

FRANCHISE DISCLOSURE DOCUMENT



IHOP FRANCHISOR LLC
a Delaware limited liability company
10 West Walnut Street,
Pasadena, California 91103
(818) 240-6055
www.ihop.com

We offer several different franchise programs for full-service restaurants which feature “IHOP” pancakes as well as a diverse menu of other breakfast, lunch and dinner items.

The total investment necessary to begin operation of an IHOP franchise is as follows:

Program			Low	High
Single Store Development Program	Inline/Endcap		~~\$1,178,432~~	~~\$6,649,797~~
			<u>\$1,766,072</u>	<u>\$3,161,997</u>
	2700 Prototype		<u>\$2,157,072</u>	<u>\$3,506,997</u>
	Large Format Prototype		<u>\$2,646,072</u>	<u>\$4,375,997</u>
Purchase Program			\$380,550	\$3,735,850
Multi-Store Development Program	Multi-Store Development with 2 to 15 obligations		\$80,000	\$600,000
	Each Restaurant ~~You Develop~~ under a Multi-Store Development Program	Inline/Endcap/ Conversion	~~\$1,168,432~~	~~\$6,639,797~~
			<u>\$1,756,072</u>	<u>\$3,151,997</u>
		2700 Prototype	<u>\$2,147,072</u>	<u>\$3,496,997</u>
	Large Format Prototype	<u>\$2,636,072</u>	<u>\$4,365,997</u>	

This includes Initial Fees of \$68,500 to \$142,980 per restaurant opened under a Single Store Development Agreement, \$0 to \$300,000 per restaurant opened under a Purchase Program, and \$58,500 to \$132,980 per restaurant opened under a Multi-Store Development Program that must be paid to the Franchisor or an IHOP Affiliate.

This Franchise Disclosure Document (this “Disclosure Document”) summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Josh Clorfeine, Associate General Counsel, 10 West Walnut Street, Pasadena, California 91103, (818) 637-4794, josh.clorfeine@dinebrands.com.

The terms of your contract will govern your franchise relationship. Don't rely on this Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance date: March 27, ~~2023~~[2024](#)

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit A or Exhibit A-2.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only IHOP business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be IHOP franchisee?	Item 20 or Exhibit A or Exhibit A-2 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit N.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with us by arbitration only in California. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate with us in California than in your own state.
2. Governing Law. The franchise agreement states that California law governs the agreement, and this law may not provide the same protections and benefits as local law. You may want to compare these laws.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
1. The Franchisor, and Any Parents, Predecessors, and Affiliates	1
2. Business Experience	5
3. Litigation	~~6~~ <u>7</u>
4. Bankruptcy	~~10~~ <u>11</u>
5. Initial Fees	11
6. Other Fees	~~13~~ <u>14</u>
7. Estimated Initial Investment	17
8. Restrictions on Sources of Products and Services	~~25~~ <u>26</u>
9. Franchisee's Obligations	~~31~~ <u>32</u>
10. Financing	~~32~~ <u>33</u>
11. Franchisor's Assistance, Advertising, Computer Systems and Training	~~34~~ <u>35</u>
12. Territory	~~44~~ <u>45</u>
13. Trademarks	~~48~~ <u>49</u>
14. Patents, Copyrights and Proprietary Information	~~49~~ <u>50</u>
15. Obligation to Participate in the Actual Operation of the Franchise Business	~~50~~ <u>51</u>
16. Restrictions on What the Franchisee May Sell	50
17. Renewal, Termination, Transfer and Dispute Resolution	50
18. Public Figures	~~58~~ <u>59</u>
19. Financial Performance Representations	~~58~~ <u>59</u>
20. Outlets and Franchisee Information	~~58~~ <u>59</u>
21. Financial Statements	75
22. Contracts	75
23. Receipts	74

Exhibits

- A. List of IHOP Franchisees
- A-1. List of Company-Owned Outlets
- A-2. List of IHOP Franchisees Who Have Ceased to do Business
- B. Franchise Agreement
- C. Rider for Novation Program
- D. Equipment Lease
- E. Equipment Purchase Agreement
- F. Expendables Purchase Agreement - Food and Paper Goods Inventory

- G. Financial Statements
- H. Sublease
- I-1. Guarantee of Obligations (Franchise Agreement)
- I-2. Guarantee of Obligations (Development Agreement)
- J. Multi-Store Development Agreement
- K. Single Store Development Agreement
- L. Promissory Note
- L-1 Down-Payment Promissory Note
- M. Table of Contents of Operations Manuals
- N. List of State Regulatory Agencies and Administrators
- O. List of Registered Agents for Service of Process
- P. Expendables Purchase Agreement - Smallwares
- Q. Development Impact Assistance Program
- R. General Release
- S. Addendum to Lease
- T. Addendum to Franchise Agreement (Purchase Program)
- U. Lease
- V. State Addenda

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is IHOP Franchisor LLC, a Delaware limited liability company, formed on July 28, 2014. In this Disclosure Document, the words “IHOP,” “we,” “our” and “us” refer to IHOP Franchisor LLC, and when appropriate, our affiliates. “You” means the person or entity who buys the franchise.

We conduct business under the names “IHOP” and “International House of Pancakes.” We test, develop, franchise and may operate other new fast casual and quick serve concepts, as well as concepts, restaurants, and prototypes located in urban and other markets, which may operate under the name “IHOP Express”, “flip’d by IHOP” or other names which may include “IHOP.” IHOP has no businesses other than as described in this Disclosure Document. Our registered agents for service of process are listed by state in Exhibit O of this Disclosure Document.

On or about September 30, 2014 (the “Closing Date”), our parent, Dine Brands Global, Inc. (“Dine Brands”) (formerly known as DineEquity, Inc.), and various of its existing direct and indirect subsidiaries closed a securitization transaction involving both the IHOP and Applebee’s brands (the “Securitization”), as part of which various existing subsidiaries contributed their assets, including intellectual property, real and personal property and equipment and related leases and subleases, notes and indebtedness of franchisees, and the business and related agreements concerning manufacturing, sourcing and sales of goods and services, to newly-formed subsidiaries of Dine Brands, including us.

On the Closing Date, International House of Pancakes, LLC (“IHOP LLC”) ceased offering and selling new domestic franchises and contributed all then-existing U.S. IHOP franchise agreements and related franchisee notes and guarantee agreements, among other assets, to newly-formed IHOP Restaurants LLC. IHOP LLC also contributed all then-existing U.S. area development agreements to us, and we became responsible for all new domestic franchise sales commencing October 1, 2014. Prior to January 4, 2016, IHOP LLC offered and sold IHOP franchises internationally. On January 4, 2016, Dine Brands conducted a reorganization of its international operations such that substantially all the international assets of IHOP LLC were transferred to Dine Brands International, Inc. (formerly known as DineEquity International, Inc.). The transfer included development and franchise agreements for territories outside of the United States (including Mexico). Dine Brands International, Inc. serves as the franchisor for all international IHOP franchisees and franchisees with restaurants in the U.S. territories.

Our parent companies, all organized under Delaware law, are: IHOP Funding LLC; IHOP SPV Guarantor LLC; IHOP LLC and Dine Brands.

We have two affiliates that offer franchises in the United States in any line of business. The first is Applebee’s Franchisor LLC (“Applebee’s”), whose principal business address is 10 West Walnut Street, Pasadena, California 91103. Dine Brands acquired the Applebee’s chain in November 2007. The second is Fuzzy’s Taco Opportunities, LLC (“FTO”), whose principal place of business is 4200 Regent Boulevard, Suite C-210, Irving, Texas 75063. Dine Brands acquired FTO and certain of its parent and affiliate entities in December 2022, and FTO became our affiliate. Applebee’s and FTO, and their respective franchised systems, are described further below.

Our affiliates that provide products or services to our franchisees, all organized under Delaware law are: Dine Brands, whose activities as manager include administering collections, franchising, marketing, real property, intellectual property, and providing certain pre-opening and post-opening services to franchised restaurants; IHOP Property LLC (“IHOP Property”) which subleases certain real property to franchisees; IHOP Leasing LLC (“IHOP Leasing”) which leases and subleases some franchised locations to franchisees,

and IHOP TPGC LLC which administers our gift card program (each, excluding Applebee's and FTO, is referred to as an "IHOP Affiliate").

Our principal business address and that of our parent companies, and the IHOP Affiliates, is 10 West Walnut Street, Pasadena, California 91103.

We have offered franchises for restaurants operating under the "IHOP" and "International House of Pancakes" names (each a "Restaurant" or "IHOP Restaurant") since October 1, 2014, but we generally do not directly operate Restaurants. We have no predecessor, however, several of our then-affiliated entities previously offered franchises under the "IHOP" and "International House of Pancakes" brand names since the chain began in 1958, namely:

International House of Pancakes, Inc. from 1960 until February 2007;

IHOP Franchising, LLC from March 2007 to February 2009;

IHOP Franchise Company, LLC from April 2009 through December 2011, when it assigned its then-existing U.S. franchise agreements to, and then merged with, IHOP LLC; and

IHOP LLC from December 2011 through September 2014 (this is the same entity that franchised from 1960 until February 2007, but in December 2008 converted to a limited liability company).

These Restaurants feature "IHOP" pancakes as well as a diverse menu of other breakfast, lunch and dinner items. As of January 1, ~~2023~~2024, there were a total of ~~1,683~~1,703 franchised IHOP Restaurants in the U.S. and U.S. Territories. All Restaurants opened in Florida and several Restaurants opened in Georgia are operated by IHOP's only subfranchisor, Sunshine Restaurant Partners, LP, a Delaware limited partnership.

Our affiliate, Applebee's, has offered franchises for restaurants under the trade names "Applebee's Neighborhood Grill & Bar," "Applebee's" and "Applebee's Grill & Bar" (the "Applebee's Marks") since October 1, 2014, and does not offer franchises in other lines of business. Other affiliated entities have offered franchises under the Applebee's Marks in the U.S. and internationally:

Applebee's International, Inc. ("Applebee's International") from March 1988 to November 2007;

Applebee's Franchising, LLC from November 2007 to December 2011 when it assigned its then-existing franchise agreements to, and then merged with, Applebee's International;

Applebee's International from January 2012 through September 2014 (in the U.S.); and from January 2012 to January 3, 2016 (internationally); and

Dine Brands International, Inc. from January 4, 2016 to the present (internationally and in the U.S. territories).

As of January 1, ~~2023~~2024, there were a total of ~~1,575~~1,545 Applebee's brand franchised restaurants in the U.S. and U.S. Territories.

Our affiliate, FTO, has offered franchises for "Fuzzy's Taco Shop" restaurants in the U.S. since May 2008, and does not offer franchises in other lines of business. Fuzzy's Taco Shops are Baja-style Mexican food fast-casual restaurants offered under the name "Fuzzy's Taco Shop" that feature items like huevos

rancheros and breakfast tacos, Baja-inspired tacos and burritos, traditional Mexican dinners, sandwiches, sides, and signature sauces. As of January 1, ~~2023~~2024, there were a total of ~~134~~131 Fuzzy's Taco Shop brand franchised restaurants in the U.S., and 31 company-owned Fuzzy's Taco Shop brand ~~restaurants~~restaurant that ~~were~~was operated by FTO or other affiliates.

Except as described in this Item 1, neither Dine Brands nor any of the IHOP Affiliates have operated IHOP Restaurants or offered franchises in other lines of business.

Franchise Programs. You, as a franchisee of IHOP, will conduct a family style three meal occasion Restaurant under the name "IHOP" and/or "International House of Pancakes." The family dining segment of the foodservice market is highly developed and competitive. The types of potential competitors include family style restaurants, pancake houses, coffee shops, buffets serving breakfast, and diners. The items and products sold at IHOP Restaurants will be sold to any customer whom you may serve, and sales are not seasonal, although weather conditions in the geographic location of the Restaurant may have an impact on sales.

In this Disclosure Document, we offer franchises for traditional IHOP Restaurants, which feature a range of "signature" "IHOP" pancakes, crepes, coffee and other offerings, as well as a diverse menu of other breakfast, lunch and dinner items. These Restaurants are in free-standing buildings or an in-line center or other traditional commercial space (a "Traditional Venue"). If you become an IHOP franchisee you will serve the general public and will compete with other businesses offering similar products and services, including full-service, fast-casual, and fast-food restaurants. We use and file a separate franchise disclosure document, to offer franchises for "IHOP" full-service Restaurants and new IHOP concepts being developed under the name "IHOP Express" for fast-casual and/or quick-serve Restaurants to be located at another primary business or in conjunction with other businesses or at institutional settings such as schools, colleges and universities, military and other governmental facilities, hospitals, airports, highway rest stops, toll roads, hotels, motels, arenas, travel plazas, office or in-plant food facilities, supermarkets, grocery stores or convenience stores, casinos, stadiums, shopping malls and any other site, venue or location, some of which may be operated by a master concessionaire or contract food service provider (a "Non-Traditional Venue"). Additionally, within the category of "Other IHOP Concepts," discussed below, IHOP franchises and may operate a business under a different trademark. Specifically, IHOP ~~is developing, testing, refining~~developed and ~~franchising~~tested a system for operating restaurants that ~~fits~~fit within the definition of "Other IHOP Concepts" under the name "flip'd by IHOP" ~~or another name selected by IHOP and may operate such restaurants.~~At. As of the date of issuance of this timeDisclosure Document, such ~~offerings~~system is ~~currently made only pursuant to exemptions from the registration and disclosure provisions of the franchise laws~~no longer being offered for franchising and there is a single franchised "flip'd by IHOP" restaurant in operation. The terms of such offerings may differ materially from the terms of this Disclosure Document. We offer several different franchise programs in this Disclosure Document, although we may not necessarily allow you the opportunity to purchase a franchise under any of these programs:

(1) Under the Single Store Development Program, you would develop and/or operate the Restaurant at an approved site (the "Franchised Location") in a Traditional Venue. See Items 5, 7, and 11 for further information. If you are participating in the Single Store Development Program, you may sign a Single Store Development Agreement in the form attached as Exhibit K or a Franchise Agreement in the form attached as Exhibit B for either a specific site or a trade area, and you will also sign a General Release in the form attached as Exhibit R. If you sign a Single Store Development Agreement for a trade area, we would reserve for you a defined trade area in which you will be given the opportunity, which may or may not be exclusive, for approximately 180 days to identify a location to be approved by IHOP for construction of a Restaurant. The approved location of the Restaurant may not be located within a Non-Traditional Venue.

(2) Under the Multi-Store Development Program, we assign a territory within which you must develop and operate a specified number of Restaurants within a specified period of time in Traditional

Venues. The territory may be one city, one or more counties, one or more states, or some other defined area. If you participate in this program, you would sign a Multi-Store Development Agreement in the form attached as Exhibit J which describes your territory, development schedule, Development Fee and Initial Franchise Fee, and a General Release in the form attached as Exhibit R. For each IHOP Restaurant you open pursuant to the Multi-Store Development Agreement, you would sign a separate Franchise Agreement on the then current form in use by IHOP at the time you acquire the right to the Restaurant site. In limited circumstances, IHOP may agree to sell you one or more operating Restaurants in conjunction with your execution of a Multi-Store Development Agreement. In this case, based on the terms negotiated, IHOP may require that in the event you choose to sell, transfer or assign your interest in one of the Restaurants, you must sell, transfer or assign your interest in the Multi-Store Development Agreement, and in all the Restaurants to the same franchisee, and that a Material Breach under the Franchise Agreement for one of the Restaurants will constitute a Material Breach under the Franchise Agreement for all the Restaurants. For each IHOP Restaurant you purchase and/or develop under these circumstances, you would sign an Addendum to Franchise Agreement in substantially the form attached as Exhibit T. See Items 5, 7, 11 and 17 for further information.

You may be offered the opportunity to take over the ownership, operation and management of one or more Restaurants which have been developed and/or operated by IHOP Restaurants LLC (or another IHOP affiliate) before offering it as a Franchised Location (the "Purchase Program"). In limited circumstances, IHOP may agree to sell you a Multi-Store Development Agreement in conjunction with your purchase of one or more operating Restaurants by which you would take over the ownership, operation and management of the applicable Restaurants either concurrently or at different times ranging from between one day to several months of each other. In this case, based on the terms negotiated, IHOP may require that in the event you choose to sell, transfer or assign your interest in one of the Restaurants, you must sell, transfer or assign your interest in the Multi-Store Development Agreement if applicable, and in all the Restaurants to the same franchisee, and that a Material Breach under the Franchise Agreement for one of the Restaurants will constitute a Material Breach under the Franchise Agreement for all the Restaurants. For each IHOP Restaurant you purchase and/or develop under these circumstances, you would sign an Addendum to Franchise Agreement in substantially the form attached as Exhibit T.

Additionally, subject to the terms and conditions of IHOP's ~~2023~~2024 Development Incentive Program (the "Development Incentive Program"), if you open a qualifying new Restaurant in ~~2023~~2024 (generally a new, incremental Restaurant not previously presented to IHOP and above and beyond what you or your affiliates are obligated to develop under any development agreements, replacement obligations or otherwise) or under a narrow set of circumstances you accelerate an obligation under an existing development agreement into ~~2023~~2024, you may be eligible to indicate your preference for one of the following development incentives: (A) waiver of your initial franchise fee, (B) a royalty rebate such that your royalty for the Restaurant will effectively be discounted by 3% from the date of your Restaurant opening through the first anniversary thereof; 2% from the first anniversary of your opening date to the second anniversary thereof; and 1% from the second anniversary of your restaurant opening date through the third anniversary thereof; ~~(C) participation in IHOP's equipment leasing program;~~ or ~~(D)~~ key money of \$100,000 per Restaurant opened pursuant to and in accordance with the terms of the Development Incentive Program, if and only if your "franchise group" (as defined/determined by IHOP in its sole discretion) opens three or more Restaurants in ~~2023~~2024 each of which satisfies Development Incentive Program criteria and is approved for participation in the Development Incentive Program and this incentive option. We may also, under certain circumstances, offer other financial and/or operational incentives. The Development Incentive Program is subject to additional terms and conditions further described in the Development Incentive Program. This brief summary of the Development Incentive Program does not include all applicable terms and conditions and is qualified in its entirety by reference to the actual Development Incentive Program. Terms and conditions of the Development Incentive Program include but are not limited to there being a limited number of development incentives available (by type and in the aggregate), each incentive award and incentive election being approved by IHOP in writing, the Development Incentive Program being subject to

change or revision by IHOP in its sole discretion and all questions of interpretation under the Development Incentive Program being made by IHOP in its sole discretion. In addition, you and each of your affiliates must be and remain in good standing and maintain full compliance with all agreements with IHOP and any of its affiliates. No franchisee or prospective franchisee may act in reliance on the Development Incentive Program unless and until informed in writing that a particular site/Restaurant is eligible for participation in the Development Incentive Program, even after which award of an incentive will depend on satisfaction of Development Incentive Program criteria.

Specific Industry Regulation. California and other states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Restaurant, including those which (a) establish general standards, specifications and requirements for the construction, design and maintenance of the Restaurant premises; (b) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for Restaurants; employee practices concerning the storage, handling, cooking and preparation of food; nutrition and menu labeling; restrictions on smoking; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness; (e) govern the use of vending machines; (f) control the sale of alcoholic beverages; (g) regulate the proper use, storage and disposal of waste, insecticides, and other hazardous materials; and (h) establish mandatory nutritional content labeling and disclosures, including on menus, and impose restrictions on certain types of cups and containers. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your franchise and should consider both their effect and cost of compliance.

~~In 2020, 2021 and 2022, due to the global coronavirus pandemic, some state and local government agencies and at some point, possibly the federal government have ordered (or suggested) that Restaurants temporarily close for dining or have otherwise severely limited the ability to operate Restaurants, including without limitation through restrictions, including capacity restrictions, or prohibitions on the conduct of in restaurant dining and/or outdoor dining. We cannot predict what other government orders or suggestions may be adopted in response to the coronavirus pandemic or how long these conditions will last but anticipate that they will have a considerable impact on our business and that of our franchisees for at least a short-term basis.~~ You must also comply with laws generally applicable to restaurant businesses, including laws relating to compensation of employees (including minimum wage and overtime requirements), accessibility for persons with disabilities, sales and use tax, food health and safety, and emergency orders related to public health or safety (such as mandatory shut-down orders in response to COVID-19).

ITEM 2

BUSINESS EXPERIENCE

John Peyton—Chief Executive Officer, Dine Brands:

Mr. Peyton was appointed as Chief Executive officer of Dine Brands effective January 4, 2021. From October 2016 until November 2020, he served as President and Chief Executive Officer of Realogy Franchise Group LLC in Madison, New Jersey. Prior to October 2016, Mr. Peyton spent 17 years with Starwood Hotels and Resorts Worldwide in Stamford, Connecticut, holding various positions including Chief Marketing Officer, Senior Vice President of Global Operations and Chief Operations Officer, North America Hotel Division, among others.

Jay D. Johns – President, IHOP:

Mr. Johns has served as President of IHOP since June 2019. From April 2017 until June 2019, he was the Senior Vice President, Operations of IHOP. He served as an executive officer of certain of our

affiliates from November 2013 to April 2017. Prior to November 2013, he held various management positions with Dine Brands and its subsidiaries.

Vance Chang – Chief Financial Officer, Dine Brands and IHOP:

Mr. Chang was appointed as Chief Financial Officer of Dine Brands effective June 14, 2021. From November 2019 to June 2021, he served as the Chief Financial Officer of Exer Urgent Care in El Segundo, California. From April 2016 to November 2019, he served as the Chief Financial Officer for Yoga Works in Culver City, California. From August 2013 to April 2016, he served as Head of Corporate Finance for Pressed Juicery in Santa Monica, California.

Scott Gladstone – ~~Chief Development Officer & President, International and Global Development~~, Dine Brands:

Mr. Gladstone has served as Chief Development Officer & President, International since February 2024. From January 2023 until January 2024, he served as President, International and Global Development of Dine Brands ~~since January 2023~~. From June 2021 until January 2023, he was Senior Vice President of Strategy and Innovation for Dine Brands. From August 2017 until June 2021, he was Vice President of Applebee's Strategy and Development.

Kieran Donahue – Chief Marketing Officer, IHOP:

Ms. Donahue was appointed as Chief Marketing Officer of IHOP effective February 22, 2021. From December 2015 to October 2020, she was the Vice President, Brand, Marketing & Digital (Americas) of Marriott International, Inc. in Washington, D.C.

Christine K. Son – Board of Managers and Senior Vice President, Legal, General Counsel and Secretary:

Ms. Son has served as Senior Vice President, Legal, General Counsel and Secretary and was appointed to IHOP's Board of Managers effective April 23, 2021. Ms. Son joined Dine Brands in 2011, and has served as Vice President, Deputy General Counsel and Assistant Secretary of Dine Brands since 2019 and as Vice President, Associate General Counsel from 2014 to 2019.

Justin Skelton – Chief Information Officer, Dine Brands:

Mr. Skelton has served as Chief Information Officer since June 2020. From April 2020 to June 2020, he was Interim Chief Information Officer. From June 2019 to April 2020, Mr. Skelton was Vice President, IT Infrastructure and Operations. He was Vice President, Infrastructure, Support, and Operations for CVS Health Corporation located in Scottsdale, Arizona from February 2016 to June 2019. Prior to that Mr. Skelton worked at Bank of America / Merrill Lynch, based in Irvine, CA from July 2008 to April 2015 and served in a variety of executive roles, most notably as CIO Insurance Services Division and CTO of Home Loans and Insurance.

Charles Scaccia – Senior Vice President, Operations, IHOP:

Mr. Scaccia has served as Senior Vice President, Operations of IHOP since June 2019. From November 2015 until June 2019, he was the East Division Vice President, Franchise Operations of IHOP. From February 2013 until November 2015, he was the West Division Vice President, Franchise Operations of IHOP.

