereunder and in the IHOP Securitization), the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma adjustments reflect the proper application of those adjustments to the historical financial statement amounts in the pro forma financial information included in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date). The pro forma financial information included in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) comply as to form in all material respects with the applicable requirements of Regulation S-X under the Securities Act;

(xxiii) The Exchange Act Documents did not, when filed with the Commission, contain an untrue statement of material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The Exchange Act Documents, when filed with the Commission, conformed or will conform in all material respects to the applicable requirements of the Exchange Act and the applicable rules and regulations of the Commission thereunder;

(xxiv) The market-related and customer-related data and estimates included in the Preliminary Marketing Materials, in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) are based on or derived from sources that the Parent Companies believe to be reliable and accurate in all material respects or represent the Parent Companies' good faith estimates made on the basis of data derived from such sources;

(xxv) The Other Entities maintain and have maintained effective internal control over financial reporting, as defined in Rule 13a-15 under the Exchange Act, and a system of accounting controls that is sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in the United States and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(xxvi) (i) Each of the Parent Companies and each of their respective subsidiaries have established and maintain disclosure controls and procedures (as such term is defined in Rule 13a-15 under the Exchange Act), (ii) such disclosure controls and procedures are designed to ensure that the information required to be disclosed by the Parent Companies in the reports they file or submit under the Exchange Act (assuming the Parent Companies were required to file or submit such reports under the Exchange Act) is accumulated and communicated to management of the Parent Companies, including their respective principal executive officers and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure to be made; and (iii) such disclosure controls and procedures are effective in all material respects to perform the functions for which they were established;

(xxvii) Since the date of the most recent balance sheet of Applebee's International and its consolidated subsidiaries reviewed or audited by D&T and the audit committee of the board of directors of Applebee's International, (i) Applebee's International has not been advised of (A) any significant deficiencies in the design or operation of internal control over financial reporting that would adversely affect the ability of Applebee's International or any of its subsidiaries to record, process, summarize and report financial data, or any material weaknesses in internal control over financial reporting and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the internal controls of Applebee's

International and each of its subsidiaries, and (ii) since that date, there have been no significant changes in internal control over financial reporting or in other factors that would significantly affect internal control over financial reporting, including any corrective actions with regard to significant deficiencies and material weaknesses;

(xxviii) Since the date of the most recent balance sheet of IHOP and its consolidated subsidiaries reviewed or audited by E&Y and the audit committee of the board of directors of IHOP, (i) IHOP has not been advised of (A) any significant deficiencies in the design or operation of internal control over financial reporting that would adversely affect the ability of IHOP or any of its subsidiaries to record, process, summarize and report financial data, or any material weaknesses in internal control over financial reporting and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the internal controls of IHOP and each of its subsidiaries, and (ii) since that date, there have been no significant changes in internal control over financial reporting or in other factors that would significantly affect internal control over financial reporting, including any corrective actions with regard to significant deficiencies and material weaknesses;

(xxix) The representations and warranties of each of the Other Entities, contained in the Transaction Documents to which it is a party are true and correct and are repeated as though fully set forth herein;

(xxx) With respect to those Guaranteed Securities sold in reliance upon Regulation S, (i) none of the Other Entities or any of their affiliates or any other person acting on their behalf has engaged in any directed selling efforts within the meaning of Rule 902 of Regulation S and (ii) the Other Entities and their affiliates and each person acting on their behalf have complied with the offering restrictions set forth in Regulation S;

(xxxi) None of the Other Entities or any of their affiliates or any other person acting on their behalf have engaged, in connection with the offering of the Guaranteed Securities, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act (including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising);

(xxxii) None of the Other Entities or any of their affiliates or any other person acting on their behalf have offered, sold, contracted to sell or otherwise disposed of, directly or indirectly, any securities under circumstances where such offer, sale, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act or Section 3(c)(7) of the 1940 Act to cease to be applicable to the offering, sale and resale of the Guaranteed Securities as contemplated by this Agreement, the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date);

(xxxiii) There is and has been no failure on the part of the Other Entities or any of the Other Entities' managers, directors or officers, in their capacities as such, to comply with the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith;

(xxxiv) The section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Application of Critical Accounting Policies" in the Applebee's Exchange Act Documents in the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) accurately and fully describes (A) the accounting policies that Applebee's International believes are the most important in the portrayal of Applebee's International's financial condition and results of operations and that require management's most difficult, subjective or complex judgments; (B) the judgments and uncertainties affecting the application of critical accounting policies; and (C) the likelihood that materially different amounts would be reported under different conditions or using different assumptions and an explanation thereof;

(xxxv) The section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations –Critical Accounting Policies" in the IHOP Exchange Act Documents, the Draft Offering Memorandum (as of the Closing Date) and the Offering Memorandum (as of the Relevant Date) accurately and fully describes (A) the accounting policies that IHOP believes are the most important in the portrayal of IHOP's financial condition and results of operations and that require management's most difficult, subjective or complex judgments; (B) the judgments and uncertainties affecting the application of critical accounting policies; and (C) the likelihood that materially different amounts would be reported under different conditions or using different assumptions and an explanation thereof;

(xxxvi) None of the Other Entities is in violation of or has received notice of any violation with respect to any federal or state law relating to discrimination in the hiring, promotion or pay of employees, or any applicable federal or state wage and hour laws, or any state law precluding the denial of credit due to the neighborhood in which a property is situated, the violation of any of which would reasonably be expected to have a Material Adverse Affect;

(xxxvii) The operations of the Other Entities are and have been conducted at all times in compliance with the Money Laundering Laws and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Other Entities with respect to the Money Laundering Laws is pending or, to the knowledge of the Other Entities, threatened, except, in each case, as would not reasonably be expected to have a Material Adverse Effect;

(xxxviii) None of the Other Entities or, to the knowledge of the Other Entities, any director, officer, agent, employee or affiliate of the Other Entities is currently subject to any U.S. sanctions administered by OFAC; and the Other Entities will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other

person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC;

(xxxix) The Other Entities have not taken any action or omitted to take any action (such as issuing any press release relating to any Securities without an appropriate legend) which may result in the loss by the Initial Purchaser of the ability to rely on any stabilization safe harbor provided by the FSMA. The Other Entities have been informed of the guidance relating to stabilization provided by the Financial Services Authority;

(xl) As of the Closing Date, except as set forth on Schedule 7.12(z) to the Base Indenture, no Parent Company is aware of any proposed Tax assessments against any Applebee's Entity or any IHOP Entity, except for those Tax assessments that would not have a Material Adverse Effect;

(c) Each of the Co-Issuers and the Guarantors, jointly and severally, shall make the representations and warranties to the Initial Purchaser and agreements with the Initial Purchaser contained in Section 1(a) as of the Initial Date and each Bringdown Date; and

(d) Each of the Parent Companies, jointly and severally, shall make the representations and warranties to the Initial Purchaser and agreements with the Initial Purchaser contained in Section 1(b) as of the Initial Date and each Bringdown Date.

2. Purchase and Resale of the Securities

(a) On the basis of the representations, warranties and agreements contained herein, and subject to the terms and conditions set forth herein, each of the Co-Issuers and the Guarantors, jointly and severally, agree to issue and sell to the Initial Purchaser, and the Initial Purchaser agrees to purchase from the Co-Issuers and the Guarantors: (i) $350,000,000 aggregate principal amount of Class A-2-I Notes at a purchase price of 99.999961% of the aggregate principal amount thereof, (ii) $675,000,000 aggregate principal amount of Class A-2-II-A Notes at a purchase price of 99.999836% of the aggregate principal amount thereof, (iii) $650,000,000 aggregate principal amount of Class A-2-II-X Notes at a purchase price of 99.999707% of the aggregate principal amount thereof, (iv) $119,000,000 aggregate principal amount of Class M-1 Notes at a purchase price of 99.999943% of the aggregate principal amount thereof. The Co-Issuers and the Guarantors shall not be obligated to deliver any of the Guaranteed Securities except upon payment for all of the Guaranteed Securities to be purchased as provided herein. The Series 2007-1 Class A-2-I Notes will accrue interest at an annual rate of 7.2836%, the Series 2007-1 Class A-2-II-A Notes will accrue interest at an annual rate of 6.4267%, the Series 2007-1 Class A-2-II-X Notes will accrue interest at an annual rate of 7.0588% and the Series 2007-1 Class M-1 Notes will accrue interest at an annual rate of 8.4044%. In connection with the above purchase and sale, the Co-Issuers shall pay, on the Closing Date, to the Initial Purchaser $38,800,879, in immediately available funds, provided that payment of up to $20,000,000 of such fee may be paid by IHOP at any time on or prior to May 29, 2008 instead of on the Closing Date.

(b) The Initial Purchaser has advised the Co-Issuers and the Guarantors that it proposes to offer the Guaranteed Securities for resale upon the terms and subject to the conditions set forth herein. The Initial Purchaser represents and warrants to, and agrees with, the Co-Issuers and the Guarantors , on the basis of the representations, warranties and agreement of the Co-Issuers, the Guarantors, the Parent Companies and the IHOP Securitization Entities that (i) it is purchasing the Securities pursuant to a private sale exempt from registration under the Securities Act, (ii) neither it nor any of its affiliates, nor any person acting on the Initial Purchaser's behalf, has solicited offers for, or offered or sold, and neither it, nor any of its affiliates, nor any person acting on the Initial Purchaser's behalf, will solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D under the Securities Act ("Regulation D") or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act, and (iii) it has solicited and will solicit offers (the " Exempt Resales") for the Securities only from, and have offered or sold and will offer, sell or deliver the Guaranteed Securities, as part of its initial offering, only to persons whom it reasonably believes to be: (A) (i) qualified institutional buyers ("Qualified Institutional Buyers") as defined in Rule 144A under the Securities Act (" Rule 144A"), or if any such person is buying for one or more institutional accounts for which such person is acting as fiduciary or agent, only when such person has represented to it that each such account is a Qualified Institutional Buyer to whom notice has been given that such sale or delivery is being made in reliance on Rule 144A and, in each case in transactions in accordance with Rule 144A and (ii) qualified purchasers ("Qualified Purchasers") within the meaning of Section 2(a)(51) of the 1940 Act or (B) solely with respect to the Series 2007-1 Class A Notes, (i) neither "U.S. Persons"(as such term is defined in Regulation S) nor U.S. Residents (within the meaning of the 1940 Act) who acquire the Guaranteed Securities outside the U.S. in a transaction meeting the requirements of Regulation S or (ii) Qualified Purchasers. Those persons specified in clauses (A) and (B) above are referred to herein as the (" Eligible Purchasers"). In addition to the foregoing, the Initial Purchaser acknowledges and agrees that the Co-Issuers and the Guarantors and, for purposes of the opinions to be delivered to the Initial Purchaser pursuant to Section 5, counsel for the Co-Issuers and the Guarantors and for the Initial Purchaser, respectively, may rely upon the accuracy of the representations and warranties of the Initial Purchaser and its compliance with its agreements contained in this Section 2 (except clause (i) of this subsection (b)), and the Initial Purchaser hereby consents to such reliance.

(c) The Co-Issuers and the Guarantors acknowledge and agree that the Initial Purchaser may sell Guaranteed Securities to any affiliate of the Initial Purchaser and that any such affiliate may sell Guaranteed Securities purchased by it to the Initial Purchaser. The Co-Issuers and the Guarantors acknowledge and agree that the Initial Purchaser may, from time to time, make one or more Exempt Resales following the Closing Date, with respect to which the Initial Purchaser may deliver a copy of the Offering Memorandum.

(d) The Initial Purchaser also represents and agrees that (i) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom, and (ii) it has only communicated or caused to be communicated and it will

only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities, in circumstances in which section 21(1) of the FSMA does not apply to the Co-Issuers.

(e) The Initial Purchaser also represents and agrees that, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), it has not made and will not make an offer of the Guaranteed Securities to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Guaranteed Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Guaranteed Securities to the public in that Relevant Member State at any time:

(i) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(ii) to any legal entity which has two or more of (A) an average of at least 250 employees during the last financial year; (B) a total balance sheet of more than €43,000,000 and (C) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(iii) in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this representation, the expression an "offer of the Guaranteed Securities to the public" in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Guaranteed Securities to be offered so as to enable an investor to decide to purchase or subscribe the Guaranteed Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

(f) The Initial Purchaser also represents and agrees that that it will not offer or sell any Guaranteed Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

(g) The Initial Purchaser also represents and agrees that it has not made and, unless it obtains the prior consent of the Parent Companies and the Co-Issuers, will not make any offer relating to the Guaranteed Securities that would constitute a Free Writing Communication, it being understood that a Free Writing Communication that (i) contains only information that describes the final terms of the Guaranteed Securities or their offering and that is included in the Offering Memorandum or (ii) does not contain any material information about the Co-Issuers and the Guarantors or their securities that was provided by or on behalf of the Co-Issuers and the Guarantors, shall not be an Issuer Free Writing Communication for purposes of this Agreement.

3. Delivery of and Payment for the Guaranteed Securities

(a) Delivery of and payment for the Guaranteed Securities shall be made at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York, 10036 or at such other place as shall be agreed upon by the Initial Purchaser and the Co-Issuers, at 10:00 A.M., New York City time, on November 29, 2007 or at such other time or date as shall be agreed upon by the Initial Purchaser and the Co-Issuers (such date and time of payment and delivery being referred to herein as the "Closing Date").

(b) On the Closing Date, payment of the purchase price for the Securities shall be made to the Co-Issuers by wire or book-entry transfer of same-day funds to such account or accounts as the Co-Issuers shall specify prior to the Closing Date or by such other means as the parties hereto shall agree prior to the Closing Date against delivery to the Initial Purchaser of the Guaranteed Securities through the facilities of The Depository Trust Company ("DTC"). Time shall be of the essence and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of the Initial Purchaser hereunder. Upon delivery, the Securities shall be in global form, registered in such names and in such denominations as the Initial Purchaser shall have requested.

4. Further Agreements of the Co-Issuers, the Guarantors and the Parent Companies and the IHOP Securitization Entities

Each of the Parent Companies, each of the Co-Issuers and each of the Guarantors, jointly and severally, agrees with the Initial Purchaser:

(a) to provide, as soon as practicable after the Closing Date, a final Offering Memorandum for the Guaranteed Securities, to be dated as of a date to be specified by the Initial Purchaser (the "Initial Date"), (i) which shall not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (ii) which shall contain all financial statements and other data, including audited financial statements, all unaudited financial statements (which shall have been reviewed by independent registered public accountants as provided in Statement on Auditing Standards No. 100) and all appropriate pro forma financial statements prepared in accordance with Regulation S-X under the Securities Act of 1933, as amended (to the extent deemed reasonably necessary by the Initial

Purchaser), and all other data (including selected financial data), in each case, that the Commission would require in a registered offering of any or all of the Guaranteed Securities (in each case, except as otherwise agreed) or that would be necessary for the Initial Purchaser to receive customary "comfort" (including, without limitation, "negative assurance" comfort) from independent registered public accountants (collectively, the " Required Financial Information");

(b) on the Initial Date, to use its best efforts:

(i) to cause to be furnished to the Initial Purchaser a letter (the " D&T Initial Comfort Letter") of D&T, in form and substance satisfactory to the Initial Purchaser, addressed to the Initial Purchaser and dated the Initial Date, (1) concerning the accounting, financial and certain of the statistical information with respect to Applebee's International, Holdings II and the Securitization Entities set forth in the Offering Memorandum and (2) covering such other matters as are ordinarily covered by accountants' "comfort letters" to initial purchasers in connection with such offerings of securities;

(ii) to cause to be furnished to the Initial Purchaser a letter (the " E&Y Initial Comfort Letter") of E&Y, in form and substance satisfactory to the Initial Purchaser, addressed to the Initial Purchaser and dated the Initial Date, (i) concerning the accounting, financial and certain of the statistical information with respect to IHOP, IHOP Franchising and the Merger Sub set forth in the Offering Memorandum and (ii) covering such other matters as are ordinarily covered by accountants' "comfort letters" to initial purchasers in connection with such offerings of securities;

(iii) to cause to be furnished to the Initial Purchaser a letter (the " Initial AUP Letter") of FTI Consulting, Inc., addressed to the Initial Purchaser and dated the Initial Date, in form and substance satisfactory to the Initial Purchaser, concerning certain agreed-upon procedures performed in respect of the information presented in the Preliminary Marketing Materials, the Supplemental Materials (if any), the Offering Memorandum and the Investor Model Runs;

(iv) to cause Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Co-Issuers, to furnish to the Initial Purchaser (1) a "10b-5" disclosure letter, substantially in the form attached hereto as Exhibit 4 and (2) customary opinions with respect to (A) the exemption from registration under the Securities Act of the offer and sale of the Guaranteed Securities by the Co-Issuers and the initial resale of the Guaranteed Securities by the Initial Purchaser and (B) the conformity of the Transaction Documents (as defined herein) to the descriptions thereof and certain tax disclosures in the Offering Memorandum, in a form to be agreed reasonably between Applebee's International and the Initial Purchaser, in each case, dated as of the Initial Date; and

(v) to cause to be furnished to the Initial Purchaser certificates with respect to the Initial Date that are substantially similar to those to be furnished on the Closing Date pursuant to Sections 5(aa), (bb), (cc) and (dd), except that such certificates shall pertain to the Offering Memorandum rather than the Draft Offering Memorandum,

and shall state that the relevant officer has no reason to believe that (A) the Offering Memorandum, as of the Initial Date, included any untrue statement of a material fact or omitted 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 or (B) since the date of the Offering Memorandum, any event has occurred which should have been set forth in a supplement or amendment to the Offering Memorandum;

(c) if the Exempt Resales of the Guaranteed Securities by the Initial Purchaser as contemplated by this Agreement has not been completed by the date on which the independent registered public accountants for Applebee's International are no longer able to deliver a comfort letter with respect to the financial information for the quarter ended September 30, 2007 contained in the Offering Memorandum, to provide, as soon as practicable after the filing of IHOP's annual report on Form 10-K for the year ended December 31, 2007, an updated version of the Offering Memorandum, (i) which shall not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (ii) which shall contain all Required Financial Information;

(d) (i) to advise the Initial Purchaser promptly and, if requested, confirm such advice in writing, of the happening of any event which makes any statement of a material fact made in the Offering Memorandum untrue or which requires the making of any additions to or changes in the Offering Memorandum in order to make the statements therein, in light of the circumstances under which they were made, not misleading, (ii) to advise the Initial Purchaser promptly of any order preventing or suspending the use of the Preliminary Materials, the Supplemental Materials (as defined herein) or the Offering Memorandum, of any suspension of the qualification of the Guaranteed Securities for offering or sale in any jurisdiction and of the initiation or threatening of any proceeding for any such purpose and (iii) to use commercially reasonable efforts to prevent the issuance of any such order preventing or suspending the use of the Preliminary Materials, the Supplemental Materials or the Offering Memorandum or suspending any such qualification and, if any such suspension is issued, to obtain the lifting thereof at the earliest possible time;

(e) to prepare the Offering Memorandum in a form reasonably acceptable to the Initial Purchaser and to furnish promptly to the Initial Purchaser and counsel for the Initial Purchaser, without charge, as many copies of the Offering Memorandum (and any amendments or supplements thereto) as may be reasonably requested;

(f) prior to making any amendment or supplement to the Offering Memorandum, to furnish a copy thereof to the Initial Purchaser and counsel for the Initial Purchaser and not to effect any such amendment or supplement without the consent of the Initial Purchaser, which consent shall not be unreasonably withheld or delayed;

(g) if, at any time prior to completion of the resale of the Securities by the Initial Purchaser (it being agreed that upon request by the Co-Issuers, the Initial Purchaser will promptly advise the Co-Issuers as to when such resale has been

completed), any event shall occur or condition exist as a result of which it is necessary, in the opinion of counsel for the Initial Purchaser or counsel for the Co-Issuers, to amend or supplement the Offering Memorandum in order that the Offering Memorandum will not include an 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 existing at the time it is delivered to a purchaser, not misleading, or if it is necessary, in the opinion of such counsel, at any such time to amend or supplement the Offering Memorandum to comply with applicable law, to promptly prepare such amendment or supplement as may be necessary to correct such untrue statement or omission or so that the Offering Memorandum, as so amended or supplemented, will comply with applicable law;