Jacob ~~B.A~~ Barden – ~~Senior~~ Vice President, Development, ~~IHOP~~Dine Brands:

Mr. Barden has served as Senior Vice President, of Development of IHOP, Dine Brands, since January 2024. Mr. Barden joined IHOP in August of 2021 and served as Vice President, Development of IHOP from August 2021 until January 2024. From August 2020 until August 2021, he was Area Franchise Lead for Restaurant Brands International located in Miami, Florida. From September 2016 until August 2020, he was Director, Franchise Development, for Intercontinental Hotel Group located in Atlanta, Georgia.

Nicole Durham-Mallory – Vice President, Sales Administration, Dine Brands:

Ms. Durham-Mallory has served as Vice President, Sales Administration of Dine Brands since January 2024. From June 2021 until January 2024, she was Executive Director, Development for IHOP. From February 2018 until June of 2021, she was Director, Development for IHOP.

Francis “Bill” William O’Keefe – Vice President, Construction, Dine Brands:

Mr. O’Keefe has served as Vice President, Construction of Dine Brands since January 2024. From September 2010 until January 2024, he was Executive Director, Development for IHOP.

Gary P. DuBois – Vice President, Quality Assurance, Dine Brands:

Mr. DuBois has served as Vice President, Quality Assurance of Dine Brands since March 2009. He has also served as an executive officer of certain of our affiliates since March 2009.

Bernard J. Angelo – Independent Manager:

Mr. Angelo has served as Independent Manager for IHOP since July 2014. Since July 2014, Mr. Angelo has also served as Independent Manager for Applebee’s. Since April 1997, Mr. Angelo has served as Senior Vice President and Director of Global Securitization Services, LLC, located in Melville, NY.

Kevin P. Burns – Independent Manager:

Mr. Burns has served as our Independent Manager since our formation on July 28, 2014. Since July 28, 2014, Mr. Burns has also served as Independent Manager for Applebee’s. Since December 1996, Mr. Burns has served as President and Director of Global Securitization Services, LLC, located in Melville, NY.

ITEM 3

LITIGATION

Pending Litigation

No pending litigation is required to be disclosed under this Item 3.

Concluded Litigation

(1) *Irvine Food Corp. v. Dine Brands Global, Inc., et al.* (Superior Court of the State of California, County of Los Angeles), Case No. 19GDCV00749. On June 7, 2019, former franchisee Richard Miano, sole owner of Irvine Food Corp., filed a complaint against Dine Brands, IHOP, and its affiliates (“Dine Parties”). The complaint alleges that the Dine Parties failed to successfully negotiate a lease extension for Mr. Miano’s IHOP located in Irvine, California. As a result of the landlord’s decision to select another tenant to occupy the property, Mr. Miano was unable to continue operating his restaurant at the

Irvine location. The complaint alleges claims for breach of contract, misrepresentation, violation of business and profession code § 20025, breach of the covenant of good faith and fair dealing, and unfair business practices. On July 11, 2019, the Dine Parties moved to compel arbitration and Plaintiff agreed to arbitrate the case. On March 16, 2021, the arbitrators found in the Dine Parties' favor on all claims. On April 23, 2021, the arbitrators awarded the Dine Parties \$1,266,515.10 in costs and attorney's fees.

(2) *Himelda Mendez v. IHOP Restaurants LLC* (United States District Court for the Southern District of New York), Case No. 1:19-cv-9854. On October 25, 2019, Himelda Mendez filed a class action complaint against IHOP, alleging that IHOP failed to include Braille on its gift cards, in violation of the ADA and New York disability access laws. The matter settled for \$7,000 and was dismissed on July 29, 2020.

(3) *IHOP Restaurants LLC v. 1385-Tyler, Inc. and Meredith Elston* (United States District Court, Eastern District of Texas), Case No. CV 20-cv-00099-JDK. After providing franchisee with notice that IHOP did not intend to extend the expiration date of his franchise agreement and requesting that he turn-over the restaurant by the February 23, 2020 expiration date, IHOP commenced this action on February 25, 2020 to enforce its rights and to enjoin franchisee from continuing to operate the restaurant. The parties reached a resolution of this matter and IHOP voluntarily dismissed the case on June 12, 2020.

(4) *Crystal Williamson v. Brooklyn Hop 2 LLC, et al.* (United States District Court for the Eastern District of New York), Case No. 1:18-cv-05615-AMD-SMG. On October 9, 2018, Crystal Williamson, a former employee of franchisee Brooklyn Hop 2 LLC, filed a class action complaint against the franchisee, DineEquity, Inc., IHOP, and its affiliates ("Dine Parties"). The complaint alleges Defendants violated federal and state antitrust laws by agreeing to non-solicitation and no-hire provisions in the franchise agreements. On May 7, 2019, the parties reached a settlement in which Plaintiff received a payment of \$9,500.00.

(5) *Heartland Consumer Products, LLC, et al. v. DineEquity, Inc., et al.* (United States District Court for the Southern District of Indiana), Case No. 1:17-cv-01035-SEB-TAB. On April 3, 2017, Heartland Consumer Products LLC and TC Heartland LLC, the manufacturer of a sucralose-based sugar substitute branded as Splenda, filed suit against DineEquity, Inc. and its affiliates ("DineEquity"). The complaint alleged that DineEquity infringed upon Heartland's alleged trademark rights in Splenda. The complaint asserted claims for trademark infringement, false designation of origin, unfair competition, and trademark dilution. On September 26, 2018, the parties reached a settlement, wherein DineEquity agreed to allow the Plaintiff's tabletop sweeteners to be the exclusive tabletop sweeteners in the system.

(6) *IHOP Restaurants LLC, et al. v. Moeini Corporation* (United States District Court for the Southern District of Alabama), Case No. 17-cv-570. After terminating the franchisee for multiple operational failures, IHOP commenced this action on December 29, 2017 to enforce its termination rights and to enjoin the franchisee from continuing to operate the restaurants. On February 7, 2018, the federal court granted IHOP's motion for a preliminary injunction to enjoin the franchisee from operating the restaurants and using IHOP's trademarks. On February 4, 2019, IHOP filed a notice of voluntary dismissal.

(7) *Azhar Chaudhry; ARS Restaurant, Inc.; and Lucky Star #5409, Inc. v. International House of Pancakes, LLC*, Civil Case No. 15-cv-3504 (N.D. Ill.) and *In re Lucky #5409, Inc. and Azhar Chaudhry* (United States Bankruptcy Court for the Northern District of Illinois), Case No. 16-16264 (N.D. Ill.). After receiving notice for operational failures, on April 21, 2015, the franchisee sued IHOP alleging breach of contract, discrimination, and violations of the Illinois Franchise Disclosure Act. On August 26, 2015, the court granted IHOP's motion for a preliminary injunction to enjoin the franchisee from using IHOP's trademarks and dismissed the franchisee's complaint. On September 2, 2015, the franchisee appealed the court's orders to the Seventh Circuit Court of Appeals. The Seventh Circuit appeal was stayed upon franchisee's filing of his bankruptcy case on May 13, 2016. Subsequently, the appeal was dismissed. On

May 13, 2016, franchisee Azhar Chaudhry and an affiliated entity, Lucky #5409, Inc., the owner and operator of one Restaurant located in Bridgeview, Illinois, voluntarily filed for Chapter 11 bankruptcy protection. On December 28, 2017, the Restaurant was transferred to another franchisee with IHOP's consent.

(8) IHOP Restaurants, LLC v. Len-W Foods, Inc., Civil Case No. 1:15-CV-2600-SCJ (N.D. Ga.) After receiving notice for operational failures, on July 14, 2015, the franchisee sued IHOP to prevent termination of the franchise agreement. On July 21, 2015, IHOP removed the action to federal court. On September 18, 2015, the federal court granted IHOP's motion for a preliminary injunction to enjoin the franchisee from operating the Restaurant and using IHOP's trademarks. On April 5, 2016, the court granted judgment in IHOP's favor and awarded IHOP attorneys' fees in the amount of \$71,787.45 and costs in the amount of \$255.07.

(9) In re HOP 1 Enterprises, Inc. (United States Bankruptcy Court for the District of Hawaii), Case No. 15-00397 (D. Haw.). On March 30, 2015, franchisee HOP 1, which owns and operates one Restaurant located in Maui, voluntarily filed for Chapter 11 bankruptcy protection. On January 6, 2016, IHOP objected to franchisee's plan of reorganization. On December 15, 2017, the parties entered into a settlement agreement wherein the ownership interests in the franchisee entity will be transferred to an IHOP approved individual.

(10) Lorraine Enterprises L.C. v. International House of Pancakes, Inc. (United States District Court, Eastern District of Tennessee Court Case No. 3:07-CV-373) On or about September 27, 2007, a complaint for injunctive relief was filed by Lorraine Enterprises, L.C., a franchisee of five IHOP Restaurants in Texas, against IHOP, Inc. alleging breach of contract, violation of the implied covenant of good faith and fair dealing, violation of the California Franchise Relations Act, violation of the Texas Deceptive Trade Practices Act, and tortious interference with contracts and with prospective business advantage, claiming that IHOP improperly terminated plaintiff's franchises. Concurrently, a demand for arbitration was filed by the franchisee against IHOP with the American Arbitration Association in Los Angeles, California. These actions were in response to a notice of default and termination sent by IHOP on or about August 24, 2007 for each of the five IHOP Restaurants due to the alleged unauthorized assignment of ownership interests in the franchisee. The matter was settled in June, 2008 whereby IHOP was paid the sum of \$375,000.00 in consideration for the withdrawal and cancellation of the notices of default. The federal claims and demand for arbitration were dismissed with prejudice and the injunction was vacated.

(11) Alex Ikbariah and I & K Enterprises, Inc. v. International House of Pancakes, Inc., et al. (Chancery Court for the State of Tennessee, 30th Judicial District Court, Shelby County, Case No. CH-06-0824-1). On or about April 25, 2006, an action was filed by Alex Ikbariah, a current IHOP franchisee of three IHOP Restaurants in Michigan and Tennessee, and I & K Enterprises, Inc., a former IHOP franchisee (which is owned and/or controlled by Mr. Ikbariah) of an IHOP Restaurant in Tennessee, against IHOP, Inc., IHOP Corp., IHOP Properties, Inc. and a former IHOP employee, alleging fraud, unfair and deceptive trade practices, extortion, disparate treatment, defective software, and failure to approve the sale of an IHOP Restaurant by requiring the Plaintiff to pay obligations owed to IHOP with respect to an IHOP Restaurant abandoned by the Plaintiff (which IHOP maintains was a condition of assignment as set forth in the franchise agreement), and seeking rescission of the franchise agreement, sublease, equipment lease and promissory note for the abandoned IHOP Restaurant, damages, including punitive damages, attorney fees and costs in excess of \$3 million. IHOP denied the allegations. The matter was settled in December 2009. Pursuant to a Settlement Agreement and Release of Claims, Mr. Ikbariah paid IHOP \$80,000 and the action was dismissed.

(12) IHOP IP, LLC et al v. Nazimuddin Hashim, et al. (United States District Court, District of California (the "Court"), Case No. CV 09-9130 GHK (AJWx)). In December, 2009, IHOP IP, LLC, IHOP Franchising, LLC and IHOP LLC filed an action against the franchisee of an IHOP Restaurant in Simi

Valley, California alleging trademark infringement, unfair competition, unfair competition and false advertising, common law unfair competition, and breach of contract, and seeking specific performance and declaratory relief based on the franchisee's continued operations after the franchise was terminated for failure to remodel the Restaurant pursuant to the terms of the franchise agreement, as amended. In January, 2010, IHOP filed a motion for preliminary injunction to require the franchisee to cease using IHOP's trademarks in the operation of the Restaurant. In February 2010, the franchisee filed a counterclaim seeking declaratory relief and injunctive relief, alleging breach of contract, breach of the implied covenant of good faith and fair dealing, fraud in the inducement, negligent misrepresentation, statutory unfair competition, and unfair trade practices. IHOP denies the allegations and intends to vigorously pursue its claims and defenses. In March, 2010, the court granted IHOP's motion for a preliminary injunction. On January 12, 2011, a Judgment Pursuant to Stipulation was filed with the Court pursuant to which a permanent injunction in favor of IHOP was granted, franchisee was ordered to pay the sum of \$50,000 to IHOP and franchisee received nothing on its counterclaim.

(12) I.H.O.P. No. 46-3, Inc. and Jennifer Alaimo v. International House of Pancakes, Inc., IHOP Properties, Inc. and International House Associates, (NJ Superior Court Bergen County (Chancery Division), Civil Action No. C-61-11, removed to The United States District Court for the District of New Jersey, Case No. 11-cv-01044-WJM-MF). On February 22, 2011, our franchisee I.H.O.P. No. 46-3, Inc. (the "Franchisee") and its owner Jennifer Alaimo (collectively referred to as "Plaintiffs") filed an action against us, our affiliate IHOP Properties, Inc. and International House Associates (the Landlord for the property from which the Franchisee operates its franchised IHOP Restaurant). The Plaintiffs claimed that we violated the New Jersey Practices Act and breached the franchise agreement and the implied covenant of good faith and fair dealing as a result of our requiring the Plaintiffs to pay a "re-franchising fee" and enter into a new franchise agreement which contains terms that are materially different than the terms of the franchisee's existing franchise agreement. The Plaintiffs sought injunctive relief to require us to: (i) together with IHOP Properties, Inc. enter a lease extension with the Landlord; and (ii) enter a renewal franchise agreement with the Franchisee under the terms and conditions of its existing franchise agreement. The Plaintiffs also sought compensatory, consequential and statutory damages as well as attorneys' fees and costs. On February 24, 2011, we filed a petition to remove the case from the Superior Court for the State of New Jersey to the United States District Court for the District of New Jersey. On March 15, 2011, the U.S. District Court remanded the case to the Superior Court for the State of New Jersey on jurisdictional grounds. On June 2, 2011, the parties agreed to submit the dispute to binding arbitration before the American Arbitration Association and the other action was dismissed. On or about October 20, 2011, the Franchisee signed a current form franchise agreement and withdrew the arbitration demand.

(13) Candice Watkins v DineEquity, Inc. et al. (Superior Court New Jersey, Camden County, Case No. L-5406-11). On or about October 31, 2011, named plaintiff Candice Watkins filed a class action lawsuit on behalf of herself and all others similarly situated alleging that IHOP Restaurants in New Jersey violate the state's Consumer Fraud Act and Truth in Consumer Contract Warranty and Notice Act by not disclosing beverage prices on menus. Defendants removed the case from state court to federal court on or around December 9, 2011. On or around March 12, 2012, plaintiff amended her complaint and alleged only the claim for Truth in Consumer Contract Warranty and Notice Act. The court granted Defendants' motion to dismiss on August 29, 2012, but gave plaintiff an opportunity to amend the complaint. Defendants filed another motion to dismiss the complaint, which was granted with prejudice on January 30, 2013. Plaintiff filed a Notice of Appeal on February 6, 2013. The oral argument for the appeal was heard by the Third Circuit of Appeals on November 7, 2013. On November 7, 2014, the Third Circuit affirmed the dismissal of the case.

Defendants removed this matter to federal court on August 25, 2010 and filed a Motion to Dismiss. IHOP prevailed on its motion to dismiss. On or about April 14, 2011, Plaintiff filed a Notice of Appeal with the Ninth Circuit Court of Appeal. On March 28, 2013, the Ninth Circuit affirmed the dismissal of the matter. On May 17, 2013, IHOP filed an application seeking an award of attorneys' fees, which was granted.

(14) *In re A&F Enterprises, Inc. II, et al.* (United States Bankruptcy Court for the Northern District of Illinois, Case No. 13-C-7020). In February 2013, franchisee Ali Alforookh and the entities through which he owned and operated 19 Restaurants located in Illinois, Wisconsin and Missouri filed for bankruptcy protection. As a result of an order issued by the bankruptcy court, two of the 19 Restaurants were returned to Franchisor in the third quarter of 2013. Within the bankruptcy proceedings, the franchisee asserted adversarial proceedings against Franchisor, alleging violations of the franchise agreements. The Court granted IHOP's motion to stay the adversary proceeding in favor of the arbitration provisions in the agreement. The franchisee's adversary proceeding was subsequently dismissed. IHOP also brought adversary proceedings against the Debtors, and sought to terminate Debtors' exclusivity to propose a plan of reorganization on the grounds of incurable defaults of the franchise agreements, including underreporting of sales, and underpayment of royalties. In May 2014, the Chapter 11 trustee appointed an interim manager to operate the remaining 17 Restaurants. The trustee subsequently closed two of these Restaurants where the franchise agreements had expired during the bankruptcy proceedings. In June 2014, the remaining 15 Restaurants were transferred by the trustee to an existing franchisee, who will operate the Restaurants going forward. Franchisor and its affiliates received \$900,000 during the second quarter of 2014 as well as \$197,000 in the third quarter of 2014, including amounts due to the Franchisor for real estate taxes, gift card liabilities, and unpaid royalties resulting from the franchisee's underreporting of sales. IHOP is no longer a party to the underlying bankruptcy case which is continuing.

(15) *R-Hops, Inc. v. IHOP Franchising, LLC (Arbitration)*, American Arbitration Association Case No. 01-14-00003944. On or about May 8, 2014, claimant R-Hops commenced arbitration against Franchisor alleging that the franchisor entered a franchise agreement with a third party to open another IHOP Restaurant within its exclusive territory. On September 22, 2015, the arbitrator ruled in IHOP's favor on all claims and awarded IHOP \$29,060.36 in attorneys' fees and costs.

(16) *Shouvik, LLC v. International House of Pancakes, LLC*, Case No.: 47-CV-2014-902085.00 was initiated by franchisee, Shouvik, LLC, on October 7, 2014 in Alabama State Court (Madison County). The complaint alleges breach of contract regarding IHOP's termination of the franchise agreement and breach of covenant of good faith and fair dealing. Shouvik, LLC is seeking a preliminary injunction and a request for declaratory and injunctive relief. This matter was removed to United States District Court for the Northern District of Alabama, Case No.: 5-14-CV-02116-AKK on October 31, 2014. On November 7, 2014, International House of Pancakes, LLC as the franchisor filed an answer and counterclaim for trademark infringement, unfair competition, ejectment, unlawful detainer and breach of contract. IHOP filed its own preliminary injunction motion in federal court. On December 29, 2014, the Court ruled in IHOP's favor and entered an order that the franchisee surrender the Restaurant to IHOP immediately. On February 13, 2015, the matter was ordered to arbitration. On April 4, 2016, the arbitrator ruled in IHOP's favor on all claims and awarded IHOP \$200,887.47 in compensatory damages, attorneys' fees and costs.

(17) *Pasqual, Inc. et al. v. IHOP Franchise Company LLC, et al.*, Civil Case No: 14-cv-07521-JS-SIL (E.D.N.Y.) On or about December 24, 2014, the franchisee initiated litigation against the franchisor and sought to extend the franchise agreement beyond the expiration of that franchise agreement. On March 19, 2015, the federal magistrate judge denied the franchisee's motion for a preliminary injunction. The matter proceeded in arbitration. On June 7, 2016, the arbitrator ruled in IHOP's favor on all claims and the parties entered a settlement agreement requiring franchisee to pay IHOP \$300,000, which included attorney's fees and costs, dismiss the federal court action and de-identify the Restaurant.

No other litigation is required to be disclosed in this Item 3.

ITEM 4

BANKRUPTCY

Vance Chang is the Chief Financial Officer of IHOP Franchisor LLC and Dine Brands. Prior to this role he was the Chief Financial Officer of YogaWorks, Inc. Mr. Chang left YogaWorks in November of 2019. On October 14, 2020, YogaWorks filed for Chapter 11 bankruptcy in the United States Bankruptcy Court for the District of Delaware due to COVID-19-related business pressures. YogaWorks has its principal place of business at 2215 Main Street, Santa Monica, CA 90405.

ITEM 5

INITIAL FEES

Initial Franchise Fees. All Initial Franchise Fees are non-refundable. We offer two different franchise programs in this Disclosure Document:

1. Single Store. Under the Single Store Development Program, you must sign a Single Store Development Agreement and pay a Location Fee of \$15,000 to hold either one site or one trade area (which may or may not be exclusive) pending IHOP's approval of a site or just sign a Franchise Agreement. If you enter into a Franchise Agreement, you must construct and equip the Restaurant, acquire and convert an existing building or acquire an existing IHOP Restaurant, and pay an Initial Franchise Fee of \$50,000. If you first sign a Single Store Development Agreement and pay us a Location Fee of \$15,000 and then sign a Franchise Agreement for the site, the Location Fee will be applied to the Initial Franchise Fee. The Initial Franchise Fee is payable upon execution of the Franchise Agreement. We reserve the right, in our sole discretion, to reduce or waive these fees in certain circumstances.

If you are acquiring a franchise under the Purchase Program, you would take over a Restaurant that has been developed and, in some instances, operated by IHOP or an IHOP Affiliate. You must typically sign a Sublease in the form attached as Exhibit H, or a Lease in the form attached as Exhibit U, for the land and building, and an Equipment Lease in the form attached as Exhibit D, for all the equipment, furniture, smallwares inventory and other personal property at the existing Restaurant. In certain instances, if we agree to allow you to purchase these items, the purchase price would be payable in a lump sum at the time you signed the Franchise Agreement. The Initial Franchise Fee under the Purchase Program generally ranges between \$0 to \$300,000, depending on the particular facts and circumstances concerning the Restaurant, including its location, term of lease, the condition of the premises, its operating history, if any, profit margin and volume, and the condition of the personal property, as applicable. The Initial Franchise Fee is payable upon execution of the Franchise Agreement; however, we may allow Purchase Program franchisees to finance a portion of the Initial Franchise Fee on the terms described below. In addition, you must also purchase the entire existing inventories of unopened paper goods and food at the Restaurant. The fees disclosed in this section are subject to variance in accordance with the terms of the Development Incentive Program.

2. Multi-Store. Under the Multi-Store Development Program, you must develop a specified number of IHOP Restaurants within your area (which may or may not be exclusive) per a negotiated schedule. Like the Single Store Development Program, you would be responsible for acquiring or constructing and equipping the Restaurants. On signing the Multi-Store Development Agreement, you must pay a non-refundable "Development Fee" equal to \$20,000 times the number of Restaurants that you agree to develop. For each Restaurant you develop, you must sign a separate Franchise Agreement and pay an Initial Franchise Fee equal to \$40,000, and we will credit the Development Fee (at the rate of \$20,000 per Restaurant until exhausted) toward the Initial Franchise Fee for each Franchise Agreement that you sign. The total Development Fee varies between \$40,000 and \$300,000 (for two to 15 Restaurants obligations); we

mutually agree on the number of Restaurants to be developed based upon factors including the size and population of the area involved. However, we reserve the right in our discretion to reduce or waive these fees in certain circumstances. If you signed an earlier form of our area development agreement or multi-store development agreement that differs from our current form, your initial franchise fee will be determined in accordance with your area development agreement or multi-store development agreement, as applicable. The fees disclosed in this section are subject to variance in accordance with the terms of the Development Incentive Program.

Renewals and Extensions. If you are presently signing a franchise agreement in connection with a Special Renewal Term, General Renewal Term or other option to renew, then, your existing franchise agreement will govern the amount of the Initial Franchise Fee or renewal fee payable to us, if any.