(h) on the date of each supplement furnished in accordance with Section 4(g) hereof and on each date requested by the Initial Purchaser in connection with the resale of the Guaranteed Securities (each of the foregoing, a " Bringdown Date"), to use its best efforts:

(i) to cause to be furnished to the Initial Purchaser a letter of D&T, in form and substance satisfactory to the Initial Purchaser, addressed to the Initial Purchaser and dated such Bringdown Date (i) confirming that it is a firm of independent public accountants with respect to Applebee's International, Holdings II and the Securitization Entities within the meaning of Rule 101 of the Code of Professional Conduct of the AICPA and its interpretations and rulings thereunder and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, (ii) stating, as of such Bringdown Date (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Offering Memorandum, as of a date not more than three business days prior to such Bringdown Date), that the conclusions and findings of such accountants with respect to the financial information and other matters covered by the D&T Initial Comfort Letter are accurate and (iii) confirming in all material respects the conclusions and findings set forth in the D&T Initial Comfort Letter;

(ii) to cause to be furnished to the Initial Purchaser a letter of E&Y, in form and substance satisfactory to the Initial Purchaser, addressed to the Initial Purchaser and dated such Bringdown Date (i) confirming that it is a firm of independent public accountants with respect to IHOP, IHOP Franchising and the Merger Sub within the meaning of Rule 101 of the Code of Professional Conduct of the AICPA and its interpretations and rulings thereunder and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the SEC, (ii) stating, as of such Bringdown Date (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Offering Memorandum, as of a date not more than three business days prior to such Bringdown Date), that the conclusions and findings of such accountants with respect to the financial information and other matters covered by the E&Y Initial Comfort Letter are accurate and (iii) confirming in all material respects the conclusions and findings set forth in the E&Y Initial Comfort Letter;

(iii) to cause to be furnished to the Initial Purchaser a letter of FTI Consulting, Inc., in form and substance satisfactory to the Initial Purchaser, addressed to the Initial Purchaser and dated such Bringdown Date (i) stating, as of such Bringdown Date (or, with respect to matters involving changes or developments since the respective dates as of which specified information is given in the Offering Memorandum, as of a date not more than three business days prior to such Bringdown Date), that the conclusions, procedures and findings of such company with respect to the information and other matters covered by the Initial AUP Letter are accurate and (ii) confirming in all material respects the conclusions, procedures and findings set forth in the Initial AUP Letter;

(iv) to cause Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Co-Issuers, to furnish to the Initial Purchaser a (1) a "10b-5" disclosure letter, substantially in the form attached hereto as Exhibit 4 and (2) customary opinions with respect to (A) the exemption from registration under the Securities Act of the offer and sale of the Guaranteed Securities by the Co-Issuers and the initial resale of the Guaranteed Securities by the Initial Purchaser and (B) the conformity of the Transaction Documents (as defined herein) to the descriptions thereof and certain tax disclosures in the Offering Memorandum, in a form to be agreed reasonably between Applebee's International and the Initial Purchaser, in each case dated as of such Bringdown Date, and

(v) to cause to be furnished to the Initial Purchaser certificates with respect to such Bringdown Date that are substantially similar to those to be furnished on the Closing Date pursuant to Sections 5(aa), (bb), (cc) and (dd), except that such certificates shall pertain to the Offering Memorandum rather than the Draft Offering Memorandum, and shall state that nothing has come to each relevant officer's attention that would lead such officer to believe that that (A) the Offering Memorandum, as of such Bringdown Date, included any untrue statement of a material fact or omitted 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 or (B) since the date of the Offering Memorandum, any event has occurred which should have been set forth in a supplement or amendment to the Offering Memorandum;

(i) to cause the senior executive officers of IHOP, Applebee's and the Co-Issuers (including, without limitation, Julia Stewart and Thomas Conforti) to be available to participate in such investor presentations and roadshows as the Initial Purchaser may reasonably request in connection with the resale of the Guaranteed Securities;

(j) to provide such other supplemental marketing material (the "Supplemental Materials") as may be reasonably requested by the Initial Purchaser in connection with the resales of the Guaranteed Securities and agreed reasonably in writing by IHOP;

(k) for a period commencing on the date hereof and ending on the 180th day after the completion of the resale of the Securities by the Initial Purchaser, not to, directly or indirectly, (A) offer for sale, sell, or otherwise dispose of (or enter into any transaction or device that is designed to, or would be expected to, result in the disposition by any person at any time in the future of) any debt securities of the Co-Issuers, the Parent Companies or the Guarantors substantially similar to the Securities or securities convertible into or exchangeable for such debt securities of the Co-Issuers, the Parent

Companies or the Guarantors, or sell or grant options, rights or warrants with respect to such debt securities of the Co-Issuers, the Parent Companies or the Guarantors or securities convertible into or exchangeable for such debt securities of the Co-Issuers, the Parent Companies or the Guarantors, (B) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such debt securities of the Co-Issuers, the Parent Companies or the Guarantors, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of debt securities of the Co-Issuers, the Parent Companies or the Guarantors or other securities, in cash or otherwise, (C) file or cause to be filed a registration statement, including any amendments, with respect to the registration of debt securities of the Co-Issuers, the Parent Companies or the Guarantors substantially similar to the Securities or securities convertible, exercisable or exchangeable into debt securities of the Co-Issuers, the Parent Companies or the Guarantors or (D) publicly announce an offering of any debt securities of the Co-Issuers, the Parent Companies or the Guarantors substantially similar to the Securities or securities convertible or exchangeable into such debt securities, in each case without the prior written consent of the Initial Purchaser;

(l) for so long as the Securities are outstanding, to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Parent Companies after the date hereof pursuant to the Exchange Act;

(m) for so long as the Securities are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, to furnish to holders of the Securities and prospective purchasers of the Securities designated by such holders, upon request of such holders or such prospective purchasers, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act, unless the Co-Issuers are then subject to and in compliance with Section 13 or 15(d) of the Exchange Act (the foregoing agreement being for the benefit of the holders from time to time of the Securities and prospective purchasers of the Securities designated by such holders);

(n) to promptly take from time to time such actions as the Initial Purchaser may reasonably request to qualify the Guaranteed Securities for offering and sale under the securities or Blue Sky laws of such jurisdictions as the Initial Purchaser may designate and to continue such qualifications in effect for so long as required for the resale of the Guaranteed Securities; and to arrange for the determination of the eligibility for investment of the Guaranteed Securities under the laws of such jurisdictions as the Initial Purchaser may reasonably request; provided that none of the Co-Issuers or Guarantors shall be obligated to qualify as foreign corporations in any jurisdiction in which they are not so qualified or to file a general consent to service of process in any jurisdiction;

(o) to assist the Initial Purchaser in arranging for the Guaranteed Securities to be eligible for clearance and settlement in the United States through DTC and in Europe through Euroclear Bank, S.A./N.V., or Clearstream Banking, société anonyme;

(p) to comply with all the terms and conditions of all agreements set forth in the representation letters of the Co-Issuers and the Guarantors to DTC relating to the approval of the Securities by DTC for "book entry" transfer;

(q) not to take any action or omit to take any action (such as issuing any press release relating to the Securities without an appropriate legend) which may result in the loss by the Initial Purchaser of the ability to rely on any stabilization safe harbor provided by the Financial Services Authority under the FSMA;

(r) not to, and to cause their affiliates not to, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as such term is defined in the Securities Act) which could reasonably be expected to be integrated with the sale of the Guaranteed Securities in a manner which would require registration of the Guaranteed Securities under the Securities Act;

(s) not to, and to cause its affiliates not to, engage in any directed selling efforts within the meaning of Regulation S;

(t) to comply, and to cause its affiliates to comply, with the offering restrictions set forth in Regulation S;

(u) not to, and to cause their affiliates not to, authorize or knowingly permit any person acting on their behalf to solicit any offer to buy or offer to sell the Guaranteed Securities by means of any form of general solicitation or general advertising within the meaning of Regulation D or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; and not to offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any securities under circumstances where such offer, sale, contract or disposition would cause the exemption afforded by Section 4(2) or of Rule 144A of the Securities Act or Section 3(c)(7) of the 1940 Act to cease to be applicable to the offering and sale of the Guaranteed Securities as contemplated by this Agreement, the Draft Offering Memorandum and the Offering Memorandum;

(v) in connection with the offering of the Guaranteed Securities, until the Initial Purchaser shall have notified the Co-Issuers of the completion of the resale of the Guaranteed Securities, not to, and to cause their affiliated purchasers (as defined in Regulation M under the Exchange Act) not to, either alone or with one or more other persons, bid for or purchase, for any account in which they or any of their affiliated purchasers have a beneficial interest, any Guaranteed Securities, or attempt to induce any person to purchase any Guaranteed Securities; and not to, and to cause their affiliated purchasers not to, make bids or purchase for the purpose of creating actual, or apparent, active trading in or of raising the price of the Securities;

(w) in connection with the offering of the Guaranteed Securities, to make their officers, employees, independent accountants and legal counsel available upon reasonable request by the Initial Purchaser;

(x) to furnish to the Initial Purchaser, prior to the date of each Offering Memorandum, a copy of each signed independent accountants' report to be included in such Offering Memorandum;

(y) to apply the net proceeds from the sale of the Guaranteed Securities as set forth in herein (as of the Closing Date) and the Offering Memorandum under the heading "Use of Proceeds" (as of the Initial Date and each Bringdown Date);

(z) to the extent that the ratings to be provided with respect to the Securities by Moody's Investors Service, Inc. (" Moody's"), Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (" S&P") and Fitch, Inc. ("Fitch", and together with Moody's and S&P, the "Rating Agencies") are conditional upon the furnishing of documents or the taking of any other actions by the Co-Issuers, the Parent Companies, the Guarantors or any of their affiliates, to furnish such documents and take any such other action that is reasonably requested by the Rating Agencies;

(aa) for a period from the date of this Agreement until the retirement of the Guaranteed Securities, or until such time as the Initial Purchaser shall cease to maintain a secondary market in the Guaranteed Securities, whichever occurs first, to furnish to the Initial Purchaser, as soon as available, (i) copies of each report and certificate and any financial information delivered to the holders of the Guaranteed Securities or filed with any stock exchange or regulatory body and (ii) from time to time such other information concerning the Co-Issuers, the Parent Companies and the Guarantors as the Initial Purchaser may reasonably request;

(bb) unless it obtains the prior consent of the Initial Purchaser, not to make (and each such party represents that it has not made) any offer relating to the Guaranteed Securities that would constitute a Free Writing Communication; if at any time following issuance of a Free Writing Communication any event occurred or occurs as a result of which such Free Writing Communication conflicts with the information in the Offering Memorandum or, when taken together with the information in the Offering Memorandum, includes an untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, as promptly as practicable after becoming aware thereof, to give notice thereof to the Initial Purchaser and, if requested by the Initial Purchaser, to prepare and furnish without charge to the Initial Purchaser a Free Writing Offering Communication or other document which will correct such conflict, statement or omission;

(cc) to consent to the use by the Initial Purchaser of (1) the Offering Memorandum, (2) the Preliminary Marketing Materials, (3) the Supplemental Materials and (4) additional marketing materials to be provided to prospective investors, consisting of model runs ("Investor Model Runs"), which will be subject to the procedures set forth in the Initial AUP Letter (as defined below);

(dd) to use its best efforts to assist the Initial Purchaser in marketing the Guaranteed Securities after the Closing Date;

(ee) to cooperate reasonably in any due diligence investigations by representatives of the Initial purchaser that may be required in connection with the use of the Offering Memorandum; and

(ff) to promptly update the Offering Memorandum, upon the request of the Initial Purchaser, until such time as the Initial Purchaser shall cease to own any of the Securities.

5. Conditions of Initial Purchaser's Obligations

The obligations of the Initial Purchaser hereunder are subject (i) to the accuracy, on and as of the date hereof, of the representations and warranties of the Co-Issuers, the Guarantors, IHOP and the Merger Sub contained herein, and on and as of the Closing Date of the representations and warranties of the Co-Issuers, the Guarantors, the Parent Companies and the IHOP Securitization Entities contained herein, (ii) to the accuracy of the statements of each of the Co-Issuers, the Guarantors, the Parent Companies and their respective officers made in any certificates delivered pursuant hereto, (iii) to the performance by the Co-Issuers, the Guarantors, the Parent Companies and the IHOP Securitization Entities of their obligations hereunder and (iv) to each of the following additional terms and conditions:

(a) No stop order suspending the sale of the Guaranteed Securities in any jurisdiction shall have been issued and no proceeding for that purpose shall have been commenced or shall be pending or threatened.

(b) The Initial Purchaser shall not have discovered and disclosed to the Co-Issuers or the Parent Companies on or prior to the Closing Date that the Draft Offering Memorandum or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of counsel for the Initial Purchaser, is material or omits to state any fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Guaranteed Securities, each of the Transaction Documents and the Offering Memorandum, and all other legal matters relating to this Agreement, the Transaction Documents and the transactions contemplated thereby, shall be satisfactory in all material respects to the Initial Purchaser, and the Co-Issuers, the Guarantors and the Parent Companies shall have furnished to the Initial Purchaser all documents and information that the Initial Purchaser or its counsel may reasonably request to enable it to pass upon such matters.

(d) The Supplement shall have been duly executed and delivered by the Co-Issuers and the Trustee, and the Securities shall have been duly executed and delivered by the Co-Issuers and duly authenticated by the Trustee.

(e) Each of the Transaction Documents shall have been duly executed and delivered by the respective parties thereto and the Initial Purchaser shall have received an original copy of each Transaction Document, duly executed and delivered by the respective parties thereto.

(f) The Initial Purchaser shall have received a letter from each Rating Agency stating that each series of the Securities has received the ratings indicated in the table below:

Security	Moody's Rating	S&P Rating	Fitch Rating
Series 2007-1 Class A-2-I Notes	Baa3	BBB-	BBB-
Series 2007-1 Class A-2-II-A Notes	Aaa	AAA	AAA
Series 2007-1 Class A-2-II-X Notes	Baa3	BBB-	BBB-
Series 2007-1 Class M-1 Notes	NR	BB	BB

(g) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange, the American Stock Exchange, the Nasdaq Global Market or in the over-the-counter market, or trading in any securities of Applebee's International, IHOP or IHOP Franchising on any exchange or in the over-the-counter market, shall have been suspended or materially limited or the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction (except that a suspension of trading in the securities of Applebee's International as a result of the completion of the Merger shall be permitted), (ii) a banking moratorium shall have been declared by federal or state authorities, (iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States, (iv) a material disruption in securities settlement or clearing or payment systems shall have occurred or (v) there shall have occurred such a material adverse change in general economic, political or financial conditions, including, without limitation, as a result of terrorist activities after the date hereof (or the effect of international conditions on the financial markets in the United States shall be such), as to make it, in the judgment of the Initial Purchaser, impracticable or inadvisable to proceed with the offering or delivery of the Guaranteed Securities being delivered on the Closing Date on the terms and in the manner contemplated hereby or that, in the judgment of the Initial Purchaser, would materially and adversely affect the financial markets or the markets for the Guaranteed Securities and other debt securities.

(h) None of (i) the issuance and sale of the Guaranteed Securities pursuant to this Agreement, (ii) the transactions contemplated by the Transaction Documents or (iii) the use of the Preliminary Marketing Materials, the Supplemental Materials or the Offering Memorandum shall be subject to an injunction (temporary or permanent) and no

restraining order or other injunctive order shall have been issued; and there shall not have been any legal action, order, decree or other administrative proceeding instituted or threatened against the Co-Issuers, the Guarantors or the Parent Companies or the Initial Purchaser that would be reasonably likely to adversely impact the issuance or resale of the Guaranteed Securities or the Initial Purchaser's activities in connection therewith or any other transactions contemplated hereby or by the Transaction Documents.

(i) The Initial Purchaser shall have received evidence satisfactory to the Initial Purchaser and its counsel that all conditions precedent to the issuance of the Guaranteed Securities under the Indenture and the G&C Agreements have been satisfied.

(j) The Initial Purchaser shall have received evidence satisfactory to the Initial Purchaser and its counsel, that on or before the Closing Date, all existing liens (other than Permitted Liens) on the Indenture Collateral shall have been released and UCC-1 financing statements and all assignments and other instruments required to be filed on or prior to the Closing Date pursuant to the Transaction Documents have been or are being filed.

(k) The Initial Purchaser shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Co-Issuers, the Guarantors and the Parent Companies, dated the Closing Date and addressed to the Initial Purchaser, substantially in the form attached hereto as Exhibit 5.

(l) The Initial Purchaser shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Co-Issuers, the Guarantors and the Parent Companies, dated the Closing Date and addressed to the Initial Purchaser, substantially in the form attached hereto as Exhibit 6 regarding the substantive nonconsolidation of the assets and liabilities of the Co-Issuers, the other Securitization Entities and their affiliates.

(m) The Initial Purchaser shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Co-Issuers, the other Securitization Entities and the Parent Companies, dated the Closing Date and addressed to the Initial Purchaser, substantially in the form attached hereto as Exhibit 7 regarding the treatment of the transfers of assets as "true contributions" or other absolute transfers.

(n) The Initial Purchaser shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to the Co-Issuers, dated the Closing Date and addressed to the Initial Purchaser, substantially in the form attached hereto as Exhibit 8 regarding the U.S. federal income tax treatment of the Securities, among other things.

(o) The Initial Purchaser shall have received an opinion of Blackwell Sanders LLP, as franchise counsel to the Co-Issuers, the Guarantors and the Parent Companies, dated the Closing Date and addressed to the Initial Purchaser, regarding compliance with applicable franchising laws and regulations and such other matters as the Initial Purchaser may request, in form and substance satisfactory to the Initial Purchaser and its counsel.

(p) The Initial Purchaser shall have received an opinion of in-house counsel to the Co-Issuers, the Guarantors and the Parent Companies dated the Closing Date and addressed to the Initial Purchaser, regarding compliance with applicable franchising laws and regulations and such other matters as the Initial Purchaser may request, in form and substance satisfactory to the Initial Purchaser and its counsel.

(q) The Initial Purchaser shall have received an opinion of in-house counsel to the IHOP and the IHOP Securitization Entities dated the Closing Date and addressed to the Initial Purchaser, regarding such matters as the Initial Purchaser may request, in form and substance satisfactory to the Initial Purchaser and its counsel.

(r) The Initial Purchaser shall have received an opinion of Blackwell Sanders LLP, special Kansas counsel to the Servicer, Applebee's Restaurants Kansas LLC ("Applebee's Kansas") and Applebee's Restaurants Inc. ("Applebee's Restaurants"), dated the Closing Date and addressed to the Initial Purchaser, regarding the due organization of the Servicer, Applebee's Kansas and Applebee's Restaurants, the enforceability of (i) the Charter Documents of the Servicer against the Servicer, (ii) the Charter Documents of Applebee's Kansas against Applebee's Kansas and (iii) the Charter Documents of Applebee's Restaurants against Applebee's Restaurants in form and substance satisfactory to the Initial Purchaser and its counsel.

(s) The Initial Purchaser shall have received an opinion of Witten, Woolmington, Campbell & Boepple, P.C., special Vermont counsel to Applebee's Restaurants Vermont, Inc. and Apple Vermont Restaurants, Inc. (collectively, "Applebee's Vermont"), dated the Closing Date and addressed to the Initial Purchaser, regarding the due organization of Applebee's Vermont, the enforceability of the Charter Documents of Applebee's Vermont against Applebee's Vermont, in form and substance satisfactory to the Initial Purchaser and its counsel.

(t) The Initial Purchaser shall have received an opinion of Blackwell Sanders LLP, special New Mexico counsel to Applebee's of New Mexico Inc. ("Applebee's New Mexico"), dated the Closing Date and addressed to the Initial Purchaser, regarding the due organization of Applebee's New Mexico, the enforceability of the Charter Documents of Applebee's New Mexico against Applebee's New Mexico, in form and substance satisfactory to the Initial Purchaser and its counsel.

(u) The Initial Purchaser shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special Delaware counsel to the Co-Issuers and the Guarantors organized in Delaware, dated the Closing Date and addressed to the Initial Purchaser, regarding the applicability of Delaware law to the determination of what persons have the authority to file a voluntary bankruptcy petition on behalf of the Co-Issuers and the Guarantors organized in Delaware, in form and substance satisfactory to the Initial Purchaser and its counsel.