If you have exhausted the Special Renewal Term, General Renewal Term and/or other options to renew contained in your existing franchise agreement, although we have no obligation to do so, we may offer you the opportunity to sign a new franchise agreement in the then-current form of agreement being offered to new prospective franchisees to extend your right to operate your Restaurant for a term which is typically 10 years, with no further renewal rights, upon the expiration of your existing franchise agreement. In limited circumstances, if you agree to demolish and completely rebuild and re-equip or substantially remodel the Restaurant, we may offer you the opportunity to sign a new Franchise Agreement for a longer term of up to 20 years with an option to renew the term for an additional term of up to 10 years. The form of franchise agreement and term and conditions contained therein are subject to change and subject to any requirements of applicable law. If we offer you the opportunity to sign a new franchise agreement to extend your right to operate your Restaurant upon the expiration of your existing agreement (“New Franchise Agreement”), you will pay an Initial Franchise Fee for the New Franchise Agreement in an amount equal to the fee that is in effect as of the date you sign the New Franchise Agreement. As of the date of this Disclosure Document, the Initial Franchise Fee for a New Franchise Agreement to extend your right to operate your Restaurant upon the expiration of your existing agreement is \$50,000.

If you are signing a Multi-Store Development Agreement, depending on the number of Restaurants to be developed and the terms negotiated, your Multi-Store Development Agreement will govern the amount of the total Development Fee and Option Fee, if any, payable to us. The Option Fee, payable only if we agree to grant you one or more options to renew, is currently \$5,000 per Restaurant to be developed during the Renewal Term, and we will credit the Option Fee to the Development Fee until exhausted if you exercise the options.

Range of Initial Franchise Fees and Development Fees. During Fiscal ~~2022~~2023, the Initial Franchise Fees paid by IHOP franchisees pursuant to franchise agreements under the Single Store Development Program and the Multi-Store Development Program did not vary from the standard Initial Franchise Fees mentioned above, unless a franchisee qualified for the Development Incentive Program; there were no Initial Franchise Fees paid under the Purchase Program because we did not franchise any Restaurants under the Purchase Program during such period; and the Development Fees paid under the Multi-Store Development Program did not vary from the standard Development Fees mentioned above.

No Refund of Initial Franchise Fees or Development Fees. The Initial Franchise Fees and Development Fees are not refundable except to the limited extent provided for in the Development Incentive Program.

Financing of Initial Franchise Fees. Except as stated below, IHOP does not generally finance any part of the fees payable under the Franchise Agreement, Single Store Development Agreement or Multi-Store Development Agreement. IHOP may agree to finance part of the Initial Franchise Fee, in its sole discretion, up to 95%, for the Purchase Program only. *See* Item 10 for additional details.

Opening Training Support Fees. At its sole discretion, IHOP will determine the opening training needs for each location. If you are participating in the Single Store Development or Multi-Store Development Programs, and we determine you will need training support and/or operational assistance to open your Restaurant, you will pay an Opening Training Support Fee between \$0 and \$55,000 upon execution of your franchise agreement, based upon the number of trainers deemed necessary by IHOP. This fee is subject to increase if the opening schedule changes, if overtime is requested or if travel expenses exceed original projections. From time to time, we may agree to provide alternative training arrangements for certain qualifying franchisees. *See* Items 6, 7 and 11 for further information.

Technology: Point-of-Sale (“POS”) Setup, Training and Support. If we determine you will need POS setup, training and support for a new Restaurant opening, you will pay us or the vendor up to \$7,980 plus airfare for onsite implementation support for each of your first three Restaurant openings. Beginning with your fourth Restaurant, you may opt for remote POS setup, training and support for the cost of \$3,500.

Payments for Goods Received from Franchisor. If you are participating in the Single Store Development or Multi-Store Development Program, you must purchase and cause to be delivered and installed before the opening of the Restaurant(s), certain items of equipment and an inventory of smallwares. You may purchase these items of equipment and smallwares from any supplier which is approved by IHOP or from IHOP or an IHOP Affiliate, if it sells such items. If you elect to order and purchase any items from IHOP or an IHOP Affiliate, if it sells the items, the cost will be between approximately \$15,000 and \$30,000, depending on the items purchased. If you are participating in the Purchase Program and you are taking over the operation of an IHOP Affiliate-operated Restaurant, we may require that you purchase the entire existing paper goods and unopened food inventory of the Restaurant from IHOP before you take over the Restaurant.

ITEM 6

OTHER FEES

Type of Fee ¹	Amount	Due Date	Remarks
Royalty	4.5% of total Gross Sales ²	Billed weekly and due 16 days after invoice date	Gross Sales is defined in footnote 2 of this Item 6.
National Advertising Fee	3.5% of total Gross Sales	Same as Royalty Fee	We pool these funds with payments from all U.S. franchisees.
Local Advertising Fee	There is currently no required local advertising fee	Same as Royalty Fee	There is currently not a Local Advertising Fee.
Cooperative Advertising	Varies depending on your decision to participate	Same as Royalty Fee	This fee is optional. Payments to co-op will be credited against your Local Advertising Fee, and an agreed upon percentage of Gross Sales may be utilized to fund media.
Additional Training Fee	\$5,000 per person per	Prior to training	Payable if your manager

Type of Fee ¹	Amount	Due Date	Remarks
	Restaurant		is replaced, requiring the new manager to complete Initial Training
Additional Assistance Fee	\$375 per day per person, plus reasonable transportation and living expenses	Upon demand	Payable if you request additional assistance from IHOP's or an IHOP Affiliate's training staff or if IHOP requires if you do not have an approved manager.
Compliance Audit Fee and Interest	Interest on the understated or unpaid amounts due to us at the highest rate allowed by law ³ plus cost of audit	Upon demand	Interest is due on any understated or unpaid amounts due to franchisor. Audit fee is payable if audit shows an understatement of at least 2% of Gross Sales for any period, or if you fail to produce records.
Delayed Approval Fee	\$170 per day	Upon your request for additional time	For Single Store Development Program only.
Delayed Development Fee	\$350 per day	Upon your request for additional time	For Multi-Store Development and Single Store Development Program only. ⁴
Dine Brands Franchisee Technology Services Support (Help Desk)	\$1,000 to \$1,800 per year, subject to change	30 days after billing (billed annually)	This service is optional but highly recommended.
~~Digital Products Service Fee~~	~~\$0 to \$350 per month~~	~~30 days after billing (billed annually)~~	~~We require "FlyBuy", guest payment and ordering from their own device ("Bring Your Own Device"), and other digital products. The current fees reflect software as a service pricing but we may charge you transaction pricing in the future.~~
Punchh and loyalty program	\$0 to \$100	Upon demand	These fees are paid indirectly through contributions to the National Advertising Fund and are required to be enabled as part of the IHOP loyalty program.
BYOD/Pay 'N' Go	\$0 to \$100	Upon demand	These fees are paid indirectly through contributions to the National Advertising Fund and are required to be enabled as part of the IHOP loyalty program.
Implementation Fees	\$250 to \$1,500	Upon demand	These fees relate to

Type of Fee ¹	Amount	Due Date	Remarks
			deployment and support for hardware, software and upgrades, as well as other products
Insurance ⁵	Amount of unpaid premiums	Upon demand	Payable only if we elect to obtain coverage upon your failure to do so.
Late Fee	Highest rate permitted by law or 1-1/2% per month, whichever is less	Continues to accrue until paid	Payable if you are late paying any amount due IHOP or an IHOP Affiliate.
National Gift Card Program Charges ⁶	15% of the redeemed portion of gift cards sold in the national program, but the amount may change	Cost is recovered as part of the periodic electronic settlement process for sales and redemptions of gift cards.	Permits us or our affiliate to recover cost incurred to operate the national gift card program (i.e., gift cards sold through channels other than the Restaurant).
On-Location Assistance Fee	\$0 to \$16,000	30 days after billing	Only if requested by you. The amount may vary depending upon number of trainers and hours worked.
Renewal Fee	\$10,000 for General Renewal Term; Amount to be negotiated for Special Renewal Term	For General Renewal Term, upon execution of new Franchise Agreement. For Special Renewal Term, if any, weekly during extended term	Special Renewal Fee only if less than 10 years remain in the lease term and we negotiate the Initial Franchise Fee in two-tiered installments (see Item 5).
Self-Supported Franchisee Technology Services Support	\$275-\$400 per service/incident	30 days after billing	If franchisee chooses to not use Dine Brands Franchisee Technology Services Support (Help Desk), these optional fees apply when the applicable services are requested by franchisee.
Supplier/Distributor Approval	Costs of sample testing plus other actual costs, such as facility inspection	30 days after billing	Payable if you want us to approve a new supplier, and we require a test of the supplier's products and/or inspection of the supplier/distributor. Our testing may include sensory panels, audits, consumer panels, and nutritional testing.
Transfer Fee (Franchise Agreement)	\$7,500, plus \$5,000 training fee per person per Restaurant	50% of Transfer Fee payable at the time you notify IHOP of the proposed transfer, and the balance payable by the effective date of	Payable if you are approved to sell your franchise. Includes training fee for two people for one year. All or part of the training fee

Type of Fee ¹	Amount	Due Date	Remarks
		transfer. Training fee payable prior to commencement of training, prior to transfer.	may be waived to the extent that, in our judgment, training is not required.
Transfer Fee (Multi-Store Development Agreement)	\$2,500	50% of Transfer Fee payable at the time you notify IHOP of the proposed transfer, and the balance payable by the effective date of the transfer.	Payable if you are approved to sell your Multi-Store Development Agreement.
Food Safety Evaluation Reaudit Fee ⁷	\$0 to \$ ~~1,220~~ <u>1,280</u>	Upon demand.	See Note (7)
Egg Audit ⁸	\$0 to \$500	Upon demand.	See Note (8)

- NOTES:**
- (1) All fees are imposed by and are payable to IHOP. All fees are non-refundable.
 - (2) “Gross Sales,” as used in this Disclosure Document, shall mean the total revenues derived by you in and from the Restaurant, whether for cash sales of food and other merchandise or otherwise, or charge sales thereof, or revenues from any source arising out of the operation of the Restaurant, deducting therefrom: (a) all refunds and allowances, if any; (b) any sales or excise taxes which are separately stated and which you collect from customers and pays to any federal, state or local taxing authority; (c) any amounts deposited in any vending machines or pay telephones which are located in or about the Restaurant, if such vending machines and/or pay telephones are leased and not owned by you, in which case Gross Sales shall include only the commissions you receive therefrom; and (d) delivery fees imposed in connection with dispatch services provided by Mobo Systems, Inc. With respect to the Purchase Program, and in certain circumstances under the Single Store Development Program and the Multi-Store Development Program, depending upon the terms negotiated, the Continuing Royalty may be reduced or eliminated for a period of time either throughout the term of the Franchise, depending upon the sales volume of the Franchised Restaurant, and the terms negotiated, or in other cases, for a limited period, then remain at 4.5% for the balance of the term. You may be eligible for a credit on the Continuing Royalty and/or other fees paid on certain delivery fees related to delivery orders made by pre-approved delivery vendors if you sign an amendment to your franchise agreement and enter into a delivery agreement with a pre-approved delivery vendor. The Continuing Royalty Rate may be subject to temporary reduction as described in the Development Incentive Program set forth in Item 1. We also reserve the right in our discretion to reduce or eliminate the Continuing Royalty in other circumstances. This fee will be electronically debited from your account if we request that you participate in our electronic funds transfer program authorizing us to receive payments from you by pre-authorized bank draft, wire transfer, automated clearinghouse transfer or otherwise.
 - (3) Interest begins from the date of the underpayment.
 - (4) Although time is of the essence, IHOP may in its sole discretion agree to grant you additional time of up to 18 months beyond the date set forth in the Franchise Agreement to open the Franchised Restaurant. In consideration for IHOP granting this additional time and agreeing to forestall termination of the Franchise Agreement, you must pay a fee to IHOP in an amount to be determined by IHOP in its sole discretion, not to exceed \$27,000. The fee can vary depending upon factors such as the status of the development, reasons for your inability to meet the scheduled opening date, the level of effort exhibited by you in the development process and the amount of additional time requested.
 - (5) You must maintain insurance of the types and minimum amounts (naming IHOP, including its Parent and our designated subsidiaries and affiliates, and respective officers, directors, members, managers, employees, agent, successors and assigns of IHOP, as additional insureds) that we

specify in the Standard Operation Procedures Manuals (as amended, restated, supplemented or otherwise modified from time to time in our sole discretion, “Operations Manuals”) or supplementary insurance bulletins issued by us from time to time (“Insurance Bulletins”). Insurance policies may not be subject to cancellation without 10 days’ prior written notice to us. You must provide certificates of insurance evidencing coverage on an ongoing basis. You may obtain additional insurance as you may desire.

- (6) You must participate in our Gift Card Program. As part of this, you must sign a Gift Card Participation Agreement in form and substance approved by us.
- (7) If your Restaurant fails a routine food safety evaluation (“FSE”), it will receive an automatic unannounced FSE reaudit prior to the next routine FSE. You will be billed (either by IHOP or the third party) and must promptly pay the approximately ~~\$305~~\$320 cost of the reaudit, which amount is subject to change from time to time. If your Restaurant fails the FSE reaudit, additional FSE reaudits will be conducted at your sole cost and expense until your Restaurant passes. If you have any unpaid FSE reaudit invoices, all pending reaudits for the franchisee may be put on hold. The ~~\$1,220~~1,280 figure represents a Restaurant that requires 4 FSE reaudits but note that you must pay for the costs of all reaudits until your Restaurant passes unless otherwise agreed to in writing by IHOP. See Item 8 for details.
- (8) If your Restaurant fails shell and/or liquid egg temperatures (> 41°F) during a routine FSE or FSE reaudit, it will receive an automatic unannounced egg audit prior to the next routine FSE or FSE reaudit. You will be billed (either by IHOP or the third party) and must promptly pay the approximately \$125 cost of the egg audit, which amount is subject to change from time to time. If an FSE reaudit was also triggered, the egg temperatures observed during the FSE reaudit may be used in place of an egg audit. If your Restaurant fails the egg audit, an additional egg audit will be conducted at your sole cost and expense. The \$500 figure represents a Restaurant that requires 4 egg audits but note that you must pay for the costs of all egg audits until your Restaurant passes unless otherwise agreed to in writing by IHOP.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT SINGLE STORE DEVELOPMENT PROGRAM

Type of Expenditure (1)	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Location Fee (2)	\$15,000	\$15,000	Certified or cashier’s check or wire transfer	On signing of the Single Store Development Agreement. Applied to Initial Franchise Fee if you sign a Franchise Agreement.	IHOP

Type of Expenditure (1)		Amount		Method of Payment	When Due	To Whom Payment is to be Made
		Low	High			
Initial Franchise Fee (3)		\$50,000 (less \$15,000 Location Fee paid, for a total of \$35,000)	\$50,000 (less \$15,000 Location Fee paid, for a total of \$35,000)	Certified or cashier's check or wire transfer	On signing of the Franchise Agreement.	IHOP
Real Estate (4)		~~\$300,000~~ See Note 4	~~\$2,500,000~~ See Note 4	~~Certified or cashier's check or wire transfer~~ As arranged	~~Per purchase agreements.~~ As arranged	~~Seller~~ Third Parties
Construction (45)	Inline/Endcap/Conversion (6)	~~\$450,000~~ \$910,000	~~\$2,600,000~~ \$1,520,000	As required by contractor, architect, engineers, government, etc.	Per contracts and governmental requirements for permits and fees.	Contractors and vendors
	2700 Prototype	\$1,330,000	\$2,000,000			
	Large Format Prototype	\$1,780,000	\$2,800,000			
Major Equipment, and Fixtures	Inline/Endcap/Conversion	~~\$200,000~~ \$532,000	~~\$700,000~~ \$740,000	As required by suppliers	Per purchase agreements.	Suppliers and Distributors
	2700 Prototype	\$493,000	\$595,000			
	Large Format Prototype	\$532,000	\$664,000			
Signage	Inline/Endcap/Conversion	\$30,000	\$50,000	As required by suppliers	Per purchase agreement(s)	Suppliers
	2700 Prototype	\$40,000	\$60,000			
	Large Format Prototype	\$40,000	\$60,000			
Smallware Package/Opening Order		\$15,000	\$30,000	As required by suppliers	Per terms of purchase agreements.	Suppliers, IHOP or an IHOP Affiliate (if available), ² and Distributors

Type of Expenditure (1)	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Signage	\$15,000	\$100,000	As required by suppliers	Per purchase agreement(s) :-	Suppliers
Inventory	~~\$10,000~~ \$50,000	\$100,000	As required by suppliers	Per purchase agreement(s) :-	Suppliers and Distributors
Working Capital	~~\$10,000~~ \$50,000	~~\$100,000~~ \$200,000			You retain
Insurance (~~5~~ 7)	\$35,000	\$100,000	As required by suppliers	As required by suppliers.	Suppliers
On-Location Assistance	\$0	\$16,000	Certified or cashier's check or wire transfer	Upon demand, if overtime is requested. Amount may vary depending upon number of trainers and hours worked. See Item 11 for details.	IHOP
Site Approval Costs (~~6~~ 8)	\$0	\$50,000	As required by suppliers	As required by suppliers.	Suppliers
Impact Study (~~7~~ 9)	\$4,000	\$6,000	As required by supplier	Per agreement with suppliers.	Suppliers
Opening Training Support Fee (~~8~~ 10)	\$0	\$55,000	Certified or cashier's check or wire transfer	Upon Invoice.	IHOP
POS Setup, Training and Support Fee (~~9~~ 11)	\$3,500	\$7,980	Certified or cashier's check or wire transfer	Upon invoice.	IHOP or POS Vendor
Tray POS Software Fees (~~10~~ 13)	\$1,100 per year	~~\$3,300~~ 3,400 per year	As required by supplier	45 days after receiving invoice.	Supplier

Type of Expenditure (1)	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Europay, Mastercard, and Visa (“EMV”) Point to Point Encryption (“P2P”) Services (~~41~~ <u>13</u>)	\$1,000 per year	\$2,500 per year	As required by suppliers	Upon your request for service.	Suppliers
Wi-Fi Services (~~42~~ <u>14</u>)	\$90 per month	\$400 per month	As required by suppliers	Upon your request for service.	Suppliers
Kitchen Display System (~~43~~ <u>15</u>)	\$15,000	\$30,000	As required by suppliers	Upon set up.	Suppliers
Server Tablets with Payment Device (~~44~~ <u>16</u>)	\$7,500	\$30,000	As required by suppliers	Upon purchase.	Suppliers
On-Line Ordering (~~45~~ <u>17</u>)	\$65 per month	\$200 per month	As required by suppliers	Upon demand.	Suppliers
Mobile Device Management (“MDM”) Fee (~~46~~ <u>18</u>)	\$12 per year	\$480 per year	Certified or cashier’s check or wire transfer	Upon invoice.	IHOP
Digital Products Service Fee (~~47~~ <u>19</u>)	\$0 per month	\$350 per month	Certified or cashier’s check or wire transfer	30 days after billing (billed annually).	IHOP or supplier
Implementation Fees (~~48~~ <u>20</u>)	\$250	\$1,500	Certified or cashier’s check or wire transfer	Upon invoice.	IHOP
POS System Hardware (~~49~~ <u>21</u>)	\$20,000	\$30,000	As required by suppliers	Upon demand.	Suppliers
Wait Listing (~~20~~ <u>22</u>)	\$15 per month	\$69 per month	As required by suppliers	Upon demand.	Suppliers
Curb Side Pick Up – Fly Buy/I’ve Arrived	\$20 per month	\$30 per month	As required by suppliers	Upon demand.	Suppliers
Customer Relationship Management (“CRM”) Fee (~~24~~ <u>23</u>)	\$0 per month	\$150 per month	As required by IHOP	Upon demand	IHOP
Catering (~~22~~ <u>24</u>)	\$0 per month	\$30 per month	As required by suppliers	Upon demand.	Suppliers
Initial Additional Training Expenses	\$4,000 per person	\$7,000 per person	As required by suppliers	As required by airline, hotel and restaurants	Airline, hotel and restaurants

Type of Expenditure (1)	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
				for transportation, car rental, lodging and meals during training.	
Supply Chain Co-op Stock Purchase (~~23~~ <u>25</u>)	\$0	\$100	Check or money order	On signing the membership subscription agreement.	Pancake Supply Chain Co-Op, Inc.
TRAY POS Training (26)	\$400	\$1500	Optional or as required for franchisee IT admin (per person)	Optional TRAY training at the IT admin level for the POS support outside of the FTS team	IHOP
Terminal Device Antivirus (27)	\$240	\$600	Antivirus/malware protection per device	All POS devices that are tied to a payment peripheral may require antivirus/malware protections	IHOP
Additional Funds – 3 months (~~24~~ <u>28</u>)	\$16,500	\$85,250	Checks	Payroll, utilities, attorneys, and accountants.	Employees, suppliers
Miscellaneous (~~25~~ <u>29</u>)	\$5,000	\$26,000	As required by suppliers	Per agreement(s) with suppliers. As required by governmental agencies, etc.	Suppliers and governmental agencies deposits

Type of Expenditure (1)		Amount		Method of Payment	When Due	To Whom Payment is to be Made
		Low	High			
TOTAL (2630)	Inline/ Endcap/ Conversion	\$1,178,432	\$1,766,072			
	2700 Prototype	\$2,157,072	\$3,506,997			
	Large Format Prototype	\$2,646,072	\$4,375,997			

NOTES:

- (1) All fees payable to IHOP are non-refundable. Payments to third-parties may be refundable depending upon your agreement with the third-party.
- (2) The above figures assume we will view only one proposed site. If we view a second site, you will reimburse IHOP for its costs, including transportation, meals and lodging. The cost will range approximately from \$200 to \$3,000.
- (3) If you have paid the Location Fee, it will be applied to the Initial Franchise Fee, in which case you will pay only the balance of \$35,000 upon execution of the Franchise Agreement. We reserve the right in our discretion to reduce or waive the Initial Franchise Fee in certain circumstances. The Initial Franchise Fee may be waived for eligible Restaurants as described in the Development Incentive Program set forth in Item 1.
- (4) ~~The above figures assume that you will purchase the Franchised Location from a third party and convert or~~ We do not provide an estimate for the cost to acquire real estate on which to construct a new Restaurant. ~~The cost to purchase the Franchised Location varies due to geographic location or to acquire an existing building to convert. There are significant cost variations for real estate and existing buildings among geographic areas, different sites, and various options for what you may purchase or lease.~~ The typical Restaurant is approximately ~~4,000~~ 2,700 to 6,000 square feet on a lot of approximately 30,000 to 60,000 square feet. If you wish and can lease the real estate and/or building from a third party, you must make lease payments typically on a monthly basis. Also, you may need to make security deposits with the Landlord. Unusual site preparation and utility connection costs and fees could increase costs.
- (5) Construction costs include the costs of construction, remodeling, leasehold improvements, and professional services such as architecture, engineering, and legal. Site work costs can vary significantly depending on location, size of the Restaurant, condition of the land, soil and environmental conditions, and other economic factors, including labor rates, union/nonunion labor regions, building and health codes, local regulations, and other factors. As noted in Note (4), these costs do not include real estate costs. The estimate for the 2700 Prototype and Large Format Prototype assumes a new, ground-up construction.
- (56) Inline/Endcap prototypes are Restaurants that share a common wall (or walls) with third parties. The Restaurant could be an anchor (endcap) or inline tenant space in a strip center, or a location in a high density, multi-level construction sharing common walls and ceiling/floor construction with a third party. This category also includes conversions/retrofits of existing restaurant spaces. The 2700 Prototype are freestanding 2,700 square foot Restaurants. The Large Format Prototype includes freestanding 3,500 or 4,600 square foot Restaurants.