(v) The Initial Purchaser shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special Delaware counsel to the Co-Issuers and the Guarantors organized in Delaware, dated the Closing Date and addressed to the Initial

Purchaser, regarding the filing of UCC-1 financing statements, the perfection and priority of the security interests created under the Indenture and the absence of any prior financing statements of record against any of the Co-Issuer or any of the Guarantors organized in Delaware identifying any of the Indenture Collateral (based on a review of UCC filings), in form and substance satisfactory to the Initial Purchaser and its counsel.

(w) The Initial Purchaser shall have received an opinion of in-house counsel to Assured Guaranty with respect to the Series 2007-1 Class A-2-II-A Notes, dated the Closing Date and addressed to the Initial Purchaser, in form and substance satisfactory to the Initial Purchaser and its counsel.

(x) The Initial Purchaser shall have received an opinion of Chapman and Cutler LLP, counsel to the Trustee, dated the Closing Date and addressed to the Initial Purchaser, in form and substance satisfactory to the Initial Purchaser and its counsel.

(y) The Initial Purchaser shall have received an opinion of inhouse counsel to the Back-Up Manager, dated the Closing Date and addressed to the Initial Purchaser, in form and substance satisfactory to the Initial Purchaser and its counsel.

(z) The Initial Purchaser shall have received an opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP, dated the Closing Date and addressed to the Initial Purchaser, with respect to the validity of the Securities and such other matters as the Initial Purchaser may reasonably request.

(aa) The Initial Purchaser shall have received a certificate from each Co-Issuer executed on behalf of such Co-Issuer by any two of the President, any Manager, the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Secretary, the General Counsel or the Treasurer of such Co-Issuer, dated the Closing Date, to the effect that, to the best of each such officer's knowledge (i) the representations and warranties of such Co-Issuer in this Agreement are true and correct on and as of the date hereof and the Closing Date and the representations and warranties of such Co-Issuer in any other Transaction Documents to which such Co-Issuer is a party are true and correct on and as of the date hereof and the Closing Date; (ii) that such Co-Issuer has complied in all material respects with all agreements and satisfied all conditions on such Co-Issuer's part to be performed or satisfied hereunder or under the Transaction Documents at or prior to the Closing Date; (iii) subsequent to the date as of which information is given in the Draft Offering Memorandum, there has not been any development in the general affairs, business, properties, capitalization, condition (financial or otherwise) or results of operation of such Co-Issuer except as set forth or contemplated in the Draft Offering Memorandum or as described in such certificate or certificates that could reasonably be expected to result in a Material Adverse Effect; and (iv) nothing has come to such officer's attention that would lead such officer to believe that (A) as of the Closing Date, the Draft Offering Memorandum did not present fairly, in all material respects, the business, results of operations and financial condition of the Co-Issuers and the Guarantors or (B) since the date of the Draft Offering Memorandum, any event has occurred which should have been set forth in a supplement or amendment to the Draft Offering Memorandum so that it would present fairly, in all material respects,

the business, results of operations and financial condition of the Co-Issuers and the Guarantors.

(bb) The Initial Purchaser shall have received a certificate from each Parent Company executed on behalf of such Parent Company by any two of the President, any Manager, the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Secretary, the General Counsel or the Treasurer of such Parent Company, dated the Closing Date, to the effect that, to the best of each such officer's knowledge (i) the representations and warranties of such Parent Company in this Agreement are true and correct on and as of the date hereof (to the extent made on and as of the date hereof) and the Closing Date, and the representations and warranties of such Parent Company in any other Transaction Documents to which such Parent Company is a party are true and correct on and as of the date hereof (to the extent made on and as of the date hereof) and the Closing Date; (ii) the representations and warranties of each Securitization Entity in any Transaction Documents to which such Securitization Entity is a party are true and correct on and as of the date hereof and the Closing Date; (iii) the representations and warranties with respect to each Applebee's Entity and each IHOP Entity that is neither a Securitization Entity nor a Parent Company (each a "Pre-Securitization Entity") in any Transaction Documents to which such Pre-Securitization Entity is a party are true and correct on and as of the date hereof and the Closing Date; (iv) that such Parent Company has complied in all material respects with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder or under the Transaction Documents at or prior to the Closing Date; (v) subsequent to the date as of which information is given in the Draft Offering Memorandum, there has not been any development in or affecting particularly the business or assets of such Parent Company and their subsidiaries considered as a whole or in the financial position or results of operations of such Parent Company and its subsidiaries considered as a whole, otherwise than as set forth or contemplated in the Draft Offering Memorandum or as described in such certificate or certificates that could reasonably be expected to result in a Material Adverse Effect and (vi) nothing has come to such officer's attention that would lead such officer to believe that (A) as of the Closing Date, the Draft Offering Memorandum did not present fairly, in all material respects, the business, results of operations and financial condition of the Co-Issuers and the Guarantors or (B) since the date of the Draft Offering Memorandum, any event has occurred which should have been set forth in a supplement or amendment to the Draft Offering Memorandum so that it would present fairly, in all material respects, the business, results of operations and financial condition of the Co-Issuers and the Guarantors.

(cc) The Initial Purchaser shall have received a certificate from each Securitization Entity that is not a Co-Issuer signed by any two of the President, any Manager, the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Secretary, the General Counsel or the Treasurer of such Securitization Entity, dated the Closing Date, in which each such officer shall state that, to the best of each such officer's knowledge (i) the representations and warranties of such Securitization Entity in this Agreement are true and correct on and as of the Closing Date and the representations and warranties of such Securitization Entity in any other Transaction Documents to which such Securitization Entity is a party are true and correct on and as of the Closing

Date; (ii) that such Securitization Entity has complied in all material respects with all agreements and satisfied all conditions on such Securitization Entity's part to be performed or satisfied hereunder or under the Transaction Documents at or prior to the Closing Date and (iii) subsequent to the date as of which information is given in the Draft Offering Memorandum, there has not been any development in the general affairs, business, properties, capitalization, condition (financial or otherwise) or results of operation of such Securitization Entity except as set forth or contemplated in the Draft Offering Memorandum or as described in such certificate or certificates that could reasonably be expected to result in a Material Adverse Effect.

(dd) The Initial Purchaser shall have received a certificate from each Pre-Securitization Entity executed on behalf of such entity by any two of the President, any Manager, the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Secretary, the General Counsel or the Treasurer of such entity, dated the Closing Date, to the effect that, to the best of each such officer's knowledge (i) the representations and warranties of such Pre-Securitization Entity in this Agreement are true and correct on and as of the Closing Date and the representations and warranties of such Pre-Securitization Entity in any other Transaction Documents to which such Pre-Securitization Entity is a party are true and correct on and as of the Closing Date; (ii) that such Pre-Securitization Entity has complied in all material respects with all agreements and satisfied all conditions on such Pre-Securitization Entity's part to be performed or satisfied hereunder or under the Transaction Documents at or prior to the Closing Date and (iii) subsequent to the date as of which information is given in the Draft Offering Memorandum, there has not been any development in the general affairs, business, properties, capitalization, condition (financial or otherwise) or results of operation of such Pre-Securitization Entity except as set forth or contemplated in the Draft Offering Memorandum or as described in such certificate or certificates that could reasonably be expected to result in a Material Adverse Effect.

(ee) The Trustee shall have received a fully effective financial guaranty policy issued by Assured Guaranty in form and substance satisfactory to the Initial Purchaser and its counsel.

(ff) The Co-Issuers shall have delivered the Series 2007-1 Class A-1 Senior Notes in the amounts agreed upon by the Initial Purchaser simultaneously with the delivery to the Initial Purchaser of the Guaranteed Securities on the Closing Date.

(gg) The Merger shall have been completed on the Closing Date on the terms specified in the Merger Agreement and as contemplated by the Draft Offering Memorandum.

(hh) The IHOP Securitization shall have been completed on the Closing Date as contemplated by the Draft Offering Memorandum.

(ii) All necessary waivers, consents and approvals for the issuance of the Guaranteed Securities and the completion of the transactions contemplated by the Transaction Documents shall have been obtained, including, without limitation, (i)

waivers and consents by Financial Guaranty Insurance Company, a New York stock insurance corporation and (ii) confirmations and approvals by the Rating Agencies with respect to such waivers and consents.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Initial Purchaser.

6. Termination.

The obligations of the Initial Purchaser hereunder may be terminated at the sole discretion of the Initial Purchaser by notice given to and received by the Co-Issuers prior to delivery of and payment for the Securities if, prior to that time, any of the events described in Sections 5(g) and 5(h) shall have occurred and be continuing, any of the certifications in Sections 5(aa)(iii), (bb)(v), (cc)(iii) and (dd)(iii) cease to be true and correct, or if the Initial Purchaser shall decline to purchase the Securities for any reason permitted under this Agreement, including, but not limited to, the failure, refusal or inability by any of the Co-Issuers, the Guarantors or the Parent Companies to satisfy all conditions on its part to be performed or satisfied hereunder on or prior to the Closing Date.

7. Indemnification

(a) Each of the Co-Issuers, the Guarantors and the Parent Companies shall, jointly and severally, indemnify and hold harmless the Initial Purchaser, its affiliates, its officers, directors, shareholders, partners, trustees, employees, representatives and agents, and each person, if any, who controls the Initial Purchaser within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of Sections 7(a) and 8 as the Initial Purchaser), from and against any loss, claim, damage or liability, or any action in respect thereof (including, without limitation, any loss, claim, damage, liability or action relating to purchases and sales of the Securities), to which the Initial Purchaser may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in (A) the Bridge Syndication Materials, the Preliminary Marketing Materials, the Supplemental Materials or the Offering Memorandum or in any amendment or supplement thereto, or in any Issuer Free Writing Communication, (B) any other information provided pursuant to Section 4(j) or 4(cc) hereof or (C) other materials provided to potential investors with the prior written consent of the Co-Issuers, Parent Companies or Guarantors (collectively, the items in (A), (B) and (C) above, the "Offering Materials"), (ii) the omission or alleged omission to state in the Offering Materials a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or (iii) any act or failure to act or any alleged act or failure to act by the Initial Purchaser in connection with, or relating in any manner to, the Securities or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability

or action arising out of or based upon matters covered by clause (i) or (ii) above (provided that the Co-Issuers, the Guarantors and the Parent Companies shall not be liable under this clause (iii) to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by the Initial Purchaser through its gross negligence or willful misconduct), and shall reimburse the Initial Purchaser and each such director, officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred by the Initial Purchaser, director, officer, employee or controlling person in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Co-Issuers, the Guarantors and the Parent Companies shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in the Offering Materials, in reliance upon and in conformity with written information concerning the Initial Purchaser furnished to the Co-Issuers by the Initial Purchaser specifically for inclusion therein, which information consists solely of the information specified in Section 13 (the " Initial Purchaser's Information").