- (7) These figures assume that you will pay the entire insurance premiums for the first year on or before opening the franchise. Most franchisees, however, pay the premiums in installments which may be monthly, quarterly or semi-annually, and the actual initial investment would be lower. You may obtain additional insurance as you may desire. The estimated costs depend on, but are not limited to, the replacement cost of the building—square footage/business personal property, sales, payroll and workers' compensation rates in the state in which the Restaurant is located. The insurable risks specified in the Operations Manuals and Insurance Bulletins are minimum coverages. We urge franchisees to consult with their insurance brokers or agents to determine appropriate additional coverages for them.
- (68) You must obtain various photographs, surveys, demographic information packages, and similar items for submission to us in connection with obtaining approval of your proposed location.
- (79) If you propose a site for your Restaurant which is within a five-mile radius or a 10-minute drive of a Restaurant that is subject to the Development Impact Assistance Program (*see* Item 12), you must have an impact study conducted by an independent third party before IHOP can evaluate your proposed site. You must pay the cost of the impact study for each study conducted. The number of studies to be conducted will depend upon the number of existing franchised locations that are subject to the Development Impact Assistance Program and which IHOP determines are affected by your proposed site. We may accept or reject your proposed site in our sole discretion, regardless of the results of the impact study. If we agree to proceed with development of the proposed site, you must still complete our normal franchisee approval process and there is no assurance that we will ultimately enter into a Franchise Agreement with you.
- (810) The amount of the fee will be based on the number of trainers deemed necessary by IHOP, in its sole discretion, unless waived by IHOP. The fee is subject to increase if opening schedule changes after IHOP has secured the Training Team or if overtime is requested and/or approved by IHOP. *See* Item 11 for details.
- (911) The amount of the fee will be based on whether the POS support is onsite or remote. The support must be onsite for the first three Restaurants you open and will cost \$7,980 plus airfare. Beginning with your fourth Restaurant, you may opt for remote support at the fee of \$3,500.
- (4012) The current fees reflect software as a service pricing based on the number of devices and functionality used in the restaurant. *See* Item 11 for details.
- (4413) You currently must purchase this equipment and procure these services from an approved payment gateway vendor for credit card processing services. These figures include the estimated cost to purchase the equipment and a monthly fee of \$53.
- (4214) You must achieve 50/20 internet bandwidth speed utilizing commercial grade hardware and including 4G or 5G back up and guest Wi-Fi to support restaurant operations and guests' needs. Wi-Fi connection is required in order to utilize IHOP Academy and other technology platforms. See Item 11 for further details.
- (4315) You must have a kitchen display system ("KDS") to monitor and organize orders received at your Restaurant.
- (4416) Server tablets are required. We require that you purchase one server tablet per server for the front of the house and you will need to have an approved service model that meets our specifications, as determined by us from time to time. Currently the required number of server tablets with payment device ranges from 8 to 12. These figures include the estimated cost to purchase the approximately 8 to 12 tablets, chargers, batteries, and skins.
- (4517) You must sign an Authorized Operator Agreement for access and use of an approved provider's on-line ordering system in form and substance approved by us. These figures include the estimated

cost for services provided by Mobo Systems, Inc. and a payment gateway related to on-line ordering.

(~~46~~18) This fee is required for all hardware in the restaurant. Fees are charged per terminal and range from \$12 per device annually to \$24 per device annually. See Item 11 for further details.

(~~47~~19) Digital products currently include “FlyBuy”, but guest payment and ordering from their own device (“Bring Your Own Device”), and other digital products may be required in the future. The current fees reflect software as a service pricing but we may charge you transaction pricing in the future.

(~~48~~20) These fees relate to deployment and support for hardware and software upgrades, as well as other products.

(~~49~~21) Subject to some exceptions, you must purchase or lease, depending on the program, an IHOP-approved POS computer system unless another IHOP approved system is agreed to in writing by IHOP in its sole discretion. The current cost of purchasing the POS computer system is between \$20,000 to \$30,000 for POS hardware. All Restaurants must have a POS computer system that meets IHOP’s specifications. This describes our current POS system and provider; however, we may, from time to time, evaluate and approve other systems and/or vendors as an additional POS provider. We reserve the right to increase these fees. See Item 11 for further details.

(~~20~~22) Waitlist enables restaurants to seat more guests, more efficiently through a service provided by an approved Waitlist vendor. Waitlist is currently optional but may be required by us in the future.

(~~24~~23) This fee may be funded by the National Advertising Fund or there could be all or a portion of the fees required to be paid directly by the Franchisee.

(~~22~~24) Catering is currently optional but may be required in the future. The current approved supplier for catering is Mobo Systems, Inc.; however, we may, from time to time, evaluate and approve other vendors as an approved supplier.

(~~23~~25) Membership in the Pancake Supply Chain Co-Op, Inc. is voluntary. If you choose to join, this fee must be paid. Payment must be made to the Pancake Supply Chain Co-Op, Inc. at the address set forth in the Membership Subscription Agreement and not to us. See Item 8 for details.

(~~24~~26) All POS devices that are tied to a payment peripheral may require antivirus/malware protections 2024.

(~~27~~) Optional TRAY Admin training as required for franchisee IT admin.

(~~28~~) See “GENERAL NOTES” following the last table below.

(~~25~~29) The amount includes such items as promotional programs, tax deposits, license fees, utility deposits, and other costs as may be applicable to each location.

(~~26~~30) Includes 3 months of any amount set forth as a “per month” amount.

YOUR ESTIMATED INITIAL INVESTMENT
PURCHASE PROGRAM

Type of Expenditure (1)	Amount		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Initial Franchise Fee	\$0	\$300,000	Certified or cashier's check or wire transfer	A portion payable on signing the franchise agreement; if financed, balance payable weekly. Refer to Items 5 and 10 for details.	IHOP
Real Estate (2)	\$300,000	\$3,000,000	Certified or cashier's check or wire transfer	If purchased from an IHOP Affiliate, earnest money payable within three days after execution of the Purchase and Sale Agreement; balance of purchase price due at closing, if not leased or subleased from IHOP.	IHOP Property LLC
Major Equipment, Smallware Package and Fixtures (3)	\$50	\$1,500	Certified or cashier's check or wire transfer	Payable weekly pursuant to equipment lease for equipment presently at the premises.	IHOP or an Affiliate, Suppliers, and Distributors
Inventory	\$10,000	\$100,000	Certified or cashier's check or wire transfer	Upon taking possession of Restaurant for perishable food items and paper goods on premises if already IHOP Affiliate-operated, or as required by suppliers if newly-purchased from suppliers.	IHOP, an Affiliate, or other Suppliers
Working Capital	\$10,000	\$100,000			You retain
Insurance (4)	\$35,000	\$100,000	As required by suppliers	As required by suppliers.	Suppliers
On-Location Assistance	\$0	\$16,000	Certified or cashier's check or wire transfer	Upon demand, if overtime is requested. Amount may vary depending upon number of trainers and hours worked. See Item 11 for details	IHOP
Supply Chain Co-op Stock Purchase (5)	\$0	\$100	Check or money order	On signing the membership subscription agreement.	Pancake Supply Chain Co-Op, Inc.
Initial Additional Training Expenses	\$4,000 per person	\$7,000 per person	As required by suppliers	As required by airline, hotel and Restaurants for transportation, car rental, lodging and meals during training.	Airline, hotel and Restaurants
Additional Funds - 3 months (6)	\$16,500	\$85,250	Check	As required by suppliers for payroll, utilities, attorneys, and accountants.	Employees, suppliers

Type of Expenditure (1)	Amount		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Miscellaneous (7)	\$5,000	\$26,000	As required by supplier	Per agreement(s) with suppliers. As required by governmental agencies, etc.	Suppliers and governmental agencies deposits
TOTAL	\$380,550	\$3,735,850			

NOTES:

- (1) All fees payable to IHOP are non-refundable. Payments to third-parties may be refundable depending upon your agreement with the third-party.
- (2) These figures include the purchase of the equipment and fixtures from IHOP or an IHOP Affiliate if you purchase the land and building from an IHOP Affiliate.

If you participate in the Purchase Program, except in limited circumstances, you will lease the Franchised Location directly from an IHOP Affiliate. In those cases, it is the custom and practice of the IHOP Affiliates(s) to charge rentals which exceed both the base rent and the percentage rent payable by the applicable IHOP Affiliate to the Master Landlord. If the applicable IHOP Affiliate has the right to set-off taxes, maintenance and insurance against payments due and owing to the master Landlord, the IHOP Affiliate may nonetheless charge you for those fees, without passing the right of set-off on to you.
- (3) These figures assume you will lease the Equipment and Fixtures from IHOP or an IHOP Affiliate and represent one week's rent. The cost will range approximately from \$15,000-\$30,000 (purchase of Smallware Package and Opening Order only) to \$600,000, exclusive of signs, if you purchase these items.
- (4) These figures assume that you will pay the entire insurance premiums for the first year at or before opening your Restaurant. Most franchisees, however, pay the premiums in installments which may be monthly, quarterly or semi-annually, and the actual initial investment would be lower. You may obtain additional insurance as you may desire. The estimated costs depend on, but are not limited to, the replacement cost of the building—square footage/business personal property, sales, payroll and workers' compensation rates in the particular state in which the Restaurant is located. The insurable risks specified in the Operations Manuals and Insurance Bulletins are minimum coverages. We urge franchisees to consult with their insurance brokers or agents to determine appropriate additional coverages for them.
- (5) Membership in the Pancake Supply Chain Co-Op, Inc. is voluntary. If you choose to join, this fee must be paid. Payment must be made to the Pancake Supply Chain Co-Op, Inc. at the address set forth in the Membership Subscription Agreement and not to us. See Item 8 for details.
- (6) See "GENERAL NOTES" following the last table below.
- (7) The amount includes such items as promotional programs, tax deposits, license fees, utility deposits, and other costs as may be applicable to each location.

YOUR ESTIMATED INITIAL INVESTMENT
MULTI-STORE DEVELOPMENT PROGRAM

Type of Expenditure (1)	Amount*		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Development Fee (2)	\$40,000	\$300,000	Certified or cashier's check or wire transfer	On signing of the Multi-Store Development Agreement. A portion will be applied to Initial Franchise Fee if you sign a Franchise Agreement.	IHOP
Initial Franchise Fee (3)	\$80,000 (less \$40,000 Development Fee paid, for a total of \$40,000)	\$600,000 (less \$300,000 Development Fee paid, for a total of \$300,000)	Certified or cashier's check or wire transfer	On signing of each Franchise Agreement.	IHOP
TOTAL (4)	\$80,000	\$600,000			

* Based on a Development Agreement ranging from two to 15 Restaurants obligations.

NOTES:

- (1) All fees payable to IHOP are non-refundable.
- (2) We reserve the right in our discretion to reduce or waive the Development Fees in certain circumstances.
- (3) The Initial Franchise Fee may be waived for eligible Restaurants as described in the Development Incentive Program set forth in Item 1.
- (4) The above figures cover the cost to purchase a Development Agreement with two to 15 Restaurant obligations. To determine the cost for each IHOP Restaurant to be built pursuant to the Multi-Store Development Program, subtract \$10,000 (see calculation below) from the total range in the Single Store Development Program chart for a total of ~~\$1,140,066~~ \$1,756,072 to ~~\$6,027,673~~ \$3,151,997 for [Inline/Endcap/Conversion Prototypes](#), \$2,147,072 to \$3,496,997 for [2700 Prototypes](#), and \$2,636,072 to \$4,365,997 for [Large Format Prototypes](#).

Calculation: (A) Single Store Development Program Location Fee of \$15,000 plus the Initial Franchise Fee of \$35,000 (\$50,000 less the \$15,000 Location Fee) for a total of \$50,000, minus (B) Multi-Store Development Program Development Fee of \$20,000 plus the Initial Franchise Fee of \$20,000 (\$40,000 less the \$20,000 Development Fee) for a total of \$40,000 = \$10,000.

GENERAL NOTES. The figures in the charts above should be understood with the following explanation:

We are required to include an estimate of all costs and expenses to operate the franchise during the “initial phase” of the business, which is defined as three months or a longer period if “reasonable for the industry.” We are not aware of any established longer “reasonable period” for the restaurant industry, so our disclosures cover a three-month period (the total estimated initial investment includes pro-rated costs and expenses related to Transaction Services/OHEICS, wi-fi services, and on-line ordering for 3 months). The figures next to the “Additional Funds” column in each of the charts above assume you would cover the following specific expenses that you would incur during the first three months of operation and receive no operating income during this period; 3 months’ payroll (and related taxes and payroll expenses) for staff, utilities, and attorneys and accountants’ fees. The estimates do not cover rent or mortgage

payments, Royalty payments, National Advertising Fees, Local Advertising Fees, or the cost of goods sold, all of which vary depending on your sales levels, nor do they cover any interest or other financing costs you may incur, which will vary depending on how much you borrow. Other than as noted above, all other expenditures are stated only through the franchise opening date. The amounts stated above for working capital, deposits and prepaid expenses assume that sales from the Restaurant would be sufficient to defray operating expenses from the inception of operation by you. If, for any reason, sales are slow at the inception of operation, which has happened in certain Restaurants in the past and is a possibility which should be considered in any new Restaurant, additional funds might be needed to pay operating expenses. The figures stated above do not include any provision for managerial salaries or draws by you.

The amount required for equipment and for improvements to real property, or for modifications to same, is determined principally by the size and type of the Restaurant. Figures given, therefore, represent the best information known to IHOP and the IHOP Affiliates for the costs for the smallest and least complexly constructed and equipped Restaurant to the largest and most complexly constructed and equipped Restaurant likely to become the subject of the franchise. In preparing these estimated amounts, we relied on a combination of our and our affiliates' experience in the industry, and with respect to certain cost estimates, we relied on estimates from suppliers, from proposed bids from potential suppliers, and from franchisee submissions made in connection with their site application packages. The amounts shown are estimates only and may vary for many reasons. To the extent that the assumptions described in the notes are not applicable to your situation, and/or to the extent there are differences at your location or in the market for your location that differ from the experience, facts, or data that led to these estimates, YOUR COSTS AND EXPENSES MAY BE HIGHER. You should consult with your architects, engineers, general contractors, consultants, attorneys and/or accountants who may be able to provide more specific figures for your site before making any decision to enter into a development or franchise agreement.

If you operate from a leased location, the amount which you must pay generally will include taxes, insurance and maintenance. If the Restaurant is in a shopping center, you may be required to become a member of the shopping center's Merchant's Association and may be required to pay a percentage of the gross revenue to the association. Under the Single Store Development and Multi-Store Development Programs, no part of the taxes, maintenance and insurance of Merchant's Association fees to be paid in accordance with the lease is paid to IHOP. We relied on our experience and the experience of our affiliates and franchisees who provided projected or actual costs of Restaurants to compile this estimate.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Site Approval. Although you are solely responsible for selecting the site of your Restaurant, each site on which you propose to construct a Restaurant pursuant to the Single Store Development or Multi-Store Development Program must first be approved in writing by IHOP, and you must, at your own expense, construct, improve and equip the Restaurant in conformance to IHOP's then current standards and specifications. You are solely responsible for locating the site for your Restaurant, although we may assist you in our sole discretion. Even if we assist you to locate a site, you may not rely on any assistance we provide, or our acceptance of a site you propose as a guarantee or other assurance that your Restaurant will be successful. If you are participating in the Single Store Development or Multi-Store Development Program, upon your execution of a development agreement, we will provide you with information concerning the written materials that we require to be submitted ("Development Approval Procedure") in order for us to consider proposed locations for your Restaurant. If existing conditions, applicable laws such as the Americans with Disabilities Act, local building codes or zoning provisions require modifications to be made to the Franchised Location(s) or Restaurant(s), you must bring the Franchised Location(s) and Restaurant(s) into compliance at your sole cost and expense, and subject to our prior written approval. You must then, at your sole cost and expense, adapt the standard plans to the particular site in conformity with local requirements, and submit them to us for written approval. All modifications to the plans or deviations from the provided specifications are subject to our prior written approval. If requested by IHOP, upon completion of the construction, and prior to opening, you must submit to us a certification from your

architect that the building was built or converted, as applicable, in accordance with plans previously submitted and approved by IHOP and that the plans as submitted comply with all applicable laws and codes, including the Americans with Disabilities Act.

We will not issue a franchise agreement to you unless you have successfully completed the Development Approval Procedure to our satisfaction. For each Restaurant to be developed during a development period, you are required to obtain our final written approval of the site at least six months before the date that the Restaurant is required to be open.

If you are participating in the Single Store Development or Multi-Store Development Program, for each proposed site, you must submit to us for our review a preliminary site review package, including a site plan, a map, ~~a survey~~, a proposed floor plan, relevant statistics and characteristics of the site, and other information regarding the proposed location that we require, at least eight months prior to the expiration of the applicable development period. You must complete the negotiation of the lease or purchase agreement, as applicable, and submit the lease or purchase agreement, as applicable, and such other information regarding the proposed Restaurant that we request to us for our ~~final approval~~review within 180 days following the submission of the preliminary site review package for your proposed site.

Unless waived in writing by us in our sole discretion, ~~one condition of final lease approval will be we~~require that you and your landlord execute and deliver an Addendum to Lease in substantially the form of Exhibit S. You may not sign the lease or purchase agreement until we ~~give you final approval~~review the lease or purchase agreement for certain required provisions, including an Addendum to Lease, and issue the Franchise Agreement for the site. You must provide a fully signed copy of the lease or purchase agreement in the form previously ~~approved~~reviewed by IHOP promptly after execution and prior to the opening of the Restaurant.

Furniture, Fixtures and Equipment. If you are participating in the Single Store Development or Multi-Store Development Program, you must purchase and cause to be delivered and installed before the opening of the Restaurant(s), certain items of equipment and smallwares inventory, including, for example, kitchen equipment, booths, furniture, POS system with Server Tablets and Tablet Payment Device (*see* Item 11 for details), KDS and decor items, in quantities and in accordance with the specifications established by IHOP. You may purchase these items from any IHOP approved supplier/manufacturer. If you elect to order and purchase any items from IHOP or an IHOP Affiliate, and if it sells the items, IHOP and/or the IHOP Affiliate may be the sole supplier(s)/distributor(s)/manufacturer(s) of such items and IHOP and/or the IHOP Affiliate may derive revenue from the purchase.

If you are required to, or choose to, have technology services performed for you by us, you will be required to enter into an agreement for the provision of such services.

We estimate that substantially all your expenditures for leases and purchases in establishing and operating your business will be for goods and services which are subject to sourcing restrictions (that is, from us, IHOP Affiliates, from suppliers approved by us, or purchased in accordance with our specifications). If you are participating in the Purchase Program, and taking over the operation of an IHOP Affiliate-operated or IHOP Affiliate-developed Restaurant, substantially all your initial purchases and leases are from IHOP and/or the IHOP Affiliates, and:

1. You must lease major items of equipment and the smallwares located at the Restaurant, including for example, refrigerators, freezers, ranges, kitchen equipment, POS system with Server Tablets and Tablet Payment Devices (*see* Item 11 for details), utensils and flatware from IHOP or an IHOP Affiliate. We have in the past, and IHOP and the applicable IHOP Affiliate may on an infrequent basis in the future, agree to allow you to purchase the major items of equipment and/or smallwares for a lump sum cash price in which case you must sign the “Equipment Purchase Agreement” attached as Exhibit E and/or the

“Expendables Purchase Agreement-Smallwares” attached as Exhibit P. In rare instances, we may permit you to use the equipment purchased from us or an IHOP Affiliate as collateral for a loan in conjunction with a Multi-Store Development Agreement. However, these are not IHOP’s or any IHOP Affiliates’ standard practices and any agreement to allow you to use equipment as collateral would be subject to negotiation between the parties. You must also purchase the entire existing paper goods and unopened food inventory of the Restaurant and you must sign the form of “Expendables Purchase Agreement - Food and Paper Goods Inventory” attached as Exhibit F.

2. You must sublease the Franchised Location from an IHOP Affiliate and sign a “Sublease” in the form attached as Exhibit H. The IHOP Affiliate typically leases these locations from un-affiliated third-party landlords, although some real property is owned by IHOP Property LLC. Customarily, you will be charged a rental under a sublease in an amount which exceeds that paid by the IHOP Affiliate to its landlord. If the real property is owned by IHOP Property LLC, you must lease the franchised location from IHOP Property LLC and sign a “Lease” in the form attached as Exhibit U. In limited circumstances, IHOP Property LLC may either sell or assign a parcel of real estate to you, or sell a parcel with the building and equipment if already constructed, to you, and you will pay a price to be negotiated which will vary depending upon IHOP Property LLC’s investment in it and the terms negotiated. However, this is not IHOP’s or any IHOP Affiliate’s standard practice and this point is subject to negotiation between the parties. IHOP and/or an IHOP Affiliate will derive revenue from the sale of those items to you. Refer to Items 5, 6 and 7 for more details.

3. You must sign an “Equipment Lease” attached as Exhibit D or an “Equipment Purchase Agreement” attached as Exhibit E, and an “Expendables Purchase Agreement - Food and Paper Goods Inventory” attached as Exhibit F. IHOP has in the past, and IHOP and the applicable IHOP Affiliate may on an infrequent basis in the future, agree to amend the Equipment Lease to include an option to purchase the equipment for a lump sum cash price to be paid at the end of the lease term, or to provide an accelerated payment plan with reduced payments for a portion of the term. However, this is not IHOP’s or any IHOP Affiliate’s standard practice and this point is subject to negotiation between the parties. IHOP and/or an IHOP Affiliate will derive revenue from the sale or lease of those items to you. In addition, if the term of the franchise is extended, IHOP has in the past and IHOP and/or the applicable IHOP Affiliate may in the future, agree to amend the Equipment Lease to reduce the rent for the personal property during the extended term. However, this is subject to negotiation between the parties.

Proprietary Products. You must purchase from IHOP or an IHOP Affiliate (if sold by the IHOP Affiliate) or from our designated distributors who have purchased the products from IHOP or an IHOP Affiliate, all of your requirements for buttermilk pancake mix, egg batter, Protein pancake mix, Corn Cake pancake mix, Belgian waffle batter, and those other future products as may be specified by IHOP, all of which use proprietary formulas owned by IHOP or an IHOP Affiliate (“Proprietary Products”). IHOP and/or an IHOP Affiliate may derive revenue from its sale of these items by charging a mark-up on the sale of these items to IHOP-designated distributors or, if applicable, to franchisees.

Trademarked Products. You must use certain products which bear the trademark, trade name or logo “IHOP,” “International House of Pancakes” or “House of Pancakes” or the “GFGB” brand identification (“Trademarked Products”) which may include dishware, silverware, napkins, placemats, coasters, uniforms, promotional items, syrup pitchers, coffee carafes, menus, guest checks, forms and other items. IHOP or an IHOP Affiliate shall, upon your request, provide specifications for the Trademarked Products, and you may purchase them either from IHOP or an IHOP Affiliate (if IHOP or the applicable IHOP Affiliate sells the products), suppliers/distributors/manufacturers designated by IHOP or suppliers/distributors/manufacturers you choose who are approved by IHOP and can meet IHOP’s specifications and who sign a royalty-free trademark license in a form reasonably satisfactory to IHOP. If you elect to purchase the Trademarked Products from IHOP or an IHOP Affiliate, they may or will derive profits from such purchases.

Other Products. Except for Proprietary Products, as described above, all food products, services, supplies, equipment and materials permitted or required to be used in each Restaurant must be purchased from IHOP or IHOP Affiliate(s), if offered by IHOP or IHOP Affiliate(s), from suppliers, distributors or manufacturers approved or designated by IHOP, or from suppliers, distributors or manufacturers you select (as described below) who are approved in writing by IHOP or IHOP Affiliate(s) and not subsequently disapproved. If you wish to purchase any non-specified food product other than the Proprietary Products, coffee, and other products that have not already been approved by IHOP, or if you wish to purchase any item from supplier(s), distributor(s) or manufacturer(s) you select, you must deliver notice to IHOP of your desire to do so, which notice must specify the name and address of the supplier, distributor or manufacturer, and the items desired to be purchased from that supplier/distributor/manufacturer. IHOP or an IHOP Affiliate will, upon your request, furnish specifications, by established brand name wherever possible, for such items. Before approval of any supplier/distributor/manufacturer, we can require that we be allowed to inspect the supplier's or distributor's or manufacturer's facilities. We can also conduct tests on products, require full production runs, and require that samples from the supplier or distributor or manufacturer be delivered to us or to a designated independent testing laboratory for testing. You or the supplier/distributor/manufacturer, will be required to bear the costs associated with the inspections, tests and other procedures involved in the approval process. You may not purchase any products from a proposed supplier or distributor or manufacturer until and unless IHOP has provided written approval to you. IHOP or an IHOP Affiliate may disapprove or later withdraw its approval of any supplier or distributor you select upon the grounds which include, but are not limited to, that the supplier or distributor or manufacturer has failed to demonstrate, to the reasonable satisfaction of IHOP or the IHOP Affiliate: (a) the ability of the supplier or distributor or manufacturer to supply a product meeting the specifications of IHOP; (b) the reliability of the quality of the supplier's or distributor's or manufacturer's product or service; (c) the supplier's production facility meets IHOP's standards for food safety; or (d) the willingness and agreement of the supplier or distributor to permit IHOP or an IHOP Affiliate to make periodic inspections, reasonable in respect to frequency, time and manner of inspection, to assure the supplier's or distributor's continued conformity to specifications and food safety standards. Franchisees will be notified of approval or disapproval of the proposed alternative supplier within two days to six months (time span is based on a variety of factors, including but not limited to the complexity of the ingredients, the process of matching the formula, third party audits and ability to commercialize the product and are prioritized by the order in which the requests are received).

Notwithstanding the above, you are prohibited from purchasing products, equipment, and other items, except as approved in writing by IHOP in its sole discretion. We ordinarily do not establish specific standards or specifications for, or require use of, approved suppliers for items such as repair and maintenance services and other miscellaneous items.

Effective February 16, 2009, affiliates of IHOP LLC and Applebee's International and representatives of franchisees in each system formed an independent purchasing and distribution cooperative, Centralized Supply Chain Services, LLC ("CSCS"), a Delaware limited liability company. CSCS performs the supply chain functions for certain franchised Restaurants in the IHOP and Applebee's systems. CSCS is owned and controlled by two separate cooperatives: a cooperative for the IHOP concept, Pancake Supply Chain Co-Op, Inc. (the "IHOP Co-op"), and a cooperative for the Applebee's concept, Apple Supply Chain Co-Op, Inc. (the "Applebee's Co-op"). Neither CSCS, nor the IHOP Co-op, nor the Applebee's Co-op is our affiliate. You may participate in the purchasing and distribution cooperative arrangement on a voluntary basis, as either a member or a nonmember.

If you choose to become a member of the IHOP Co-op, you will execute a Membership Subscription Agreement and pay \$100 for one share of IHOP Co-op common stock, regardless of how many Restaurants you own. These are the same terms under which franchisees participate. Members must purchase their requirements of certain products and services through CSCS. At times, members of the IHOP Co-op, including IHOP and participating franchisees, may also receive patronage dividends, based upon their purchases. Patronage dividends are not available to nonmembers.

As of the date of this Disclosure Document, none of our officers have disclosed any ownership interest in any of our suppliers. From time to time, one or more of our officers may own interests in suppliers as a result of ownership of mutual funds or equities which are purchased in managed accounts. In addition, a supplier may be a direct or indirect subsidiary of a public company in which one or more of our officers owns an interest, but that officer may be unaware of the public company's ownership interest in the supplier.

Without IHOP's prior written consent, you may not use, offer, sell, or give away except at the Franchised Location, any required products as set forth in the Operations Manuals, or other goods or services which utilize IHOP's Trade Secrets in whole or in part, including its recipes, or any goods, services, materials, supplies, or inventory (including food, beverages, condiments, and smallwares) purchased by you or any of your affiliates (or any Owner, officer, director, manager of either) from or through any approved supplier pursuant to any pricing or purchasing terms negotiated or arranged by IHOP or any IHOP Affiliate for or on behalf of IHOP or our franchisees. In addition, you shall not at any time purchase greater quantities of such products than necessary to meet your reasonably anticipated requirements to operate your IHOP Restaurant.

Insurance. You must procure and maintain during the term of the Franchise Agreement policies of insurance insuring you against the insurable risks specified in the Operations Manuals and Insurance Bulletins and at least the amounts of coverage so specified, unless a higher limit is required under a master lease and/or CC&R's or REA's that affect the property. All policies of insurance must name IHOP including its Parent and our designated subsidiaries and affiliates, and respective Officers, Directors, Members, Managers, Employees, Agent, Successors and Assigns of IHOP (and others under some circumstances), if applicable, and nominees of IHOP as it may designate as additional insureds, as their interests may appear. In the event IHOP does not receive proper evidence of insurance, IHOP may, but is not obligated to procure such insurance as is necessary to meet its requirements, but the insurance need not name you as an insured or additional insured, and you shall be responsible for all payments for such insurance.

Gift Cards. We have a gift card system where an approved supplier produces or supplies and processes all gift cards, redemptions and settlements. The process fees are currently \$0.13 per card. The card production fees vary based on the volume of cards produced and typically range between \$0.11 and \$0.33 for each Restaurant gift card. New franchisees must sign a Gift Card Participation Agreement with IHOP TPGC LLC, our affiliate that administers the gift card program, and our third-party supplier of gift card processing services, Stored Value Solutions, Inc. (or any future supplier of gift card processing services) in form and substance approved by us. Under the gift card program, franchisees do not make any direct payment to IHOP TPGC LLC for the cards sold in their Restaurants, but will reimburse IHOP TPGC LLC for costs incurred to operate the gift card program, which includes without limitation, gift card production and gift card marketing costs for the national gift card program. (See Item 6.)

Pepsi-Cola. In 2012, IHOP LLC, certain of its affiliates and CSCS entered a multi-year agreement with PepsiCo Sales, Inc. ("Pepsi"), a wholly-owned subsidiary of PepsiCo., Inc., to be the fountain beverage supplier for the System in the United States. Pepsi contributes an amount per gallon of product sold in Restaurants, depending on the percentage of franchisees that meet an agreed-upon performance level, to an advertising and marketing fund. Each year, the fund proceeds are distributed to franchisees that have signed a participation agreement with Pepsi and met their performance obligations under such participation agreement. New franchisees must sign an agreement (the IHOP Beverage Sales Participation Agreement) with Pepsi in form and substance approved by us to supply their fountain beverages.

Guest Information Feedback Tool. We have entered an agreement with a vendor to administer a guest experience survey program for Restaurants. All franchisees must participate in the survey program.

IHOP LLC will pay for the costs of the program in ~~2023~~2024. We reserve the right to require franchisees to pay for all costs of the program in ~~2024~~2025 and after.

Food Safety Evaluation (“FSE”). Restaurant food safety performance is routinely evaluated by an independent third party two times per year. IHOP will pay for the costs of the routine FSE program in ~~2023~~2024 and reserves the right to require franchisees to pay all costs associated with the FSE program in ~~2024~~2025 and after. If a Restaurant fails a routine food safety evaluation, it will receive an automatic unannounced FSE reaudit prior to the next routine FSE. The franchisee will be billed (either by IHOP or the third party) and must promptly pay the approximately ~~\$305~~\$320 cost of the reaudit, which amount is subject to change from time to time. If the Restaurant fails the FSE reaudit, additional FSE reaudits will be conducted at the franchisee’s sole cost and expense until the Restaurant passes. If a franchisee has any unpaid FSE reaudit invoices, all pending reaudits for the franchisee may be put on hold and passing reaudit scores reverted back to the original failing score.

On-Line Ordering. You must sign an Authorized Operator Agreement for access and use of an approved provider’s on-line ordering system in form and substance approved by us. See Item 11 for additional information.

Internet 50/20. You must achieve 50/20 internet bandwidth speed utilizing either your current supplier or one of the IHOP-negotiated suppliers (currently Comcast or Interface) utilizing commercial grade hardware and including 4G or 5G back up and guest Wi-Fi.

Digital Products. We may require that you purchase digital products from us that are brand standard in order to provide a consistent guest experience across our brand. These products may include products such as “Flybuy” and guest payment and ordering solutions (“Pay ‘n Go,” “Bring Your Own Device”) and others as we determine. You may be required to sign one or more agreements with approved third-party providers. Fees associated with these products may be payable to us or a third party.

EMV. We require franchisees to have Europay, Mastercard, and Visa (“EMV”) Point to Point Encryption (“P2P”) encryption certified solutions for processing payment in the Restaurant. Currently, we require franchisees to use approved payment devices (currently, Ingenico devices) purchased through FreedomPay and we currently require franchisees to use FreedomPay’s EMV processing as part of the credit card gateway solution or any future solution we may implement.

Delivery. You will be required to sign up for the Mobo Systems, Inc. dispatch platform (currently provided through DoorDash, which may be subject to change in the future) which allows guests to order delivery through our website or mobile app. We may impose additional delivery requirements in the future and you may be required to pay any and all related fees.

Public Relations; Crisis Communications. If you choose to retain an outside communications or public relations agency, you should inform us of if and when you retain a local public relations firm and provide us with the identity of that firm, and connect such firm with the IHOP communications team. Regardless of whether you have retained a local public relations firm, you should allow us to review and approve, in our sole discretion, all press releases and related external communications relating to us or our affiliates or Restaurant(s) before their distribution to the media (digital and/or traditional).

You must comply with our or Dine Brands’ crisis communication protocol in effect at the time of the crisis. You must alert us to any actual crisis situation (or any potential crisis situation) that develops, regardless of whether you have obtained the assistance of a local public relations firm. All interaction with the media or statements provided must be run through the IHOP communications team before distribution. Additionally, you shall not make any statement or endorsement in a manner that could be interpreted to

imply that such statement or endorsement is being made on behalf of IHOP or Dine Brands as opposed to on behalf of you in your personal capacity.

Payments from Franchisees for Goods and Services. Neither IHOP nor the IHOP Affiliates provide material benefits to you based on your use of designated or approved sources for the purchase of goods, but doing so is one of your obligations and we may either require you to purchase replacement products from a designated supplier or terminate your franchise agreement if you purchase from unapproved sources in violation of your agreement. IHOP and the IHOP Affiliates may derive revenue and profit based on your purchases from IHOP or IHOP Affiliates. During Fiscal ~~2022~~2023:

1. IHOP LLC's total revenues from all sources was \$~~1,653,000~~3,079,000, and its revenue from purchases of products and services required to be purchased by franchisees from us or another supplier was \$~~904,000~~828,000, representing ~~54.7~~26.9% of its total revenues.
2. IHOP Restaurants LLC's total revenues from all sources was \$~~160,410,000~~160,558,000, and its revenue from purchases of products and services required to be purchased by franchisees from us or another supplier was \$~~50,891,000~~58,233,000, representing ~~31.7~~36.3% of its total revenues.
3. IHOP Leasing LLC's total revenues from all sources was \$~~106,867,000~~110,374,000, and its revenue from purchases of products and services required to be purchased by franchisees from us or another supplier was \$~~106,867,000~~110,374,000, representing 100% of its total revenues.
4. IHOP Property LLC's total revenues from all sources was \$~~9,348,000~~9,315,000, and its revenue from purchases of products and services required to be purchased by franchisees from us or another supplier was \$~~9,348,000~~9,315,000, representing 100% of its total revenues.
5. IHOP Franchisor LLC's total revenues from all sources was \$~~142,211,000~~161,778,000, and its revenue from purchases of products and services required to be purchased by franchisees from us or another supplier was \$~~1,179,000~~996,000, representing ~~0.8~~0.6% of its total revenues.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document. All section references are to the franchise agreement unless otherwise noted.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 2.01 and 4.04; Section 4 of Single Store Development Agreement; Article 6 of Multi-Store Development Agreement	Items 8 and 11
b. Pre-opening purchases/leases	Section 10.02	Item 8
c. Site development and other pre-opening requirements	Section IV	Items 6, 7, 8 and 11
d. Initial and ongoing training	Section 9.01	Item 11

Obligation	Section in Agreement	Disclosure Document Item
e. Opening	Section 9.02(f)	Item 11
f. Fees	Sections V, VI, VII, and 13.04; Article 5 of Multi-Store Development Agreement; Section 2 of Single Store Development Agreement	Items 1, 5 and 6
g. Compliance with standards and policies/Operations Manuals	Section 10.05	Item 11
h. Trademarks and proprietary information	Section VIII	Items 13 and 14
i. Restrictions on products/ services offered	Section 10.01	Item 16
j. Warranty and customer service requirements	Sections 10.03 and 10.05	Item 11
k. Territorial development and sales quotas	Articles 2 and 4 of Multi-Store Development Agreement	Item 12
l. Ongoing product/service purchases	Section X	Item 8
m. Maintenance, appearance and remodeling requirements	Section 4.03	Item 11
n. Insurance	Section 10.04	Items 6 and 8
o. Advertising	Section VII	Items 6 and 11
p. Indemnification	Section XV	Item 6
q. Owner's participation/ management/staffing	Section 10.08	Items 11 and 15
r. Records/reports	Section 6.03	Item 6
s. Inspections/audits	Section 6.03	Items 6 and 11
t. Transfer	Section XI; Article 8 of Multi-Store Development Agreement	Item 17
u. Renewal	Sections 3.02 through 3.07 and Section 12.06; Article 4 of Multi-Store Development Agreement	Item 17
v. Post-termination obligations	Sections 8.09, 12.06, 16.02 and 16.16; Section 3.03 of Multi-Store Development Agreement	Item 17
w. Non-competition covenants	Section XIV; Section 10.2 of Multi-Store Development Agreement	Item 17
x. Dispute resolution	Section XIII	Item 17
y. Other	Not applicable	Not applicable

ITEM 10

FINANCING

Under the Purchase Program only (except as discussed below in this Item 10), IHOP may finance a portion of the Initial Franchise Fee. The down payment will typically be 20% but may be as low as 5%, and is payable upon execution of the Franchise Agreement. The remainder, if any, is payable in equal installments weekly. In exceptional cases, in our sole, subjective discretion, we may agree to finance the entire Initial Franchise Fee. The unpaid balance will bear interest at a rate of between 1% and 12% per annum, but not more than the maximum rate allowed by law. The interest rate would be negotiated and can vary depending upon factors such as the current prime rate of interest, your financial condition and credit history, the operating history and the sales volume of the Restaurant, the length of the term of the lease, and the amount of the Initial Franchise Fee. Payments would begin the first week after the execution of the Franchise Agreement, and would be payable as follows:

The amount of the Initial Franchise Fee which we agree to finance is payable in weekly installments over a period of between (a) one to eight years if the Initial Franchise Fee is not more than \$500,000, or (b) one to 12 years if the Initial Franchise Fee is greater than \$500,000. Weekly payments would depend upon the loan amount, interest rate, and period of the loan.

If there are fewer than 10 years remaining on the term of the lease for the premises, we may in our sole discretion provide for payment of the Initial Franchise Fee in two-tiered installments: (a) one fee for the franchise given the then existing remaining lease term, payable in equal installments over one to eight years; and (b) a second fee, payable only if we or you obtain an extension of the lease term, in equal installments over one to five years (or, depending on the terms negotiated, up to 12 years if the total Initial Franchise Fee is greater than \$500,000). The second fee will be determined case by case based on the particular facts and circumstances, including the length of any extension actually obtained, the operating history, profit margin and volume of the Restaurant, and the condition of the premises and equipment.

If you finance the Initial Franchise Fee through IHOP, you must sign a Promissory Note in the form attached hereto as Exhibit L. In exceptional cases, in our sole, subjective discretion, we may also finance a portion of the down payment pursuant to a separate form of Promissory Note in the form attached hereto as Exhibit L-1, ordinarily payable in one or two installments, within six months to one year. The balance under either form of Promissory Note will, unless waived through negotiations for the down payment promissory note, bear interest at a rate of between 1% to 12% per annum, but not more than the maximum rate allowed by law.

Under the Purchase Program, Single Store Development Program or Multi-Store Development Program, if you have exhausted the Special Renewal Term, Renewal Term and/or other options to renew contained in your existing franchise agreement, and we offer you the opportunity to sign a new franchise agreement to extend your right to operate your Restaurant upon the expiration of your existing franchise agreement, IHOP may agree, in its sole discretion, to finance a portion of the Initial Franchise Fee. In that case, the down payment will typically be 20%, and is payable upon execution of the Franchise Agreement. The remainder, if any, is payable in equal installments weekly, typically from one to two years. Weekly payments would depend upon the loan amount, interest rate, and period of the loan. If you finance the Initial Franchise Fee through IHOP, you must sign a Promissory Note in the form attached hereto as Exhibit L. The balance under the Promissory Note will typically bear interest at a rate of between 8% to 12% per annum, but not more than the maximum rate allowed by law.

Other than the interest charged, there is no finance charge for IHOP's financing of a portion of the Initial Franchise Fee. There is no pre-payment penalty under the Promissory Note. If you default under the Promissory Note, IHOP can declare the entire unpaid principal balance and accrued interest immediately due and payable, and a default under the Promissory Note will be a default under the franchise documents for the applicable Restaurant.

If you are participating in the Purchase Program, certain major items of equipment and a smallware package must be leased from IHOP or an IHOP Affiliate. Additionally, you must lease the real property and building from IHOP or an IHOP Affiliate. Occasionally, IHOP and/or an IHOP Affiliate will agree to sell these items to a franchisee for a lump sum payment.

If a franchisee is a corporation or other business entity, all its shareholders or owners and their spouses, as applicable, must sign a guarantee in the form(s) attached as Exhibit I, unless waived by IHOP in its sole discretion. The guarantee provides that we may proceed against the shareholders or owners independently of the business entity which owns the franchise and contains various provisions to facilitate this purpose, including waivers of notice and defenses.

There is no waiver of defenses or similar provision in any contract or other instrument to be signed by you, other than that provided in the guarantee. Under the guarantee, you will waive notice of acceptance of the guarantee by any person, notices, and the right to require proceeding against the franchisee under the franchise documents or franchise fee note, or pursuing any other remedy in IHOP's power before bringing an action against the guarantor. IHOP receives no fee or payment from any person for the placement of financing.

IHOP and/or the IHOP Affiliates, as a matter of regular practice (based on the historical operation of our Predecessors and IHOP Affiliates' predecessors), have in the past, and may in the future, assign to its lending institutions and others (for purposes of securing various obligations) some or all notes, contracts or other of your obligations. You must sign those documents required by IHOP, including a consent to assignment and an estoppel certificate, as may be required by the terms of IHOP's financing arrangements. (See paragraph 11.01 of Franchise Agreement (Exhibit B), Article XI of Equipment Lease (Exhibit D), Paragraph 9.1 of Sublease (Exhibit H), Promissory Note (Exhibits L and L-1), Paragraph 8.1 of Multi-Store Development Agreement (Exhibit J). In addition, pursuant to our securitization arrangements, our lending institutions will have a collateral security interest in the franchise documents you will execute.

If you purchase items from IHOP or an IHOP Affiliate or if IHOP or an IHOP Affiliate pays, on your behalf, an obligation of yours under your franchise documents, such as property taxes, IHOP will give you 30 days to pay it ("on account"). If the amount "on account" is not paid within 30 days, IHOP will charge you interest on the unpaid balance at the rate of 12% per year or 1% per month, but not more than the maximum legal rate allowed by law.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, IHOP is not required to provide you with any assistance. Unless otherwise noted, all cited section references are to the Franchise Agreement.

As described in Item 1, the assistance described below may be performed by one or more IHOP Affiliates on our behalf.

Pre-Opening. If you become an IHOP franchisee, we will provide the following assistance to you before you open your Restaurant:

1. Locating a Site. If you are participating in the Single Store Development or Multi-Store Development Program, we will furnish to you, at no additional cost, information concerning the written materials that you must submit to us for us to consider proposed locations for a Restaurant. We call this the "Development Approval Procedures," and it includes procedures for the preliminary site review package. If you are participating in the Multi-Store Development Program, we will also provide you with training to familiarize you with our site selection process and site selection guidelines. (Articles 6 and 7, Multi-Store Development Agreement; Article 4, Single Store Development Agreement.)

Although you are solely responsible for selecting the site for your Franchised Restaurant, if you are participating in the Single Store Development or Multi-Store Development Program, we will review information and data you provide regarding your proposed site(s). You may not develop a Restaurant until we have issued our acceptance of the site. IHOP estimates that it takes approximately seven months to obtain site acceptance. This time frame may vary depending on whether you provide the required information to IHOP in a timely manner. The matters considered by us in accepting the location for the

proposed site may include the following: (1) proximity to existing IHOP Restaurants; (2) traffic patterns, parking, access and visibility; (3) weekend/weekday retail and commercial traffic generation; (4) existence of legal restrictions on items on signage and IHOP identity features (e.g., our signature blue roof, awning, building height and other architectural elements; (5) proximity to specialty attractions (such as race tracks, sports complexes); (6) population and demographic characteristics of the surrounding area; (7) rent and associated costs; (8) lease and term provisions; (9) estimated cost of tenant improvements; (10) physical characteristics of the premises if already in existence; (11) quality, vitality and growth trends or potential of the surrounding area; (12) effect on future development in the surrounding trade area; and (13) other factors particular to the proposed location or trade area. Under the terms of the Multi-Store Development Agreement you must submit a site to IHOP for review at least eight months before the date by which you must open the Restaurant and the site must be approved at least six months before the date the Restaurant is required to be open. Under the Single Store Development Program, you must submit a site for review by IHOP at least 60 days before the end of the term of the agreement.

If IHOP disapproves or rejects your site, you will not be issued a franchise agreement for the location, and you will not have any rights to develop an IHOP Restaurant at that site, and you must submit another site for approval by IHOP. Your failure to open a Restaurant by the date specified in your Multi-Store Development Agreement may result in termination of the agreement, and the fee is not refundable. You may forestall termination by paying a fee to IHOP to obtain additional time within which to open the Restaurant. (See Articles 2 and 6, Multi-Store Development Agreement and Articles 3 and 4, Single Store Development Agreement for further details regarding the timeframes and site selection process.)

2. Plans and Specifications. If you are participating in the Single Store Development or Multi-Store Development Programs, we will provide you with IHOP's standard prototypical plans and specifications for the construction of a Restaurant and for equipment and signs and/or remodel specifications for the conversion of a Restaurant to an "IHOP" or "International House of Pancakes" Restaurant. (Section 4.01).

3. Training. This Item 11 summarizes IHOP's existing training program for IHOP restaurants. IHOP evaluates its training program from time to time and reserves the right to make changes. There are two primary components to IHOP's training program: (1) Certified Leader Training and (2) Initial Opening Training.

Certified Leader Training

First, First, IHOP requires that each Franchisee have two restaurant leaders (one of which may be Franchisee if he or she is actively participating in day-to-day operations of the restaurant) per restaurant trained in day-to-day IHOP restaurant operations and requires that each obtains and maintains certification through an approved IHOP training program such as the "SMILE Leadership" program described in more detail below. Individuals certified in the day-to-day operations of an IHOP restaurant, and that complete leadership training are referred to as IHOP Certified Restaurant Leaders, or Certified Leaders. Certified Leaders shall be responsible for running the day-to-day operation of the IHOP restaurant which shall be done in accordance with IHOP Standard Operating Procedures and applicable legal and health and safety code requirements.

The training and certification of the two required Certified Leaders must be completed prior to the opening of the new IHOP restaurant. This training is typically offered no later than two months before opening or take-over of the IHOP restaurant. If a Certified Leader is to be replaced by a new individual, such new individual must complete training and obtain his or her certification as a Certified Leader within 90 days of the departing Certified Leader's last day.