(b) The Initial Purchaser shall indemnify and hold harmless each of the Parent Companies, each of the Guarantors and each of the Co-Issuers, and their respective officers, directors, employees, representatives and agents, and each person, if any, who controls any of the Parent Companies, the Guarantors or any of the Co-Issuers within the meaning of the Securities Act or the Exchange Act (collectively referred to for purposes of Sections 7(b) and 8 as the "IHOP/Applebee's Parties"), from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the IHOP/Applebee's Parties may become subject, whether commenced or threatened, under the Securities Act, the Exchange Act, any other federal or state statutory law or regulation, at common law or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Offering Materials or (ii) the omission or alleged omission to state in the Offering Materials a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with the information relating to the Initial Purchaser furnished to the Co-Issuers by the Initial Purchaser specifically for use therein (as set forth in Section 13 below), and shall reimburse the IHOP/Applebee's Parties, for any legal or other expenses reasonably incurred by the IHOP/Applebee's Parties in connection with investigating or defending or preparing to defend against or appearing as a third party witness in connection with any such loss, claim, damage, liability or action as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party pursuant to

Section 7(a) or 7(b), notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 7 except to the extent that it has been materially prejudiced (through the forfeiture of substantive or procedural rights or defenses) by such failure; and, provided, further, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 7. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. Except as otherwise set forth in this Section 7(c), after notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 7 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation. Any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying parties and an indemnified party and the indemnified party has reasonably concluded that representation of both parties by the same counsel would be inappropriate due to material actual or potential differing interests between them. It is understood that the indemnifying parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all indemnified parties, and that all such reasonable fees and expenses shall be reimbursed as they are incurred and paid. In the case of any such separate firm for the indemnified parties, such firm shall be designated in writing by the indemnified parties. No indemnifying party shall be liable for any settlement of any such action or claim effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment for the plaintiff in any such action or claim, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment in accordance with the terms hereof. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an explicit and unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding 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) The obligations of the Parent Companies, the Guarantors, the Co-Issuers and the Initial Purchaser in this Section 7 and in Section 8 are in addition to any other liability that the Parent Companies, the Guarantors, the Co-Issuers or the Initial

Purchaser, as the case may be, may otherwise have, including in respect of any breaches of representations, warranties and agreements made herein by any such party.

8. Contribution

If the indemnification provided for in Section 7 is unavailable or insufficient to hold harmless an indemnified party under Section 7(a) or 7(b), then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the IHOP/Applebee's Parties on the one hand and the Initial Purchaser on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the IHOP/Applebee's Parties on the one hand and the Initial Purchaser on the other with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the IHOP/Applebee's Parties on the one hand and the Initial Purchaser on the other with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Securities purchased under this Agreement (before deducting expenses) received by or on behalf of the Co-Issuers on the one hand, and the total discounts and commissions received by the Initial Purchaser with respect to the Securities purchased under this Agreement, on the other, bear to the total gross proceeds from the sale of the Securities under this Agreement as set forth on the cover page of the Offering Memorandum. 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 IHOP/Applebee's Parties or information supplied by the IHOP/Applebee's Parties on the one hand or to the Initial Purchaser's Information on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. For purpose of the preceding two sentences, the net proceeds deemed to be received by the Co-Issuers shall be deemed to be also for the benefit of the Parent Companies and the Guarantors, and information supplied by the Co-Issuers shall also be deemed to have been supplied by the Parent Companies and the Guarantors. The Parent Companies, the Guarantors, the Co-Issuers and the Initial Purchaser agree that it would not be just and equitable if contributions pursuant to this Section 8 were to be determined by *pro rata* allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 8 shall be deemed to include, for purposes of this Section 8, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending or preparing to defend any such action or claim. Notwithstanding the provisions of this Section 8, the Initial Purchaser shall not be required to contribute any amount in excess of the amount by which the total discounts and commissions received by the Initial Purchaser with respect to the Securities

purchased by it under this Agreement exceeds the amount of any damages which the Initial Purchaser has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

9. Persons Entitled to Benefit of Agreement

This Agreement shall inure to the benefit of and be binding upon the Initial Purchaser, the Co-Issuers, the Guarantors, the Parent Companies and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except as provided in Sections 7 and 8 with respect to controlling persons of the Co-Issuers and the Initial Purchaser and in Section 4(k) with respect to holders and prospective purchasers of the Securities. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 9, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

10. Expenses, Fees and Swap Termination

(a) The Co-Issuers and the Guarantors, jointly and severally, in accordance with this Agreement, agree to pay (i) the costs incident to the authorization, issuance, sale, resale, preparation and delivery of the Guaranteed Securities and any taxes payable in that connection; (ii) the costs incident to the preparation, printing and distribution of the Preliminary Marketing Materials, the Supplemental Materials and the Offering Memorandum and any amendments or supplements thereto; (iii) the costs of reproducing and distributing each of the Transaction Documents; (iv) the costs incident to the preparation, printing and delivery of the global certificates evidencing the Guaranteed Securities, including stamp duties and transfer taxes, if any, payable upon issuance of the Securities; (v) the fees and expenses of counsel to the Co-Issuers and the Guarantors; (vi) the fees and expenses of qualifying the Guaranteed Securities under the securities laws of the several jurisdictions and of preparing, printing and distributing Blue Sky memoranda (including related fees and expenses of counsel for the Initial Purchaser); (vii) any fees charged by the Rating Agencies in connection with their rating of the Guaranteed Securities; (viii) the fees and expenses of the Trustee and any paying agent (including related fees and expenses of any counsel to such parties); (ix) all expenses and application fees incurred in connection with the approval of the Guaranteed Securities for book-entry transfer by DTC; (x) fees and expenses incurred by the Co-Issuers and the Guarantors in connection with any "roadshow" presentations to investors, including, without limitation, expenses related to the use of any aircraft in connection therewith; and (xi) all other costs and expenses incident to the performance of the obligations of the Co-Issuers and the Guarantors under this Agreement which are not otherwise specifically provided for in this Section 10.

(b) The Parent Companies, in accordance with this Agreement, agree to pay (i) the fees and expenses of counsel to the Parent Companies and the Pre-Securitization

Entities, (ii) the fees and expenses of the independent accountants of the Applebee's Entities and the IHOP Entities; (iii) the fees and expenses of the accountants incurred in connection with the delivery of the comfort letters and "agreed upon procedures" letters to the Initial Purchaser pursuant to the terms of this Agreement, (iv) the fees and expenses incurred by the Parent Companies in connection with any "roadshow" presentations to investors, including, without limitation, expenses related to the use of any aircraft in connection therewith, (v) the fees and expenses of the Initial Purchaser incurred in connection with the transactions contemplated by this Agreement, including but not limited to fees and expenses incurred by the Initial Purchaser in connection with any "roadshow" presentations to investors, including, without limitation, expenses related to the use of any aircraft in connection therewith, the fees and expenses of Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel to the Initial Purchaser (including expenses incurred in connection with due diligence and travel, courier, reproduction, printing and delivery expenses, but excluding the IHOP Excluded Fees), the fees of outside accountants, the costs of any diligence service and the fees of any other advisor retained by the Initial Purchaser with the prior approval of the Parent Companies (not to be unreasonably withheld) (whether incurred prior to or subsequent to the Closing Date) and (vi) all other costs and expenses incident to the performance of the obligations of the Parent Companies under this Agreement and under the Transaction Documents which are not otherwise specifically provided for in this Section 10. Notwithstanding the foregoing, if (a) this Agreement shall have been terminated pursuant to Section 6, (b) the Co-Issuers shall fail to tender the Guaranteed Securities for delivery to the Initial Purchaser for any reason permitted under this Agreement or (c) the Initial Purchaser shall decline to purchase the Guaranteed Securities for any reason permitted under this Agreement, the Parent Companies shall reimburse the Initial Purchaser for such out-of-pocket expenses (including reasonable fees and disbursements of counsel) as shall have been reasonably incurred by the Initial Purchaser in connection with this Agreement and the proposed purchase and resale of the Guaranteed Securities. For purposes of this Agreement, the " IHOP Excluded Fees" means legal fees and expenses of Paul, Weiss, Rifkind, Wharton & Garrison LLP incurred prior to the Closing Date in connection with (x) such counsel's due diligence investigation of the assets and business of IHOP and its existing subsidiaries (which, for the avoidance of doubt, excludes Applebee's and its existing subsidiaries) and (y) the preparation, review, negotiation, execution and delivery of all documentation in connection with the IHOP Securitization.

(c) The interest rate swap that is documented in the confirmation dated July 16, 2007 (the " Swap Confirmation") between IHOP and Lehman Brothers Special Financing Inc. is deemed terminated as if an "Additional Termination Event" had occurred thereunder, the "Settlement Amount" to be paid in cash, in immediately available funds, on the Closing Date. For purposes of the Swap Confirmation, an "Early Termination Date" shall be deemed to have occurred as of November 28, 2007, and IHOP Corp. shall be the sole "Affected Party."

(d) IHOP agrees to pay to the Initial Purchaser an additional placement fee, in immediately available funds, on August 29, 2008, of $40,780,000 (the "Incremental Deferred Discounts"), in respect of the discount at which the Guaranteed Securities and the $245,000,000 aggregate principal amount of Series 2007-3 Fixed Rate Term Notes

(the "IHOP Notes" and, together with the Guaranteed Securities, the " Notes") being issued in the IHOP Securitization by the IHOP Securitization Entities are expected to be resold.

(e) The Initial Purchaser hereby waives (a) all "Sale Leaseback Fees" provided for in the Engagement Letter, dated October 8, 2007 (the " SLB Engagement Letter"), between the Initial Purchaser and IHOP and (b) all fees associated with any additional asset-backed securities (the proceeds of which are used to repay the Subordinated Notes) that are issued by the IHOP Securitization Entities prior to November 29, 2008 (the " Additional IHOP Securitization"); provided that IHOP shall pay all legal fees and other expenses (including those of the Initial Purchaser) under the SLB Engagement Letter and those related to the Additional IHOP Securitization.

(f) Within five business days (such date, the "Refund Date") after the later of (i) the completion of the resale of all of the Notes by the Initial Purchaser to unaffiliated third party investors and (ii) the date on which all fees and expenses due and payable to the Initial Purchaser under this Letter Agreement, the Engagement Letter, the Commitment Letter or otherwise have been paid by IHOP, the Initial Purchaser agrees to refund to IHOP an amount, in immediately available funds, equal to 40% times the sum, if positive, of the Resale Differentials (as defined) for the Notes resold. The " Resale Differential" (which may be negative) for any Note resold is (A) the proceeds (the " Resale Proceeds") from the resale of such Note to a third party investor which reflect the dollar price (in each case, adjusted to include the cost of any secondary surety policy, derivative and/or financing transactions entered into in connection with selling such Note the cost of which were not reflected in the proceeds paid to the Initial Purchaser on account of the sale of such Note) at which the Initial Purchaser sells such Note to a third party investor; provided, however, in the case of the repayment of a Note prior to the resale of such Note, the Resale Proceeds will be calculated as if the Note was resold at par, minus (B) the hypothetical sale proceeds resulting from the hypothetical dollar price (the " Adjusted Purchase Price") that would have been calculated for such Note at the actual time of such sale to a third-party investor using the then-current benchmark yield to maturity applicable to such series of Note and the Purchase Date Spread (as defined) on such Note. The " Purchase Date Spread" for a Note is the implied spread at which the Initial Purchaser agreed to purchase such Note, as reflected in the Letter Agreement (the " Letter Agreement"), dated November 28, 2007, among IHOP, CHLH Corp., the Initial Purchaser and Lehman Commercial Paper Inc., taking into account the coupon on such Note specified in the Letter Agreement and the aggregate original issue discount applied evenly across all of the Notes which, for the purposes of this definition, will be deemed to include all of the "APPB Engagement Letter and Commitment Letter Fees" (as defined in the Letter Agreement), the "IHOP Engagement Letter and Commitment Letter Fees" (as defined in the Letter Agreement), the Incremental Deferred Discounts (as defined in the Letter Agreement), the APPB Coupon Rounding Discount (as defined in the Letter Agreement) and the IHOP Coupon Rounding Discount (as defined in the Letter Agreement). Lehman hereby agrees to provide to IHOP Corp., on the Refund Date, (i) a schedule specifying the Resale Proceeds, Adjusted Purchase Price and Resale Differential in connection with the resale of all of the Notes resold and (ii) redacted trade confirmations evidencing the resales of the Notes, which shall be subject to a customary

confidentiality agreement between IHOP and Lehman. For purposes of this 10(f) only, the $100,000,000 Series 2007-Class A-1 Variable Funding Senior Notes of the Co-Issuers shall be treated as "Notes".

11. Survival

The respective indemnities, rights of contribution, representations, warranties and agreements of the Co-Issuers, the Guarantors, the Parent Companies and the Initial Purchaser contained in this Agreement or made by or on behalf of the Co-Issuers, the Guarantors, the Parent Companies or the Initial Purchaser pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Securities and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any of them or any of their respective affiliates, officers, directors, employees, representatives, agents or controlling persons.

12. Notices, etc.

All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Initial Purchaser, shall be delivered or sent by mail or facsimile transmission to:

Lehman Brothers Inc.
745 Seventh Avenue
New York, NY 10019
Attention: Scott C. Lechner
Facsimile No.: (646) 758-4203

(b) if to the Co-Issuers, the Guarantors or the Parent Companies, shall be delivered or sent by mail or facsimile transmission to:

If to the Master Issuer:

c/o Applebee's International, Inc.,
11201 Renner Blvd.
Lenexa, KS 66219
Attention: Deputy General Counsel
Facsimile No.: 913-890-9100

If to the IP Holder:

c/o Applebee's International, Inc.,
11201 Renner Blvd.
Lenexa, KS 66219
Attention: Deputy General Counsel
Facsimile No.: 913-890-9100

If to the Restaurant Holders:

c/o Applebee's International, Inc.,
11201 Renner Blvd.
Lenexa, KS 66219
Attention: Deputy General Counsel
Facsimile No.: 913-890-9100

If to Holdings:

c/o Applebee's International, Inc.,
11201 Renner Blvd.
Lenexa, KS 66219
Attention: Deputy General Counsel
Facsimile No.: 913-890-9100

If to Holdings II:

c/o Applebee's International, Inc.,
11201 Renner Blvd.
Lenexa, KS 66219
Attention: Deputy General Counsel
Facsimile No.: 913-890-9100

If to the Franchise Holder:

c/o Applebee's International, Inc.,
11201 Renner Blvd.
Lenexa, KS 66219
Attention: Deputy General Counsel
Facsimile No.: 913-890-9100

If to Applebee's International:

Applebee's International, Inc.,
11201 Renner Blvd.
Lenexa, KS 66219
Attention: Deputy General Counsel
Facsimile No.: 913-890-9100

If to the Servicer:

c/o Applebee's International, Inc.,
11201 Renner Blvd.
Lenexa, KS 66219
Attention: Deputy General Counsel
Facsimile No.: 913-890-9100

If to the Merger Sub:

c/o IHOP, Corp.
450 North Brand Boulevard
Glendale, California 91203-2306
Attention: General Counsel
Facsimile No.: 818-637-5361

If to IHOP Corp.:

IHOP, Corp.
450 North Brand Boulevard
Glendale, California 91203-2306
Attention: General Counsel
Facsimile No.: 818-637-5361

If to IHOP Franchising, LLC:

c/o IHOP, Corp.
450 North Brand Boulevard
Glendale, California 91203-2306
Attention: General Counsel
Facsimile No.: 818-637-5361

If to IHOP IP, LLC:

c/o IHOP, Corp.
450 North Brand Boulevard
Glendale, California 91203-2306
Attention: General Counsel
Facsimile No.: 818-637-5361

If to any Co-Issuer, Guarantor or Parent Company with a copy to:

c/o International House of Pancakes, Inc.
450 North Brand Boulevard
Glendale, California 91203-2306
Attention: General Counsel
Facsimile No.: 818-637-5361

with copies to (which copies shall not constitute notice to the Co-Issuers or any Parent Company):

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
Attention: David H. Midvidy
Facsimile No.: (917) 777-2089
Email: dmidvidy@skadden.com

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof.

13. Initial Purchaser's Information

The parties hereto acknowledge and agree that, for all purposes of this Agreement, the " Initial Purchaser's Information" consists solely of the information to be specified in a letter signed by a representative of the Initial Purchaser, dated the date of the relevant Offering Memorandum, and (ii) the names and phone numbers of certain personnel of the Initial Purchaser on page 60 of the preliminary materials dated November 7, 2007 (posted on the IntraLinks electronic data site on November 8, 2007).

14. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of law principles (other than Sections 5-1401 and 5-1402 of the General Obligations Law of the State New York).

15. Waiver of Jury Trial.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE, 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 ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

16. Submission to Jurisdiction.

Each of the parties hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement or any of the transactions contemplated hereby, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to any party hereto at its address set forth in Section 12 or at such other address of which such party shall have been notified pursuant thereto; and

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 16 any special, exemplary, punitive or consequential damages.

17. Counterparts

This Agreement may be executed in one or more counterparts (which may include counterparts delivered by facsimile) and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original, but all such counterparts shall toge ther constitute one and the same instrument.

18. Amendments

No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

19. Headings

The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

20. Absence of Fiduciary Relationship

The Co-Issuers, the Guarantors and the Parent Companies acknowledge and agree that in connection with this offering, sale and resale of the Securities or any other services the Initial Purchaser may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by the Initial Purchaser: (i) no fiduciary or agency relationship between the Co-Issuers, the Guarantors, the Parent Companies and any other person, on the one hand, and the Initial Purchaser, on the other, exists; (ii) the Initial Purchaser is not acting as an advisor, expert or otherwise, to the Co-Issuers, the Guarantors and the Parent Companies, including, without limitation, with respect to the determination of the offering price of the Securities, and such relationship between the Co-Issuers, the Guarantors and the Parent Companies, on the one hand, and the Initial Purchaser, on the other, is entirely and solely commercial, based on arms-length negotiations; (iii) any duties and obligations that the Initial Purchaser may have to the Co-Issuers, the Guarantors and the Parent Companies shall be limited to those duties and obligations specifically stated herein; and (iv) the Initial Purchaser and its respective affiliates may have interests that differ from those of the Co-Issuers, the Guarantors and the Parent Companies. The Co-Issuers, the Guarantors and the Parent Companies hereby waive any claims that the Co-Issuers, the Guarantors and the Parent Companies may have against the Initial Purchaser with respect to any breach of fiduciary duty in connection with the offering of the Securities.

21. Effect on Previous Letter Agreement. This Agreement supersedes in its entirety the Letter Agreement.

[Remainder of page intentionally left blank]

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us a counterpart hereof, whereupon this instrument will become a binding agreement, effective as of the date first written above, among the Co-Issuers, the Guarantors, the Parent Companies and the Initial Purchaser in accordance with its terms.