If Franchisor provides training to more than the two prospective Certified Leaders, or if Franchisee requests, and is approved to delay the Certified Leader Training more than six months following the opening date of the new IHOP location, Franchisee must pay Franchisor's then-current training fee for such training. As of the date of this Disclosure Document, the fee is \$5,000 per person.

The Certified Leader training program referred to above is comprised of two parts: (1) a six-week program of approximately 45 to 50 hours per week of training and (2) a leadership skills capstone workshop comprised of six sessions, held virtually, over a two-week time period. The initial training program covers foundational restaurant operation skills training and IHOP Brand Standard Operating Practices ("SOP"). This training is delivered through a blended learning approach utilizing a learning management system called IHOP Academy for consistent messaging and knowledge transfer to trainees, workbook assignments and interactive, real-world exercises designed to both introduce and reinforce learning activities. Trainers provide coaching and monitor trainees' progress through the approved IHOP leadership training program ("SMILE Leadership") to ensure key learnings are achieved and to validate that learners can execute IHOP's SOPs. SMILE Leadership includes team member skills training in each of the team member positions: cook, host, server, combo and cashier. The IHOP leadership skills training included in SMILE Leadership layers in various restaurant management topics. Those topics include: effective team leadership, guest safety, daily manager workflow, effective scheduling, productivity management, restaurant hospitality, revenue accounting procedures, team member training, restaurant financial controls, managing equipment, IHOP inspections and IHOP marketing programs. SMILE Leadership is designed as a 6-week program, consisting of five 10-hour days each week, including self-paced study. Trainees must pass online and practical tests which include observation and testing of on-the-job performance to demonstrate knowledge and skill level to advance from the restaurant training program to the restaurant leadership training program, and to graduate from restaurant leadership training. Passing grades must be achieved in both the position and leadership training programs. The leadership skills capstone workshop builds upon the 6-week program. These workshops are comprised of six sessions, held virtually, over a two-week time period. The learner is required to enroll and complete the leadership skills capstone workshop no later than 3 months after completion of the 6-week program. Additionally, trainees must successfully complete an IHOP-approved food safety certification program. Depending on the level of knowledge and experience of the trainee, IHOP reserves the right to increase or reduce the number of hours spent in training, or to change the location of the training to accommodate the needs of the trainee, or IHOP or the applicable IHOP Affiliate. From time to time, in our sole discretion we may agree to waive or provide alternative training arrangements for certain qualifying franchisees by reason of such persons' prior training and experience.

Certified Leader Training shall be given at such time and location as shall be determined by Franchisor in its sole discretion and may be delivered in whole or in part in a virtual classroom, at an IHOP Restaurant, at a training center designated by Franchisor, or any combination thereof. The trainees shall pursue and complete such training to Franchisor's satisfaction in its sole discretion. IHOP, in its sole discretion, may extend the Initial Training of trainees to: (a) re-enforce skills with which they may be having difficulty; (b) have the trainee "shadow" a Certified Leader to observe, learn and re-enforce the formal training previously completed; or (c) attend a new IHOP opening. The length of training is extended until such time as each trainee is able to achieve its Certified Leader Certification or a mutual decision is reached between IHOP and Franchisee to terminate such trainee's training, which may result in IHOP requiring Franchisee to identify an alternative trainee. If an alternative trainee is identified, all costs associated with the training of such alternative trainee would be Franchisee's responsibility.

Franchisor shall have the right to require Franchisee, its Designated Representative (if applicable), and the Certified Leaders employed by Franchisee to attend at least one management seminar per year. Such management seminars may be given virtually, at an IHOP Restaurant, at a training center, or such other place or combination of places designated from time to time by Franchisor. Franchisor shall not impose any

attendance fee or tuition for mandatory seminars but may charge a reasonable fee or tuition for optional seminars.

Even if Franchisor provides the Certified Leader Training, Initial Opening Training, or certain other management seminars without additional charge, Franchisee shall bear all costs and expenses incurred by Franchisee, its Designated Representative, its Certified Leaders, and any other attendees in connection with attendance at all training programs and seminars, including compensation, transportation costs, meals, lodging and other living expenses. Neither Franchisor nor any of its Affiliates will pay any compensation for any services performed by any trainee during any training.

Instructional materials supplied for trainee use during training presently includes a training plan, Operations Manuals, training videos, recipes, course materials, and various other materials as needed.

In addition, IHOP uses an e-Learning system (currently IHOP Academy). IHOP Academy is a web-based personal learning and training environment for the administration, delivery, tracking and reporting of learning programs. Currently, there are no fees associated with the use, access and maintenance of this program, but IHOP reserves the right to charge a fee in the future. IHOP Academy requires certain high-speed internet and technology hardware, and the costs of such internet access and hardware shall be Franchisee's responsibility. Each franchised restaurant is required to maintain 2 Wi-Fi enabled tablet or laptop devices. These devices must be in good working order and meet at least the minimum technical requirements for IHOP's e-Learning system.

Initial Opening Training

In addition to Certified Leader Training, IHOP requires training incident to the opening of each IHOP restaurant ("Initial Training"). IHOP will review Franchisee's experience and staffing plan in order to determine, at its sole discretion, the Initial Training requirements which must be met. In determining such training requirements, IHOP will consider such factors as the candidates' overall restaurant industry experience, IHOP specific experience, as well as whether such candidates have other training resources available to it (e.g. Franchisee already has trained employees that are Certified Leaders acceptable to IHOP who can assist in training the crew of the new IHOP restaurant), and if and when Franchisee last opened a IHOP restaurant. At its sole discretion, IHOP will determine the opening training needs (including the number of trainers required) for each location. IHOP may determine that it is necessary to provide a full complement of trainers for Franchisee's restaurant opening. If IHOP determines Franchisee will need training support and/or operational assistance from IHOP to open an IHOP restaurant, Franchisee will pay an Opening Training Support Fee of between \$0 and \$55,000 per restaurant based upon the number of trainers deemed necessary by IHOP. This fee is subject to increase if the opening schedule changes or if overtime is requested.

If applicable, the IHOP provided training team will provide initial training assistance to new hired Team Members for a period of approximately three weeks allocated at IHOP's discretion between two weeks prior to opening and up to one week after the opening of the restaurant. The scheduling of the training team will generally be done 30 days prior to the anticipated opening date of the Franchised Restaurant, based on the schedule provided by Franchisee. If training must be rescheduled for any reason other than an act of God, Franchisee shall pay to IHOP any increase in costs that are incurred by IHOP due to the scheduling changes, which costs may include but are not limited to increases in airfare, hotel expenses, salaries, car rental, and training material shipping and storage. IHOP estimates this cost to be between \$500 and \$6,000 per person but such costs may be greater. Franchisee shall pay these charges to IHOP within 30 days after billing therefor.

In addition, IHOP uses an e-Learning system (currently IHOP Academy). IHOP Academy is a web-based personal learning and training environment for the administration, delivery, tracking and

reporting of learning programs. Currently, there are no fees associated with the use, access and maintenance of this program, but IHOP reserves the right to charge a fee in the future. IHOP Academy requires certain high-speed internet and technology hardware, and the costs of such internet access and hardware shall be Franchisee's responsibility. Each franchised restaurant is required to maintain 2 Wi-Fi enabled tablet or laptop devices. These devices must be in good working order and meet at least the minimum technical requirements for IHOP's e-Learning system.

If Franchisee is utilizing IHOP's training support and/or on-location assistance to open its restaurant and requests that IHOP personnel spend more than 40 hours per week in the restaurant and IHOP approves the request, Franchisee shall pay to IHOP any costs which it may incur, including without limitation, overtime, salaries, for the additional hours.

Currently, IHOP engages Modis Staffing to provide restaurant opening training when deemed necessary by the Brand. IHOP no longer employs staff members for training. Modis Staffing employs approximately 20 trainers with a combined experience of over 200 years.

TRAINING PROGRAM

<u>Subject</u>	<u>Hours of Classroom Training¹</u>	<u>Hours of On the Job Training</u>	<u>Location</u>
RESTAURANT TRAINING			
Orientation & Evaluations	10	0	Approved IHOP Restaurant Training Program locations throughout the United States
Dish Washer/Busser (Combo)	1	20	Same locations (as determined periodically) as Orientation and Evaluations
Cook (Food Preparation & Cooking)	1.5	85	Same locations (as determined periodically) as Orientation and Evaluations
Host/Hostess and Server	2	55	Same locations (as determined periodically) as Orientation and Evaluations
RESTAURANT SUBTOTAL	14.5	160	

<u>Subject</u>	<u>Hours of Classroom Training²</u>	<u>Hours of on the Job Simulation Training or Self Study</u>	<u>Location</u>
MANAGEMENT TRAINING			

¹ This is an estimate. The eLearning platform will create self-paced electronic "classroom" learning for the trainee.

² This is an estimate. The eLearning platform will create self-paced electronic "classroom" learning for the trainee.

<u>Subject</u>	<u>Hours of Classroom Training²</u>	<u>Hours of on the Job Simulation Training or Self Study</u>	<u>Location</u>
Management Training Orientation	4	0	Approved IHOP Restaurant Training Program locations throughout the United States
Restaurant Management Skills	1	64	Same locations (as determined periodically) as Management Training Orientation
Basic Management Skills	1.5	32	Same locations (as determined periodically) as Management Training Orientation
Business Finance	1.5	17.5	Same locations (as determined periodically) as Management Training Orientation
Testing	4	0	Same locations (as determined periodically) as Management Training Orientation
IHOP Academy Workshop	16	0	Hosted virtually
MANAGEMENT SUBTOTAL:	28	113.5	

RESTAURANT SUBTOTAL	14.5	160
MANAGEMENT SUBTOTAL:	28	113.5
TOTAL TRAINING:	42.5	273.5

Restaurant and Management training classes are held upon request of the trainee and held as scheduled with the specific Restaurant Training Program location. Training classes are held in franchisee-owned Restaurants at various locations around the U.S.

You will bear the costs and living expenses for you and your employees to attend training for both the six week program and all workshops. While additional training and refresher courses are offered by IHOP from time to time, you are not required to attend unless attendance is deemed essential by IHOP.

From time to time, we may agree to provide alternative training arrangements for certain qualifying franchisees.

4. Promotional Assistance. We will furnish you with promotional assistance at the time the Restaurant opens to the public. (Section 9.02(b))

5. On-location Assistance. We will furnish you with, at no cost to you, on-location assistance for as long as IHOP shall deem necessary, but not more than 30 days allocated at IHOP's discretion between the time immediately before and after the opening of the Restaurant. (Section 9.02(a))

6. Technology – POS Setup, Training and Support. If we determine in our sole discretion that you will need POS setup, training, and support for a new Restaurant opening, we will provide you with onsite implementation support for each of your first three Restaurant openings for the cost of \$7,980 plus airfare for one of our support staff. Beginning with your fourth Restaurant, you may choose remote POS setup, training and support for the cost of \$3,500 per Restaurant. This describes our current POS system and provider; however, we may, from time to time, evaluate and approve other systems and/or vendors as an additional POS provider. We reserve the right to increase these fees. If you are required to, or choose to, receive technology services from us, you will be required to enter into an agreement with us governing such services.

7. Purchase Program. If you are participating in the Purchase Program and taking over the operation of an IHOP Affiliate-operated and IHOP Affiliate-developed Restaurant, you will lease the equipment, signs and fixtures from IHOP or an IHOP Affiliate, and you will purchase the entire existing inventory of paper goods and unopened food from IHOP or an IHOP Affiliate. (See Item 7 for details.) If you are participating in the Single Store or Multi-Store Development Programs, you will acquire the necessary equipment, signs, fixtures, opening inventory and supplies that meet IHOP's written specifications as set forth in the Operations Manuals from third party suppliers. You may purchase these items from IHOP, or its Affiliates, if available.

Typical Length of Time Before Opening. IHOP estimates that the typical length of time between the signing of the Franchise Agreement and the opening of the Restaurant is: (1) between one to 18 months if you are participating in the Single Store Development or Multi-Store Development Program; and (2) between one hour and 16 weeks if you are participating in the Purchase Program. If you are participating in the Single Store Development or Multi-Store Development Program, factors which may affect these time periods include the obtaining of the necessary financing and completion of necessary construction and/or remodeling, as applicable. If you are participating in the Purchase Program, factors which may affect this time period include you obtaining necessary funds, through financing or otherwise, and your successful completion of the Training Program.

IHOP's Obligations During the Operation of the Franchise. IHOP (or Dine Brands on our behalf) will provide the following assistance and other services during the operation of your Restaurant:

1. Furnish you with supervision and assistance from field representatives, who shall periodically visit the Restaurant. (Section 9.02(c))

2. Be available at its home office on an ongoing basis to you for guidance concerning the operation and management of the Restaurant. (Section 9.02(d))

3. Furnish you with, if available, additional staff assistance at your request, or if you do not have an IHOP approved manager, IHOP shall have the right to provide same. You must pay the then prevailing price per person per day as shall be specified by the Operations Manual, which price is \$350 per day as of the date of this Disclosure Document, plus any reasonable transportation and living expenses that are incurred by that person traveling to the Restaurant. (Section 9.02(e))

4. Develop advertising, public relations, and promotional campaigns, and consult with you on an ongoing basis concerning the type, content, frequency and nature of proposed national advertising programs. (Section 7.01)

5. Administratively segregate on its books and records an Advertising Fund (described below).

6. Furnish you with one set of Operations Manuals for the Franchised Location. (Section 10.05). Attached as Exhibit M is a copy of the table of contents of the Operations Manuals in effect as of the date of this Disclosure Document that indicates the number of pages devoted to each subject.

Except for the services described above, we are not obligated to provide you with any other services. In addition, if we say that “we may provide” you a service or use similar words, it means that we are not obligated to provide that service to you.

Advertising Expenditures. You will pay to IHOP an Advertising Expenditures Fee of 3.5% of your total Gross Sales, which is made up of the National Advertising Fee and the Local Advertising Fee (Section 7.01). As of the date of this Disclosure Document, 3.5% of your Gross Sales will be allocated to the National Advertising Fee and 0% of your Gross Sales will be allocated to the Local Advertising Fee, as further described below.

National Advertising Fund. The Advertising Fund contains all Table Allowances (as defined in Section 1.02), together with all National Advertising Fees paid by all U.S. franchisees and IHOP affiliates. Dine Brands will maintain an account designated as the “IHOP Advertising Fund Account” in the name of Dine Brands (or a subsidiary thereof) for fees payable by our or IHOP Restaurants LLC’s franchisees to fund the national marketing and advertising activities and local advertising cooperatives with respect to the IHOP brand. You will pay a National Advertising Fee in an amount which as of the date of this Disclosure Document is equal to 3.5% of your respective Gross Sales (Sections 7.01, 7.02). Not all franchisees contribute to the National Advertising Fund at the same rate. IHOP (or IHOP Restaurants LLC with respect to franchisees existing as of September 30, 2014 as to whom it serves as franchisor) or Dine Brands will administratively segregate the Advertising Fund on its books and records and furnish you with annual audited summary of information with respect to the receipts and expenditures of monies by and from the National Advertising Fund. If you request a copy of the summary, we will use our best efforts to accommodate your request. IHOP, IHOP Restaurants LLC, or Dine Brands may disburse funds from the Advertising Fund for one or more of the following purposes: (a) advertising, public relations and promotional campaigns and materials designed to promote and enhance the value of all “IHOP” Restaurants; (b) reimbursing IHOP for its actual expenses incurred in providing administrative services with respect to the National Advertising Fund, as well as the actual, general and administrative expenses of IHOP’s internal Marketing Department (some or all of these costs and expenses may be incurred by an IHOP Affiliate which may perform the services), consultants and third party agencies; and (c) providing contributions to Regional Advertising Cooperatives in an amount as we may determine in our discretion, for local advertising, as described below. No funds from the Advertising Fund are used for advertising that is principally a solicitation for the sale of franchises.

If Advertising Fund expenditures in any one calendar year exceed the total amount contributed to said fund during that year, IHOP (or Dine Brands, or IHOP Restaurants LLC, as applicable) shall have the right to be reimbursed from funds contributed to that fund in a succeeding year. If there is any excess remaining in the fund at the end of any calendar year, the excess shall be retained in the fund for future uses as described above.

Advertising may be disseminated in various media, including television, radio, print, POS, www.ihop.com, mobile app, outdoor banners, and billboards, online, digital, social media and other emerging media on a national, regional or local level, though most advertising is national. Advertising is generated primarily by a national advertising agency under the direction of IHOP’s Marketing Department. Occasionally, IHOP affiliates may receive payments from the Advertising Fund as reimbursement of costs incurred to provide or purchase services or premiums for use by a substantial number of Regional Advertising Cooperatives. During Fiscal ~~2022~~2023, IHOP LLC on its behalf and as agent for its affiliates; spent the following percentages of total Advertising and Marketing Fund revenues on:

Production of commercials and other advertisements	~~8.9%~~ <u>7.2%</u>
Media placement	~~74.3%~~ <u>73.2%</u>
Administrative expenses	~~3.9%~~ <u>4.7%</u>
Public Relations	~~1.3%~~ <u>0.9%</u>
Market Research	0.5%
Advertising Agency Fees	~~9.3%~~ <u>9.7%</u>
Restaurant Advertising	~~1.7%~~ <u>3.9%</u>

Local Advertising. As of the date of this Disclosure Document, there is no Local Advertising Fee. A portion of the Local Advertising Fee may be utilized to fund the purchase of media. You will be reimbursed or will receive credits against your obligation to pay the Local Advertising Fee, up to the amount of the Local Advertising Fee that must be paid by you, for your expenditures for local advertising, or for your contributions to a regional advertising cooperative of which you are a member. Reimbursement or credit is subject to you providing IHOP with suitable proof of the expenditures and to IHOP's right to offset the costs or expenses which IHOP incurs on account of local advertising. All advertising by you locally, whether on television, radio, in print advertising, on banners, in any electronic or computer medium, or otherwise, must be approved by our Marketing Department. IHOP is not required to spend any amount of advertising in the area where your Restaurant is located.

Advertising Council. There is no advertising council composed of franchisees that advises IHOP on advertising policies. A Franchise Leadership Council of current IHOP franchisees from each IHOP-defined geographic region was created and is sponsored by IHOP and/or its affiliates. The Franchise Leadership Council has established advertising and menu subcommittees to discuss pertinent issues regarding advertising and marketing. See Item 20 for information regarding IHOP's franchisee Franchise Leadership Council.

Regional Advertising Cooperatives. IHOP or the IHOP Affiliates may develop Regional Advertising Cooperatives designed to promote and enhance the value of all IHOP Restaurants in each region. IHOP (or an IHOP Affiliate) is responsible for administration of the Regional Advertising Cooperatives. Regional Advertising Cooperatives operate pursuant to written Advertising Cooperative Operating Procedures established by IHOP, which are subject to revision from time to time and are available for review by you. The geographical area for each Regional Advertising Cooperative shall be designated by IHOP in our sole subjective judgment, presently based on Nielson's defined "Designated Marketing Areas (DMA)." You have the option to participate in a Regional Advertising Cooperative that IHOP designates in your Restaurant's DMA. The amount you contribute to your Regional Advertising Cooperative varies depending on your decision to participate. Not all franchisees contribute to the Regional Advertising Cooperative at the same rate. If the Regional Advertising Cooperative adheres to IHOP's established Advertising Cooperative Operating Procedures, Restaurants owned by IHOP or one of the IHOP Affiliates within an advertising cooperative region will contribute to, participate in and vote on the same basis as franchised Restaurants in the Region, except that they will not vote on the formation of the advertising cooperative or on the amount to be contributed by members. Your Franchise Agreement provides IHOP with the power to require Regional Advertising Cooperatives to be formed, changed, dissolved or merged. IHOP may in its discretion contribute a portion of the National Advertising Fees paid by franchisees to the Regional Advertising Cooperatives. IHOP may decide to contribute to the advertising cooperatives at any time in its sole subjective discretion. If

there are any cooperative contributions remaining in the cooperative at the end of any calendar year, which IHOP is not required to reimburse or credit on account of advertising expenditures incurred by Franchisee, they shall become part of the National Advertising Fund. The local Regional Advertising Cooperatives' funds are not audited, and there are no financial statements available for review.

POS Systems. Subject to some exceptions, you must purchase or lease, depending on the program, an IHOP-approved POS computer system. All newly developed IHOP Restaurants under the Single Store Development, Purchase and Multi-Store Development Programs are required to have a preapproved computer system, unless a different system is agreed to in writing by IHOP in its sole discretion. The cost of purchasing the POS computer system is between \$20,000 to \$30,000 for hardware and an annual software license fee of \$1,100 to ~~\$3,300~~3,400, as further described below. All IHOP Restaurants must have a preapproved computer system that meets IHOP's specifications, unless a different system is agreed to in writing by IHOP in its sole discretion. This section describes our current POS system and provider; however, we may, from time to time, evaluate and approve other systems and/or vendors as a POS provider. We reserve the right to increase these fees. The following POS computer systems are currently approved by IHOP:

The Tray POS system, which consists of hardware and software for a touch screen Android based POS system, through which all server orders are inputted into the server terminals and guest checks are tendered at either the server or cashier terminal, with orders printed in the kitchen via kitchen printers and/or kitchen display monitors. These handheld terminals (also referred to as Tablets) are required for all new restaurant openings.

All new IHOP Restaurants will utilize the current approved version of Tray POS or other preapproved POS system running on approved and up to date hardware, which may include terminals and tablets. In order to maintain compliance with PCI requirements, minimize system downtime, and improve ongoing support, IHOP is further advising franchisees to expect the following on an ongoing basis: (i) monthly updates on supported hardware and software for the POS systems, including those components that will be removed from support; (ii) minor upgrades to the Tray POS every 18 months or as required to meet security requirements; (iii) server and front of the house terminal upgrades every four to five years; and (iv) Android Operating System upgrades as required to meet security requirements, end of life, and/or minimum systems requirements. Franchisees are responsible for the installation of the security, hardware, and software upgrades to their operating system as recommended by Tray POS Systems, including all costs, in the timeframe specified by Tray, as required by third parties for PCI compliance.

The Tray POS system also generates various reports, including financial, menu mix, hourly sales, open and closed guest check reports and labor reporting information. IHOP began using the Tray POS System in September, 2021. The Tray POS System is supplied by Vendsy, Inc., Scottsdale, Arizona, 844-873-8729. Tray fees are based on a software as a service model and pricing ranges from \$1,100 to ~~\$3,300~~3,400 annually based on the number of devices and functionality used in the restaurant. Tray pricing is subject to change. You may obtain help desk support from the Dine Brands Restaurant Technology Support Center, 8700 State Line Road, Suite 200, Leawood, Kansas 66206, (866) 546-9920 at an approximate cost of \$1,000 to \$1,800 per year, subject to change.

All IHOP Restaurants must be compliant with the Payment Card Industry Data Security Standard ("PCI"). You are accountable for ensuring and maintaining PCI compliance at your Restaurant at your sole cost and expense. IHOP reserves the right to set minimally acceptable hardware, software, network, router, firewall and virus protection standards for use in all your IHOP Restaurants, at your cost and expense.

IHOP will have the right to access all the information (including sales and financial data) and the systems that generate them for marketing, audit and sales verification purposes and to retrieve transaction information including sales mix, usage and other operations data both in person and electronically through

the internet via a broadband connection, to be obtained and maintained at your cost and expense, or if not available in your area, a separate dedicated telephone line and modem or such alternative electronic means of gathering this information, at your cost and expense, as IHOP may specify from time to time. There are no contractual or other limitations on IHOP's right to access your computer system.