Very truly yours,

APPLEBEE'S ENTERPRISES LLC,
as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S IP LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS
NORTH LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS
WEST LLC, as Co-Issuer

By: /s/ Beverly Elving
Name: Beverly Elving
Title:

APPLEBEE'S RESTAURANTS
TEXAS LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title:

APPLEBEE'S RESTAURANTS
INC., as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS
MID-ATLANTIC LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S RESTAURANTS
VERMONT, INC., as Co-Issuer

By: /s/ Rebecca Tilden
Name: Rebecca Tilden
Title: President

APPLEBEE'S RESTAURANTS
KANSAS LLC, as Co-Issuer

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S HOLDINGS LLC, as
Guarantor

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

APPLEBEE'S FRANCHISING LLC, as
Guarantor

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

IHOP CORP., as Parent Company

By: /s/ Julia Stewart
Name: Julia Stewart
Title: Chairman and Chief Executive Officer

APPLEBEE'S INTERNATIONAL, INC., as
Parent Company

By: /s/ Rebecca Tilden
Name: Rebecca Tilden
Title: Vice President

APPLEBEE'S SERVICES, INC., as
Servicer

By: /s/ Rebecca Tilden
Name: Rebecca Tilden
Title: Secretary

APPLEBEE'S HOLDINGS II CORP., as
Parent Company

By: /s/ Carin Stutz
Name: Carin Stutz
Title: President

Acknowledged and agreed:

LEHMAN BROTHERS INC.,
as Initial Purchaser

By: /s/ Cory Wishengrad
Authorized Signatory

<u>SCHEDULE A-1</u>

The Restaurant Holders

(i) Applebee's Restaurants North LLC (a Delaware limited liability company)

(ii) Applebee's Restaurants West LLC (a Delaware limited liability company)

(iii) Applebee's Restaurants Texas LLC (a Texas limited liability company)

(iv) Applebee's Restaurants Inc. (a Kansas corporation)

(v) Applebee's Restaurants Mid-Atlantic LLC (a Delaware limited liability corporation)

(vi) Applebee's Restaurants Vermont, Inc. (a Vermont corporation)

(vii) Applebee's Restaurants Kansas LLC (a Kansas limited liability company)

SCHEDULE A-2

The Liquor License Holders

(i) Applebee’s Restaurants Calvert County Licensing LLC (a Delaware limited liability company)

(ii) Applebee’s Restaurants Allegany County Licensing LLC (a Delaware limited liability company)

(iii) Applebee’s Restaurants Maryland Licensing LLC (a Delaware limited liability company)

(iv) Applebee’s Restaurants St. Mary’s County Licensing LLC (a Delaware limited liability company)

SCHEDULE B-1

Bridge Syndication Materials

1. Rating assessment letter of Standard & Poor’s Rating Evaluation Services dated July 13, 2007.

2. Financial guaranty insurance policy agreement between Financial Guaranty Insurance Company and IHOP Corporation dated July 15, 2007.

3. Financial guaranty insurance policy agreement between Financial Guaranty Insurance Company and IHOP Corporation dated as of July 15, 2007.

4. Financial guaranty insurance policies agreement among Financial Guaranty Insurance Company, Assured Guaranty Corp., XL Capital Assurance Inc., Applebee’s International Inc. and IHOP Corporation dated as of July 15, 2007.

5. Letter of expression of interest of Spirit Finance Corporation and GE Capital Franchise Finance Corporation to provide sale/lease back financing for approximately 200 fee simple Applebee’s restaurants dated August 30, 2007.

6. Letter of expression of interest of Corporate Property Associates 16 – Global Incorporated to provide sale/lease back financing for approximately 200 fee simple Applebee’s restaurants dated August 30, 2007.

7. The Pro Forma Financial Assumptions made available on IntraLinks data site September 7, 2007.

8. The Pro Forma Financial Statement – Base Case No Refinance made available on IntraLinks data site September 12, 2007.

9 The Pro Forma Financial Statement – Summary made available on IntraLinks data site September 13, 2007.

10. The 2006 Applebee’s International Corporation Form of Franchise Agreement made available on IntraLinks data site September 12, 2007.

10. Summary of Terms of First Lien Securitization Bridge Facilities made available on IntraLinks data site September 14, 2007.

11. Excerpt from Engagement Letter between IHOP and the Initial Purchaser, dated July 17, 2007, made available on IntraLinks data site September 17, 2007.

12. Pro Forma Financial Statements Summary made available on IntraLinks data site September 17, 2007.

13. WBS Model made available on IntraLinks data site September 17, 2007.

SCHEDULE B-2

Preliminary Marketing Materials

1. Preliminary Materials dated October 24, 2007.

2. Preliminary Materials dated November 7, 2007.

3. Applebee’s and IHOP model runs made available on IntraLinks data site October 31, 2007.

4. Applebee’s and IHOP model runs made available on IntraLinks data site November 8, 2007.

EXHIBIT 1

DRAFT OFFERING MEMORANDUM

EXHIBIT 2

BASE INDENTURE

EXHIBIT 3

SUPPLEMENT

EXHIBIT 4

FORM OF 10b-5 LETTER OF
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

EXHIBIT 5

FORM OF OPINION OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP PURSUANT TO SECTION 5(k) HEREIN

EXHIBIT 6

FORM OF OPINION OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP PURSUANT TO SECTION 5(l) HEREIN

EXHIBIT 7

FORM OF OPINION OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP PURSUANT TO SECTION 5(m) HEREIN

EXHIBIT 8

FORM OF OPINION OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP PURSUANT TO SECTION 5(n) HEREIN

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 21

SUBSIDIARIES OF IHOP CORP.
As of December 31, 2007

Name of Entity	State or Other Jurisdiction of Incorporation or Organization
IHOP Corp.	DE
International House of Pancakes, Inc.	DE
III Industries of Canada, LTD.	Canada
IHOP of Canada ULC	Canada
Blue Roof Advertising, Inc.	CA
IHOP Holdings, LLC	DE
IHOP Franchising, LLC	DE
IHOP Property Leasing, LLC	DE
IHOP Property Leasing II, LLC	DE
IHOP Properties, LLC	DE
IHOP Real Estate, LLC	DE
IHOP IP, LLC	DE
A.I.I. Euro Services (Holland) B.V.	Holland
ACMC, Inc.	VA
AFSS, Inc.	KS
All Services—Europe, Limited	U.K.
Anne Arundel Apple Holding Corporation	MD
Apple American Limited Partnership of Minnesota	MN
Apple Vermont Restaurants, Inc.	VT
Applebee's Beverage, Inc.	TX
Applebee's Brazil, LLC	KS
Applebee's Canada Corp.	Canada
Applebee's International, Inc.	DE
Applebee's Investments, LLC	KS
Applebee's Michigan Services, LLC	MI
Applebee's Northeast, Inc.	MA
Applebee's of Calvert County, Inc.	MD
Applebee's of Maryland, Inc.	MD
Applebee's of Michigan, Inc.	MI
Applebee's of Minnesota, Inc.	MN
Applebee's of Nevada, Inc.	NV
Applebee's of New Mexico, Inc.	NM
Applebee's of St. Mary's County, Inc.	MD
Applebee's of Texas, Inc.	TX
Applebee's of Virginia, Inc.	VA
Applebee's Restaurantes Brasil, LTDA.	Brazil
Applebee's Restaurantes De Mexico S.de R.L. de C.V.	Mexico
Applebee's UK, LLC	KS
Applebee's Enterprises, LLC	DE
Applebee's Franchising, LLC	DE
Applebee's Holdings II Corp.	DE
Applebee's Holdings, LLC	DE
Applebee's IP, LLC	DE
Applebee's Restaurants Allegany County Licensing, LLC	DE
Applebee's Restaurants Calvert County Licensing, LLC	DE

Applebee's Restaurants Maryland Licensing, LLC	DE
Applebee's Restaurants Mid-Atlantic, LLC	DE
Applebee's Restaurants North, LLC	DE
Applebee's Restaurants St. Mary's County Licensing, LLC	DE
Applebee's Restaurants Texas, LLC	TX
Applebee's Restaurants Vermont, Inc.	VT
Applebee's Restaurants West, LLC	DE
Applebee's Restaurants, Inc.	KS
Applebee's Services, Inc.	KS
Gourmet Beverage of Georgia, Inc.	GA
Gourmet Beverage of Kansas, Inc.	KS
Gourmet Systems Beverage, Inc.	TX
Gourmet Systems of Arizona, Inc.	AZ
Gourmet Systems of Brazil, LLC	KS
Gourmet Systems of California, Inc.	CA
Gourmet Systems of Georgia, Inc.	GA
Gourmet Systems of Kansas, Inc.	KS
Gourmet Systems of Minnesota, Inc.	MN
Gourmet Systems of Nevada, Inc.	NV
Gourmet Systems of New York, Inc.	NY
Gourmet Systems of Pennsylvania, Inc.	PA
Gourmet Systems of Tennessee, Inc.	TN
Gourmet Systems of Texas, Inc.	TX
Gourmet Systems, Inc.	MO
Gourmetwest Nevada, Limited Liability Company	NV
Innovative Restaurant Concepts, Inc.	GA
IRC Kansas, Inc.	KS
Neighborhood Insurance, Inc.	VT
RB International, Inc.	KS
RIO Bravo Restaurant, Inc.	NY
RIO Bravo Services, Inc.	KS
Shanghai Applebee's Restaurant Management Co. LTD.	Xuhui District, Puxi, China
Summit Restaurants, Inc.	GA
The Heidi Fund, Inc.	KS

QuickLinks

SUBSIDIARIES OF IHOP CORP. As of December 31, 2007

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-46361) pertaining to the IHOP Corp. 1991 Stock Incentive Plan and in the Registration Statement (Form S-8 No. 333-71768) pertaining to the IHOP Corp. 2001 Stock Incentive Plan of IHOP Corp. and Subsidiaries of our reports dated February 26, 2008, with respect to the consolidated financial statements of IHOP Corp. and Subsidiaries and the effectiveness of internal control over financial reporting of IHOP Corp. and Subsidiaries, included in this Annual Report (Form 10-K) for the year ended December 31, 2007.

/s/ ERNST & YOUNG LLP

Los Angeles, California
February 26, 2008

QuickLinks

Consent of Independent Registered Public Accounting Firm

Exhibit 31.1

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 Annual Report on Form 10-K 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2008

/s/ JULIA A. STEWART

Julia A. Stewart
Chairman and Chief Executive Officer

QuickLinks

Exhibit 31.1

Exhibit 31.2

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 Annual Report on Form 10-K 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2008

/s/ THOMAS CONFORTI

Thomas Conforti
Chief Financial Officer (Principal Financial Officer)

QuickLinks

Exhibit 31.2

Exhibit 32.1

**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 Annual Report on Form 10-K of IHOP Corp. (the "Company") for the year ended December 31, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Julia A. Stewart, Chairman and Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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: February 27, 2008

/s/ JULIA A. STEWART

Julia A. Stewart
Chairman and Chief Executive Officer

This certification accompanies the 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.

QuickLinks

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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Exhibit 32.2

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 Annual Report on Form 10-K of IHOP Corp. (the "Company") for the year ended December 31, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas Conforti, as Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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: February 27, 2008

/s/ THOMAS CONFORTI

Thomas Conforti
Chief Financial Officer (Principal Financial Officer)

This certification accompanies the 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.

QuickLinks

Exhibit 32.2