All IHOP franchisees are required to use Mobile Device Management ("MDM") on all hardware in the restaurant. This service is currently provided by Esper, a third-party vendor but IHOP reserves the right to evaluate other providers and make changes as required. The fees for this service may be charged directly to you, the franchisee, or IHOP may choose to cover these fees. Fees are per terminal and range from \$12 per device annually to \$24 per device annually.

On-Line Ordering. You must sign an Authorized Operator Agreement for access and use of an approved provider's on-line ordering system in form and substance approved by us. The current approved provider is Mobo Systems, Inc., but we may use other providers in the future. Currently, the fee with Mobo Systems, Inc. can range from \$65 to \$200 a month (per Restaurant) for the use, access and maintenance of the on-line ordering system. This monthly fee covers the application and menu setup, menu maintenance, service, support and production account maintenance.

EMV/P2P. You must purchase equipment and procure services from an approved vendor approved for credit card processing services. Specifically, you are required to use the approved payment devices (currently Ingenico Lane3000, Move5000, and ~~Mobi~~Moby tablet devices) purchased through an approved vendor and you are required to use the approved vendor's EMV processing as part of the credit card gateway solution or any future solution we may implement. Currently, the initial investment ranges between \$1,000 and \$2,500 for equipment and a monthly fee of \$53 to be paid to the vendor.

KDS. You must have a KDS to monitor and organize orders received at your Restaurant. Currently, the initial investment for hardware and installation ranges between \$15,000 and \$30,000.

Curb Side Pick Up (CSPU). CSPU enables restaurants to provide guests the ability to order "to go" food and, through a service provided by "Fly Buy", monitor when the guest arrives in the parking lot at which time a restaurant team member completes the transaction by bringing the food to the guest in his or her car. CSPU with "FlyBuy" is SOP but IHOP may determine that it's necessity or feasibility to provide may not be required for a specific location. This determination is determined by IHOP in its sole discretion.

Waitlist. Waitlist enables restaurants to seat more guests, more efficiently through a service provided by NoWait or Waitwhile. Waitlist is currently optional but may be required by IHOP in the future.

IHOP Loyalty. International Bank of Pancakes is the rewards program that a customer can join through downloading the IHOP app or through ihop.com. The loyalty program is primarily funded by the National Advertising Fund, and there are no additional technology or operating fees required to support the program. Except for certain non-traditional venues, all domestic restaurants must participate in the program. Customers earn "Pancoins" based on their spend on qualifying purchases in restaurant or through IHOP digital channels (app or ihop.com). The "Stack Market" is the virtual marketplace where customers will redeem their Pancoins for coupons for menu items or other items available in the market at that time. Pancoins can be accumulated and redeemed for menu or other items in the Stack Market and only expire after there has been 24 months of inactivity of the customer's account. Franchisees are responsible for honoring the coupons earned by customers participating in the loyalty program. Additional details and requirements of the program are found in the International Bank of Pancakes Terms and Conditions.

None of the systems (other than the IHOP app referenced in the IHOP Loyalty section) are the proprietary property of IHOP. Except as described above, as of the date of this Disclosure Document, there

are no other systems approved for your use. You may be required in the future to upgrade or change your system at IHOP's request.

ITEM 12

TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Upon renewal, we reserve the right to terminate, revise or otherwise modify the Franchised Area offered to you for the Restaurant.

Single Store Development Program. If you sign a Single Store Development Agreement in connection with the Single Store Development Program, we will assign you a trade area (which may be limited to a single address) in which you will find a single location and then seek our approval of that location for development of a Restaurant in accordance with our Development Approval Procedures. During the 240 days after we sign the Single Store Development Agreement, you will have the right to propose a Restaurant in a Traditional Venue (i.e., not a Restaurant that is located within another primary business or in conjunction with other businesses or at institutional settings such as schools, colleges and universities, military and other governmental facilities, hospitals, airports, highway rest stops, toll roads, hotels, motels, arenas, travel plazas, office or in-plant food facilities, supermarkets, grocery stores or convenience stores, casinos, stadiums, shopping malls and any other site, venue or location operated by a master concessionaire or contract food service provider in the assigned trade area) and enter into a Franchise Agreement if the site is approved by us.

Multi-Store Development Program. Under the Multi-Store Development Program, you are granted the right to develop and operate IHOP Restaurants in a specified Development Area which may be one or more cities, counties, states, or some other defined area. If and only if the Multi-Store Development Agreement provides you with exclusivity (which it may or may not do), except for Non-Traditional Venues (which such opportunities IHOP may first offer you under certain limited circumstances if the Non-Traditional Venue is in your Development Area (as more completely described in the Multi-Store Development Agreement)) and Other IHOP Concepts (as defined below), during the term of the Multi-Store Development Agreement, IHOP may not own, operate or franchise or license any other IHOP Restaurants in the Development Area unless either (x) the Restaurant was already in existence at the time the Multi-Store Development Agreement was entered into or, subject to other restrictions, (y) the Restaurant serves as a replacement restaurant for a Restaurant that was already in existence at the time the Multi-Store Development Agreement was entered into and such replacement restaurant is located within the original Restaurant's Franchised Area. Until the termination or expiration of the Multi-Store Development Agreement, you shall retain your right to develop in the Development Area if you comply with your development and other obligations under the Multi-Store Development Agreement. If you fail to meet any of your obligations under the Multi-Store Development Agreement, including the development obligations, or if you breach any Franchise Agreement signed by you pursuant to the Multi-Store Development Agreement, or any other Multi-Store Development Agreement or Single Store Development Agreement with IHOP, IHOP may terminate your right to develop, open and operate new IHOP Restaurants in the Development Area. Termination of the right to develop the Development Area will not terminate any territorial rights relating to the Franchised Area granted under the Franchise Agreements then in effect between you and IHOP. "Other IHOP Concepts" means restaurants which: (a) feature self-serve or counter service and not full table service, (b) have a different or more limited menu than that offered at an IHOP Restaurant, even though that menu may include pancakes and certain other authorized menu items authorized at IHOP Restaurants, and (c) operate under a principal name and mark different from "IHOP" or

“International House of Pancakes” but which may include “IHOP” or “International House of Pancakes” together with an additional prefix or suffix, such as and including “IHOP Express.”

Under the Multi-Store Development Program only, the continuation of your right to develop in the Development Area is dependent upon your compliance with your development and other obligations under the Multi-Store Development Agreement, and all other agreements with IHOP, as described above.

Franchised Area. If you sign a Franchise Agreement under the Single Store Development, Multi-Store Development, or Purchase Programs, you are granted a franchise to operate one Restaurant at a specific Franchised Location which is agreed upon at the time of the execution of the Franchise Agreement. So long as franchisee is compliant with the terms of the Franchise Agreement, IHOP will not own, operate, franchise or license another Traditional Venue IHOP Restaurant within an exclusive area surrounding the Restaurant (the “Franchised Area”). The geographic scope of the Franchised Area will be determined based on computer modeling conducted by IHOP utilizing a proprietary program which evaluates factors including geo-demographic information about the individuals who work and reside in proximity to the Restaurant location, established drive times for IHOP customers, natural barriers and traffic patterns. We cannot provide any assurance as to the size or shape of the Franchised Area, as it may vary significantly depending on the above referenced factors. IHOP reserves the right to own, operate, franchise and license Restaurants or other business concepts operating under names other than International House of Pancakes or IHOP, to own, operate, franchise and license IHOP Restaurants in Non-Traditional Venues (as defined in the Franchise Agreement), Other IHOP Concepts, and to produce, franchise, license, distribute and market products at or through any Alternative Distribution Channels (as defined in the Franchise Agreement), regardless of the proximity to your Restaurant or location within the Franchised Area; provided, that, our current form franchise agreement provides that we will not develop full-service, full-menu non-traditional IHOP restaurants in travel plazas, truck stops, and convenience stores within 5 miles of the Restaurant. A map of the Franchised Area will be attached to the Franchise Agreement as Exhibit A before its execution. You are free to advertise for customers, wherever located, but all advertising must be approved by IHOP. Unless approved in writing by IHOP, you will not have the right to use other channels of distributions, such as the internet, catalog sales, telemarketing or other direct marketing, to make sales outside your territory. You have no option, right of first refusal or similar right to acquire additional franchises within the Franchised Area or any other areas. You will not have a right to relocate the Restaurant to any other location. If the Restaurant is closed due to governmental action, your death or disability, or force majeure, as provided for in Section 12.01(d) of the Franchise Agreement, and unrelated to a breach by you, you may continue business at the Franchised Location once the Restaurant is again operational.

Continuation of the exclusivity in the Franchised Area as described above is not dependent upon achievement of any particular sales volume, market penetration or other contingency and those rights may not be altered except by mutual written agreement as long as you faithfully perform and observe all of the obligations and conditions to be performed and observed by you under the Franchise Agreement.

Development Impact Assistance Program. In addition to the rights described above, IHOP currently has an internal Development Impact Assistance Program (the “Impact Policy”) which provides certain financial support to an existing Restaurant (the “Affected Restaurant”) under certain circumstances if the Franchise Agreement for the Affected Restaurant was executed prior to April 1, 2013 and you open a Restaurant at a site which is: (i) within five miles of the Affected Restaurant; or (ii) adjacent to an interstate highway or freeway, within 10 minutes driving time at the posted speed limit from the Affected Restaurant. In this case If the Impact Policy applies, we will not grant you a franchise for the new Restaurant unless you agree to reimburse IHOP for any financial support it pays to the owner of the Affected Restaurant under the Impact Policy. The total amount of financial support that will be provided to the owner of the Affected Restaurant will be determined by IHOP based on a combination of factors, including but not limited to, a review of the relevant market, information from you and the owner of the Affected Restaurant, input from IHOP’s personnel, and any relevant impact study. At the close of each full calendar quarter for the 12

consecutive quarters following the opening of your Restaurant, the Affected Franchisee will be entitled to receive a credit against its general account balance equal to a portion of the financial support. 50% of the financial support will be credited in equal amounts for quarters one through four. 30% of the financial support will be credited in equal amounts for quarters five through eight. 20% of the financial support will be credited in equal amounts for quarters nine through 12. You will be fully informed about all reimbursement amounts you may be required to pay us before you are required to decide to execute your Franchise Agreement.

The Impact Policy is a program unilaterally accorded by IHOP to its franchisees as it may be in effect from time to time but it does not grant you any contractual rights or entitlements, nor does it amend your Franchise Agreement, and it is subject to termination, revision or withdrawal by IHOP in its sole and absolute discretion at any time or times, without notice. A copy of our current policy is attached as Exhibit Q.

IHOP or one or more IHOP affiliates have in the past and may in the future, acquire other chains, or establish other franchises or company-owned outlets, which sell similar products or services under a different trade name or trademark. As discussed in Item 1 of this Disclosure Document, IHOP's affiliate, Applebee's (or its affiliate), currently operates and franchises Restaurants under the trade name "Applebee's Neighborhood Grill & Bar." Additionally, IHOP's affiliate, Fuzzy's Taco Opportunities, LLC (or its affiliate) currently operates and franchises restaurants under the trade name "Fuzzy's Taco Shop." There is no restriction on these affiliates or their franchisees from developing restaurants of their systems (currently "Applebee's Neighborhood Grill & Bar" brand Restaurants and "Fuzzy's Taco Shop" brand restaurants) or other Restaurants that sell similar products or services unless under a different trade name or trademarks or soliciting customers near any IHOP Restaurant, nor is IHOP or its franchisees restricted from operating IHOP Restaurants or soliciting customers near any Applebee's brand Restaurant or Fuzzy's Taco Shop brand restaurant. We do not expect that there will be material conflicts between these systems regarding territory, customers or franchisor support. The principal business address for the Applebee's operations is 10 West Walnut Street, Pasadena, California 91103, and the principal business address for the Fuzzy's Taco Shop chain's operations is 4200 Regent Boulevard, Suite C-210, Irving, Texas 75063.

Other IHOP Concepts. Within the category of "Other IHOP Concepts," IHOP franchises and may operate a business under a different trademark. Specifically, IHOP ~~is developing, testing, refining~~developed and franchisingtested a system for operating restaurants that ~~fits~~fit within the definition of "Other IHOP Concepts" under the name "flip'd by IHOP"~~or another name selected by IHOP and may operate such restaurants. It is contemplated that while such restaurants will have certain overlapping menu items with those sold by franchisees, including without limitation products like buttermilk pancakes, such restaurants will offer a different service model and guest experience. Accordingly, in circumstances where there exist both a traditional IHOP and a flip'd by IHOP in proximity to each other, a guest could potentially decide between the two restaurants based on the desired service level and guest experience. Based on factors including differences in the service model and guest experience between the two systems, we do not expect that there will be material conflicts between the systems regarding territory, customers and franchisor support. While it is contemplated that these restaurants will be franchised as opposed to franchisor owned or operated, IHOP reserves the right to own and operate such restaurants.~~ IHOP began its test or pilot program for such restaurants during calendar 2022.~~The principal business address for Flip'd by IHOP operations is 10 West Walnut Street, Pasadena, California 91103. IHOP does not plan to maintain physically separate offices and training facilities for the two systems and ended such test or pilot program in 2023. As of the date of issuance of this Disclosure Document, there is a single franchised "flip'd by IHOP" restaurant in operation.~~

ITEM 13

TRADEMARKS

We will license you to use various trademarks, service marks, trade names, logotypes and other commercial symbols (“Trademarks”) including the following marks which are registered or applied for on the Principal Register of the United States Patent and Trademark Office.

DESCRIPTION OF TRADEMARK	PICTURE OF TRADEMARK	REGISTRATION NUMBER	PRINCIPAL REGISTER	REGISTRATION DATE
IHOP (Block Letters) (Restaurant Services)		3,429,406	Principal	5/20/08
IHOP (Balloon Style) (Restaurant Services)		3,429,405	Principal	5/20/08
IHOP Restaurant (Restaurant Sign/Color) (Restaurant Services)		3,433,996	Principal	5/27/08
IHOP Restaurant (Restaurant Sign/Black & White) (Restaurant Services)		3,429,408	Principal	5/20/08
International House of Pancakes (words) (Restaurant Services)	INTERNATIONAL HOUSE OF PANCAKES	3,514,724	Principal	10/14/08
IHOP and design (smile logo)		4,642,598	Principal	11/18/14

DESCRIPTION OF TRADEMARK	PICTURE OF TRADEMARK	REGISTRATION NUMBER	PRINCIPAL REGISTER	REGISTRATION DATE
				

There is no presently effective determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court relating to the Trademarks that would materially affect your right to use the Trademarks. There are no pending infringement, opposition, or cancellation proceedings, or any pending material litigation involving the Trademarks.

IHOP Restaurants LLC is the owner of the above Trademarks in the United States. We have, among others, signed a License Agreement dated September 30, 2014 under which IHOP Restaurants LLC has licensed us to use and sublicense the above Trademarks for 99 years unless terminated for breach. Except for the License Agreement with IHOP Restaurants LLC, we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Trademarks in any manner material to the franchise. We know of no superior prior rights or infringing use that could materially affect your use of the Trademarks.

If any third party makes any claim, by suit or otherwise, against you, because of your use, in accordance with the terms of the Franchise Agreement, of any of our trademarks or service marks, you must promptly notify IHOP, in writing, and that upon receiving that notice, IHOP will retain counsel of its own choosing to defend you against the claim, suit or demand and IHOP will protect, indemnify, and save you from any loss, costs or expenses concerning the claim, suit or demand. IHOP considers the Trademarks to be a valuable asset and, upon notification of any infringing use of the Trademarks, IHOP will, though not obligated by the Franchise Agreement to do so, take such action which it deems appropriate in its discretion to protect its rights, and your corresponding rights, concerning the use of the Trademarks. Periodically, in the Operations Manuals or supplemental bulletins, we may add to, delete, or modify any or all the Trademarks. You must modify or discontinue the use of a mark or logo, at your expense, if we modify or discontinue it. We will not compensate you for any modification or discontinuation of any mark or logo, and you will be required to use any new mark or logo that we may adopt for the system.

There are no infringing uses known to IHOP that could materially affect your use of the Trademarks in this State or any other state in which the franchise business is to be located.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or copyrights material to the franchise. However, you must operate your Restaurant in accordance with the policies and procedures in the Operations Manuals. You must treat the information contained in this Operations Manuals and any other manuals or supplemental material supplied by us as confidential. The Operations Manuals are IHOP Restaurants LLC's sole property (and licensed to us and IHOP affiliates) and you may not duplicate, copy, disclose or disseminate the contents of the Operations Manuals at any time, without our prior written consent. We have the right to modify or

supplement the Operations Manuals upon notice or delivery to you. You must keep the Operations Manuals current at all times, and upon the termination or non-renewal of your franchise, return the Operations Manuals to us.

You may not communicate, divulge or use any confidential information concerning our (or IHOP affiliates') methods or procedures during or after the term of the Franchise Agreement. This confidential information may only be disclosed to you and your employees in connection with the operation of your franchise, and must not be made known to any other person, firm or corporation. At our request, you must have your executives, employees or any other person with access to this information to enter a confidentiality agreement to maintain the confidentiality of this information. Refer to Section 8.08 of the Franchise Agreement. We are not required to protect you from any infringements.

You must notify us as soon as possible of any copyright infringement claim. We are not required to take affirmative action when you notify us of an infringement claim. We and our affiliates have the sole right to conduct the defense of and settle the claim and to retain control of any negotiations related to any claim. You must cooperate in all actions we or our affiliates take regarding a claim and must assist us and our affiliates, at our and their expense, in the defense of a claim.

There is no presently effective determination of the United States Copyright Office (Library of Congress) or any court affecting these copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, Single Store Development Agreement, Multi-Store Development Agreement or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If the Franchisee is one of the two required Certified Leaders for a restaurant, you must actively participate in the day-to-day operation of the franchised restaurant and employ an additional Certified Leader. You must attend and satisfactorily complete IHOP's Certified Leader Training Program, unless IHOP agrees to waive this requirement. If IHOP waives this requirement for you to be actively involved in the day-to-day operation of the franchised restaurant, then two Certified Leaders are required to operate the restaurant's day to day operations. IHOP may at its discretion waive your Certified Leader Training requirement if: (i) you are deemed to have the necessary experience operating IHOP restaurants; or (ii) you agree to hire two Certified Leaders who have satisfactorily completed the IHOP's Certified Leader Training Program or who are deemed by IHOP to have the necessary experience operating IHOP Restaurants. There is no requirement that the Certified Leader own an equity interest in the franchise. In addition, at our request, you must have your Certified Leader enter a confidentiality agreement. Refer to Items 11 and 14 for details. Also, refer to Section 14.01 of the Franchise Agreement regarding non-competition.

If a franchisee is a corporation or other business entity, unless IHOP otherwise consents, one person approved by IHOP shall at all times own directly or indirectly 51% or more of all the outstanding stock (if a corporation), all membership interests (if a limited liability company), a partner's partnership rights (if a partnership), and 51% or more of all voting rights in the business entity. In addition, that person shall be president (if a corporation), general partner (if a partnership), manager (if a limited liability company) or the comparable position if it is any other form of business entity. IHOP will review any proposed deviations

from these approved structures at your request, provided you agree to reimburse IHOP for all legal fees and costs it may incur in this review process. Refer to Section 10.08 of the Franchise Agreement for details.

Each person who is or becomes a direct or indirect owner of the franchisee entity (including partners, limited liability company members, and shareholders) and the spouses of any owner must sign the Guarantee of Obligations in the form we prescribe, undertaking to be bound jointly and severally by the terms of the Franchise Agreement. The current form of Guarantee of Obligations is attached as Exhibit I. From time to time, we may make exceptions to this requirement in our sole discretion.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must serve only those items and products as are expressly designated and approved in writing by IHOP for sale and service from or at the Restaurant. You must offer all items and products that IHOP designates as required for all franchisees for sale and service from or at the Restaurant. IHOP shall have the right, at its sole discretion, to change from time to time, without limitation, any items or products designated and approved for use by you without further modification to the Franchise Agreement or any other agreement between us. You are not restricted as to the customers whom you may serve.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

These tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Franchise Agreement (including the Addendum to Franchise Agreement (the “Addendum”))

<u>Provision</u>	<u>Section in Franchise Agreement or Addendum to Franchise Agreement</u>	<u>Summary</u>
a. Length of the franchise term	Section 3.01	Term is equal to the term of the lease and is typically 20 years.
b. Renewal or extension of the term	Sections 3.02 and 3.03	If you are compliant and your Initial Term was for less than 10 years, you can add a Special Renewal Term; the Initial Term plus the Special Renewal Term cannot exceed 25 years. If you are compliant, you can add a Renewal Term of not more than 10 years. The term of any renewal or extension is subject to the terms of the master lease. Once all Renewal Terms and Special Renewal Terms are exhausted, you have no further contractual right to renew or extend the term of the Franchise Agreement.
c. Requirements for you to renew or extend	Sections 3.04, 3.05 and 3.06	You must sign our then-current Franchise Agreement, which may contain materially different terms and conditions, including a different Franchised Area, and higher National Advertising Fee and Local Advertising

<u>Provision</u>	<u>Section in Franchise Agreement or Addendum to Franchise Agreement</u>	<u>Summary</u>
		Fee, must have complied with your obligations during the Term, must pay an additional Initial Franchise Fee (if applicable) or Renewal Fee, must demonstrate your financial ability to refurbish and remodel your Restaurant and must do so, and must sign a sublease or amendment to sublease (if applicable), unless waived by us in our sole discretion, must meet the then-current standards set by us for issuing new franchise agreements to existing franchisees, and must provide the required notice to renew.
d. Termination by you	Not applicable	
e. Termination by IHOP without cause	Not applicable	
f. Termination by IHOP with cause	Section XII; Paragraph 2 of the Addendum (Purchase Program) (if applicable)	IHOP can terminate only if you default. In limited circumstances, if IHOP agrees to sell either a Single Store Development Agreement or Multi-Store Development Agreement in conjunction with one or more Restaurants, or two or more Restaurants, to you, a default under one of the Franchise Agreements, the Single Store Development Agreement or the Multi-Store Development Agreement will constitute a default under all the Franchise Agreements.
g. “Cause” defined - defaults which can be cured	Sections 12.01 and 12.03	You have 10 days to cure a default and five days to cure a default for non-payment of money. Except for nonpayment of fees, if the default cannot be cured within 10 days, you must immediately begin to cure the default and upon written request, you will be given an additional reasonable period to cure the default. Any Material Default under any other agreement with IHOP or its affiliate (except failure to meet your development schedule) will be a Material Default under your franchise agreement if not cured after 60 days past the cure date in the default notice.

<u>Provision</u>	<u>Section in Franchise Agreement or Addendum to Franchise Agreement</u>	<u>Summary</u>
h. “Cause” defined - defaults which cannot be cured	Section 12.02	Knowingly submitted false reports, underestimated or withheld reports of Gross Sales; made a material misrepresentation in connection with your application to become a franchisee; purport to assign without IHOP’s consent; attempt to assign IHOP’s Trademarks; take action that reflects unfavorably on IHOP; unauthorized use of Trade Secrets; conviction or pled guilty or nolo contendere to criminal felony or misconduct that adversely affects the IHOP system; danger to public health or safety; noncompliance with law; attachment of involuntary lien on subleased property; fail to open Restaurant under single store development agreement; default under a mortgage, deed of trust or lease or sublease; abandon the Restaurant; insolvency; death or disability if not transferred to an approved third party within 12 months; three or more defaults in 12 months.
i. Your obligations on termination/non-renewal	Sections 8.09, 10.05, 12.06 and 16.02	You must cease use of our marks, return all manuals, de-identify the Restaurant premises, assign to us or cancel all website home pages and domain names, assign all telephone numbers to us at our option and pay all amounts due to us. If you own the Restaurant premises, we have the option for 30 days to buy the premises for fair market value or lease the premises for an amount set forth in the Franchise Agreement. (We also have the option for 30 days to buy the equipment for fair market value.) Fair market value is either the price agreed to by you and us or set by appraisers chosen as described in the Franchise Agreement. If you lease the Restaurant premises, your lease must allow you to assign your lease to us at our option (also <i>see</i> item “o” below).
j. Assignment of contract by IHOP	Section 11.01	No restriction on IHOP’s right to assign or delegate any of its obligations.
k. “Transfer” by you - definition	Section 11.02; Paragraph 1 of Addendum (Purchase Program) (if applicable)	Includes transfer of agreement or transfer of stock that results in more than 49% of stock held by new owner (subject to IHOP’s right of first refusal, except in the case of your death or legal incapacity); under Addendum, also includes transfer of any real property that you purchased from (or the purchase agreement for which was assigned to you by) IHOP or its Affiliate. In limited circumstances, if IHOP agrees to sell either a Multi-Store Development Agreement in conjunction with one or more Restaurants or two or more Restaurants to you, if you desire to transfer one Restaurant you will be required to transfer all the Restaurants and the Multi-Store Development Agreement to the same franchisee.
l. IHOP’s approval of transfer by franchisee	Section 11.03	Transfers (including transfers of real estate acquired from IHOP or the purchase agreement for which was assigned by

<u>Provision</u>	<u>Section in Franchise Agreement or Addendum to Franchise Agreement</u>	<u>Summary</u>
		IHOP) require IHOP's written consent, which will not be unreasonably withheld.
m. Conditions for IHOP's approval of transfer	Section 11.03	New franchisee: qualifies, completes training, must sign new franchise documents. You must pay a transfer and training fee and all amounts then due and owing, and the remaining balance, if any, of the Initial Franchise Fee, unless waived by us, in our discretion and execute a general release. Transfer of real estate must not adversely affect ability to operate a Restaurant at the location.
n. IHOP's right of first refusal to acquire your business	Section 11.04	Except for a transfer to heir(s) who meet IHOP's requirements in the case of your death or legal incapacity or a transfer to a corporation which does not change the ownership of the franchise, IHOP can match any offer for your business.
o. IHOP's option to purchase your business	Section 12.06	Upon your termination or non-renewal, if you own the Restaurant premises, we have the option for 30 days to buy the premises for fair market value or lease the premises for an amount set forth in the Franchise Agreement. (We also have the option for 30 days to buy the equipment for fair market value.) Fair market value is either the price agreed to by you and us or set by appraisers chosen as described in the Franchise Agreement. If you lease the Restaurant premises, your lease must allow you to assign your lease to us at our option. (Also, <i>see</i> item "i" above.)
p. Your death or disability	Sections 11.02, 11.03, 11.04 and 12.02(m)	Same requirements as for transfer in "m" above, except we do not have right of first refusal, and must be completed within 12 months.
q. Non-competition covenants during the term of the franchise	Section XIV	No involvement in competing business.
r. Non-competition covenants after the franchise is terminated or expires	Section 12.06(d)	Upon your termination or non-renewal, if you own the Restaurant premises, we have the option for 30 days to buy the premises for fair market value or lease the premises for an amount set forth in the Franchise Agreement. If we do not elect to exercise our option to purchase or lease the premises, you can sell the premises to a third party but the third party cannot use the premises for a competing business for a period of 12 months after the termination or expiration of the Franchise Agreement.
s. Modification of the agreement	Sections 10.05 and 16.03	IHOP may amend or supplement Operations Manuals without your consent, and may modify the Franchise Agreement only with your written consent.
t. Integration/merger	Section 16.03	All agreements between the parties are in the Franchise

<u>Provision</u>	<u>Section in Franchise Agreement or Addendum to Franchise Agreement</u>	<u>Summary</u>
clause		Agreement, or related written agreements. Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Nothing is intended to disclaim any representation made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section XIII	Subject to state law, except for certain claims (possessory actions, injunctive relief and trademark claims), all disputes must be arbitrated in Los Angeles, California.
v. Choice of forum	Section 13.01	Subject to state law, except for certain claims (possessory actions, injunctive relief and trademark claims), all disputes must be arbitrated in Los Angeles, California.
w. Choice of law	Section 16.09	Subject to state law, California law applies.

Multi-Store Development Agreement ⁽¹⁾

<u>Provision</u>	<u>Section in Multi-Store Development Agreement</u>	<u>Summary</u>
a. Term of the agreement	Section 4.1	Initial term is equal to the duration of the Development Obligations, but is typically one to 10 years.
b. Renewal or extension of the term	Sections 4.2 through 4.8	If you have complied with all the terms of your agreement, depending on the terms negotiated, you can either request an additional term, which is negotiable and dependent upon the number of additional Restaurants you agree to open, or IHOP may agree to grant you one or more options to renew for one or more additional terms to develop an agreed upon number of Restaurants in the development area pursuant to an agreed schedule for an additional fee.
c. Requirements for you to renew or extend	Section 4.2 through 4.8	You must have complied with your obligations during the Term, and you and we must agree on the number of additional Restaurants you will develop in the assigned territory and the schedule on which you will develop them, or if you are granted an option, you must sign our then-current Multi-Store Development Agreement, pay an additional Development Fee, demonstrate your financial ability to develop additional Restaurants, continue to operate the Restaurants already developed, and sign a general release. The then-current Multi-Store Development Agreement may contain materially different terms and conditions than your original Multi-Store Development Agreement.

<u>Provision</u>	<u>Section in Multi-Store Development Agreement</u>	<u>Summary</u>
d. Termination by you	Not applicable	
e. Termination by IHOP without cause	Not applicable	
f. Termination by IHOP with cause	Article 11	IHOP can terminate only if you default.
g. “Cause” defined - defaults which can be cured	Sections 11.1 and 11.2	You have 60 days to cure your failure to meet the minimum Development Obligations. You have seven days to cure any payment default. You have 30 days to cure any other default.
h. “Cause” defined - defaults which cannot be cured	Sections 11.1 and 11.2	Includes your breach of any other agreement with IHOP, if you fail to cure the breach within the time allowed by that other agreement, your attempt to assign the Multi-Store Development without consent, your conviction for certain crimes, insolvency and your violation of the confidentiality restrictions.
i. Your obligations on termination/non-renewal	Articles 2, 3 and 11	You may not develop any additional IHOP Restaurants. Termination of the Multi-Store Development Agreement does not affect any of the Franchise Agreements which you have signed prior to termination.
j. Assignment of contract by IHOP	Section 8.1	No restriction on IHOP’s right to assign.
k. “Transfer” by you - definition	Section 8.3	Includes transfer of agreement or granting of security interest in agreement.
l. IHOP’s approval of transfer by franchisee	Section 8.3.1	Transfers require IHOP’s written consent, which it may grant or withhold in its sole and absolute discretion.
m. Conditions for IHOP’s approval of transfer	Section 8.3.1 and 8.3.4	If you assign the Multi-Store Development Agreement, you must simultaneously assign (to the same person) all Franchise Agreements signed pursuant to the Multi-Store Development Agreement. You must pay a transfer fee.
n. IHOP’s right of first refusal to acquire your business	Not applicable	
o. IHOP’s option to purchase your business	Not applicable	
p. Your death or disability	12.17	Your heirs may elect to cause IHOP to repurchase your development rights for the unused portion of the Development Fee, or assign the multi-store development agreement with IHOP’s consent.
q. Non-competition covenants during the	Section 10.2	Neither you nor your owners and affiliates, nor their officers, directors, and managers may operate a

<u>Provision</u>	<u>Section in Multi-Store Development Agreement</u>	<u>Summary</u>
term of the franchise		family-style Restaurant, pancake house, or coffee shop during the term.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	
s. Modification of the agreement	Section 12.8	Requires written instrument signed by all parties.
t. Integration/merger clause	Section 12.8	Multi-Store Development Agreement sets forth entire agreement between the parties concerning its subject matter. Only the terms of the Development Agreement and other related written agreements are binding (subject to applicable law). Any representations or promises outside of the disclosure document and Development Agreement may not be enforceable. Nothing is intended to disclaim any representation made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 12.15	Subject to state law, generally, all claims under Multi-Store Development Agreement must be arbitrated in Los Angeles, California.
v. Choice of forum	Section 12.7	Subject to state law, Los Angeles County, California, unless otherwise required by law.
w. Choice of law	Section 12.7	Subject to state law, California law governs, except as to limitations on competition (as to which law of the state where the breach occurs will govern).

⁽¹⁾ The Single Store Development Agreement includes similar provisions.

ITEM 18

PUBLIC FIGURES

IHOP does not use any public figure to promote its franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchise and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the

information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We

CHART 1: Historical Gross Sales of Traditional Franchised Restaurants by Region

Chart 1 contains historic average, median, high and low gross sales for two 12-month periods of January 2, 2022 to January 1, 2023 and January 2, 2023 to December 31, 2023. We included all franchised traditional IHOP Restaurants that were active and operating as of December 31, 2023, including 26 restaurants opened in 2023; except we excluded 149 subfranchised traditional IHOP Restaurants (which are operated by our subfranchisor, Sunshine Restaurant Partners, LP) and all Non-Traditional IHOP restaurants (which are offered under a separate franchise disclosure document). The restaurants are organized by geographic “Regions” as defined by the U.S. Census Bureau.

Region	# of Restaurants		Annualized Average Gross Sales		# and % of units that exceeded Average Gross Sales		Median		High		Low	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Northeast	179	182	\$2,050,676	\$2,230,556	79 /43%	86 /47%	\$1,932,454	\$2,161,632	\$4,925,060	\$5,290,995	\$559,636	\$568,728
West	419	426	\$2,122,954	\$2,242,809	187 /44%	176 /41%	\$2,004,180	\$2,095,498	\$6,750,951	\$7,016,502	\$497,539	\$447,837
South	638	650	\$1,944,423	\$2,030,872	307 /47%	298 /46%	\$1,891,447	\$1,974,737	\$4,757,673	\$4,896,575	\$474,881	\$406,317
Midwest	228	232	\$1,655,925	\$1,742,258	98 /42%	100 /43%	\$1,550,283	\$1,587,589	\$5,438,784	\$5,319,501	\$610,497	\$674,432

CHART 2: Historical Gross Sales of Traditional Franchised Restaurants by Prototype

Chart 2 contains historic average, median, high and low gross sales for two 12-month periods of January 2, 2022 to January 1, 2023 and January 2, 2023 to December 31, 2023. We included all franchised traditional IHOP Restaurants that were active and operating as of December 31, 2023, including 26 restaurants opened in 2023; except we excluded 149 subfranchised traditional IHOP Restaurants (which are operated by our subfranchisor, Sunshine Restaurant Partners, LP) and all Non-Traditional IHOP restaurants (which are offered under a separate franchise disclosure document). The restaurants are organized based on the following restaurant prototypes: freestanding, in-line, and endcap.

Prototype	# of Restaurants		Annualized Average Gross Sales		# and % of units that exceeded Average Gross Sales		Median		High		Low	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Freestanding	1,293	1,306	\$1,996,959	\$2,085,827	586 /45%	586 /45%	\$1,894,791	\$1,975,292	\$6,750,951	\$7,016,502	\$474,881	\$406,317
In-line	50	53	\$1,814,819	\$2,015,368	28 /53%	25 /53%	\$1,886,541	\$2,059,904	\$3,616,019	\$3,689,975	\$689,229	\$769,340
Endcap	121	129	\$1,716,566	\$1,942,381	55 /43%	53 /41%	\$1,501,983	\$1,726,163	\$4,925,060	\$5,290,995	\$559,636	\$568,728

Notes

(1) We compiled the gross sales data included in Charts 1 and 2 above from information submitted to us by our franchisees for royalty reporting. These amounts are not audited. Upon your reasonable request, we will provide written substantiation for these financial performance representations.

(2) “Gross Sales” is defined as the total revenues derived by a franchisee in and from the restaurant, whether for cash sales of food and other merchandise or otherwise, or charge sales thereof, or revenues from any source arising out of the operation of the Restaurant, deducting therefrom: (a) all refunds and allowances, if any; (b) any sales or excise taxes which are separately stated and which you collect from customers and pays to any federal, state or local taxing authority; (c) any amounts deposited in any vending machines or pay telephones which are located in or about the Restaurant, if such vending machines and/or pay telephones are leased and not owned by you, in which case Gross Sales shall include only the commissions you receive therefrom; and (d) delivery fees imposed in connection with dispatch services provided by Mobo Systems, Inc. This definition is provided in the Franchise Agreement.

Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

Other than the preceding financial performance representations, we do not make any financial performance representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Jacob Barden, Senior Vice President, Development, 10 West Walnut Street, Pasadena, California 91103, (818) 637-5206, jacob.barden@dinebrands.com, the Federal Trade Commission and the appropriate state administrators.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1A				
System-wide Outlet Summary For Years 2020 to 2022 ⁽¹⁾ (Traditional Venue Locations)				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	1,696	1,654	-42
	2021	1,654	1,638	-16
	2022	1,637 ⁽²⁾	1,646	+9
Company-Owned	2020	0	3	+3
	2021	3	0	-3
	2022	0	0	0
Total Outlets	2020	1,696	1,657	-39
	2021	1,657	1,638	-19
	2022	1,637 ⁽²⁾	1,646	+9
Notes (1) The figures in Table No. 1A include system-wide totals for Traditional Venue locations as of December 31, 2020, Fiscal Year 2021 and Fiscal Year 2022. See Table 1B for total franchised Non-Traditional Venue locations. (2) Outlets exclude one Flip'd location that was included in 2021.				

Table No. 1A				
System-wide Outlet Summary For Fiscal Years 2021 to 2023 (Traditional Venue Locations)				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	1,654	1,638	-16
	2022	1,637 ⁽²⁾	1,646	+9
	2023	1,646	1,658	+12
Company-Owned	2021	3	0	-3
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	1,657	1,638	-19
	2022	1,637 ⁽¹⁾	1,646	+9
	2023	1,646	1,658	+12

Table No. 1A				
System-wide Outlet Summary For Fiscal Years 2021 to 2023 (Traditional Venue Locations)				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Notes				
(1) Outlets exclude one Flip'd location that was included in 2021.				

Table No. 1B				
System-wide Outlet Summary For Fiscal Years ~~2020~~ 2021 to ~~2022~~ ⁽⁺⁾ 2023 (Non-Traditional Venue Locations)				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	~~2020~~ 2021	~~23~~ 21	~~21~~ 27	~~-2~~ +6
	2022	26 ⁽²¹⁾	37	+11
	<u>2023</u>	<u>37</u>	<u>45</u>	<u>+8</u>
Company-Owned	~~2020~~ 2021	~~0~~ 0	~~0~~ 0	~~0~~ 0
	2022	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Outlets	~~2020~~ 2021	~~23~~ 21	~~21~~ 27	~~-2~~ +6
	2022	26 ⁽²¹⁾	37	+11
	<u>2023</u>	<u>37</u>	<u>45</u>	<u>+8</u>
Notes				
~~(1) The figures in Table No. 1B include system-wide totals for Non Traditional Venue locations as of December 31, 2020, Fiscal Year 2021 and Fiscal Year 2022. There are no company-owned Non Traditional Venue locations.~~				
(1) ~~(2)~~ Outlets exclude one Flip'd location in New York that was included in 2021.				

Table No. 2		
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)		
For Fiscal Years ~~2020~~ 2021 to ~~2022~~ ⁽⁺⁾ 2023		
State	Year	Number of Transfers
ALABAMA	~~2020~~	~~3~~
	2021	1
	2022	0
	<u>2023</u>	<u>3</u>
ARIZONA	~~2020~~	~~0~~
	2021	42
	2022	0
	<u>2023</u>	<u>0</u>
CALIFORNIA	~~2020~~	~~0~~
	2021	15
	2022	6
	<u>2023</u>	<u>3</u>
DELAWARE	~~2020~~	~~1~~
	2021	0
	2022	0
	<u>2023</u>	<u>1</u>
GEORGIA	~~2020~~	~~16~~
	2021	3
	2022	9
	<u>2023</u>	<u>5</u>
IDAHO	~~2020~~	~~0~~
	2021	3
	2022	0
	<u>2023</u>	<u>0</u>
ILLINOIS	~~2020~~	~~2~~
	2021	12
	2022	0
	<u>2023</u>	<u>0</u>
INDIANA	~~2020~~	~~0~~
	2021	20
	2022	0
	<u>2023</u>	<u>0</u>
KANSAS	~~2020~~	~~1~~
	2021	3

	2022	1
	<u>2023</u>	<u>0</u>
LOUISIANA	~~2020~~	~~6~~
	~~2021~~	~~0~~
	~~2022~~	~~0~~
MAINE	~~2020~~	~~0~~
	2021	1
	2022	0
	<u>2023</u>	<u>0</u>
	~~2020~~	~~2~~
	2021	1
MARYLAND	2022	1
	<u>2023</u>	<u>1</u>
	~~2020~~ <u>2021</u>	0
MASSACHUSETTS	<u>2022</u>	<u>1</u>
	<u>2023</u>	<u>1</u>
	2021	0
<u>MICHIGAN</u>	2022	~~+0~~
	<u>2023</u>	<u>1</u>
	~~2020~~	~~0~~
MINNESOTA	2021	0
	2022	1
	<u>2023</u>	<u>0</u>
MISSOURI	~~2020~~	~~0~~
	2021	0
	2022	1
	<u>2023</u>	<u>0</u>
	~~2020~~	~~1~~
	2021	0
MISSISSIPPI	2022	1
	<u>2023</u>	<u>3</u>
	~~2020~~	~~0~~
NEVADA	2021	2
	2022	0
	<u>2023</u>	<u>0</u>
NEW JERSEY	~~2020~~	~~0~~
	2021	2
	2022	8
	<u>2023</u>	<u>2</u>

NEW MEXICO	~~2020~~ 2021	~~0~~ 2
	2022	0
	<u>2023</u>	<u>0</u>
NEW YORK	~~2020~~ 2021	~~2~~ 0
	2022	1
	<u>2023</u>	<u>13</u>
NORTH CAROLINA	~~2020~~ 2021	~~22~~ 0
	2022	0
	<u>2023</u>	<u>6</u>
~~OHIO~~	~~2020~~	~~0~~
<u>OHIO</u>	2021	9
	2022	0
	<u>2023</u>	<u>0</u>
OKLAHOMA	~~2020~~ 2021	~~0~~ 9
	2022	0
	<u>2023</u>	<u>0</u>
PENNSYLVANIA	~~2020~~ 2021	~~6~~ 1
	2022	0
	<u>2023</u>	<u>10</u>
RHODE ISLAND	~~2020~~ 2021	~~0~~ 0
	2022	1
	<u>2023</u>	<u>0</u>
SOUTH CAROLINA	~~2020~~ 2021	~~16~~ 0
	2022	3
	<u>2023</u>	<u>0</u>
TENNESSEE	~~2020~~ 2021	~~10~~ 2
	2022	0
	<u>2023</u>	<u>1</u>
~~TEXAS~~	~~2020~~	~~11~~
<u>TEXAS</u>	2021	10
	2022	2

	<u>2023</u>	<u>0</u>
VIRGINIA	~~2020~~ 2021	~~14~~ 1
	2022	1
	<u>2023</u>	<u>3</u>
WASHINGTON	~~2020~~ 2021	~~1~~ 4
	2022	0
	<u>2023</u>	<u>0</u>
WYOMING	~~2020~~ 2021	~~1~~ 0
	2022	0
	<u>2023</u>	<u>0</u>
~~TOTAL~~	~~2020~~	~~115~~
<u>TOTAL</u>	2021	146
	2022	37
	<u>2023</u>	<u>53</u>
Notes (1) ~~The figures in Table No. 2 include outlet transfers for both Traditional Venue and Non-Traditional Venue locations as of December 31, 2020, Fiscal Year 2021, and Fiscal Year 2022.~~		

Table No. 3A								
Status of Franchised Outlets for <u>Fiscal</u> Years ~~2020~~ <u>2021</u> to ~~2022~~ ⁽¹⁾ <u>2023</u> (Traditional Venue Locations)								
State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
ALABAMA	~~2020~~ 2021	~~18~~ 16	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~2~~ 0	~~16~~ 16
	2022	16	0	0	1	0	0	15
	<u>2023</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>
ALASKA	~~2020~~ 2021	~~4~~ 4	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~4~~ 4
	2022	4	0	0	0	0	0	4
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
ARIZONA	~~2020~~ 2021	~~45~~ 45	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 3	~~45~~ 42
	2022	42	0	0	0	0	0	42
	<u>2023</u>	<u>42</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>43</u>

Table No. 3A

Status of Franchised Outlets for Fiscal Years ~~2020~~2021 to ~~2022~~⁽⁴⁾2023 (Traditional Venue Locations)

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
ARKANSAS	~~2020~~ 2021	~~16~~ 15	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 0	~~15~~ 15
	2022	15	1	0	0	0	0	16
	<u>2023</u>	<u>16</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>
~~CALIFORNIA~~	~~2020~~	~~231~~	~~0~~	~~0~~	~~3~~	~~0~~	~~4~~	~~224~~
<u>CALIFORNIA</u>	2021	224	2	0	2	0	3	221
	2022	221	3	0	3	0	1	220
	<u>2023</u>	<u>220</u>	<u>6</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>223</u>
COLORADO	~~2020~~ ~~2021~~ <u>1</u>	~~373~~ ~~36~~ <u>36</u>	0	0	0	0	~~10~~ <u>0</u>	36
	~~2021~~	~~36~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~36~~
	2022	36	0	0	0	0	0	36
	<u>2023</u>	<u>36</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>37</u>
CONNECTICUT	~~2020~~ 2021	~~9~~ 9	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~9~~ 9
	2022	9	2	0	0	0	0	11
	<u>2023</u>	<u>11</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11</u>
DELAWARE	~~2020~~ 2021	~~7~~ 7	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~7~~ 7
	2022	7	0	0	0	0	0	7
	<u>2023</u>	<u>7</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
DISTRICT OF COLUMBIA	~~2020~~ 2021	~~2~~ 2	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~2~~ 2
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
~~FLORIDA~~ ⁽²⁾	~~2020~~	~~146~~	~~3~~	~~0~~	~~3~~	~~0~~	~~0~~	~~146~~
<u>FLORIDA</u> ⁽¹⁾	2021	146	2	0	0	0	3	145
	2022	145	3	0	0	0	3	145
	<u>2023</u>	<u>145</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>146</u>
GEORGIA ^(3,2)	~~2020~~ ~~2021~~ <u>1</u>	~~79~~ ~~81~~ <u>81</u>	2	0	0	0	~~0~~ <u>1</u>	~~81~~ <u>82</u>
	<u>2022</u>	<u>82</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>81</u>
	~~2021~~ ~~2022~~ <u>3</u>	81	~~20~~ <u>0</u>	0	0	0	~~12~~ <u>2</u>	~~82~~ <u>79</u>

Table No. 3A

Status of Franchised Outlets for Fiscal Years ~~2020~~2021 to ~~2022~~⁽⁴⁾2023 (Traditional Venue Locations)

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
	~~2022~~	~~82~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~81~~
GUAM	~~2020~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
HAWAII	~~2020~~	~~7~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~	~~5~~
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	<u>2023</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
~~IDAHO~~	~~2020~~	~~8~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~8~~
<u>IDAHO</u>	2021	8	0	0	0	0	1	7
	2022	7	0	0	0	0	0	7
	<u>2023</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
ILLINOIS	~~2020~~	~~50~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3~~	~~47~~
	2021	47	0	0	0	0	4	43
	2022	43	0	0	0	0	0	43
	<u>2023</u>	<u>43</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>42</u>
INDIANA	~~2020~~	~~24~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~26~~
	2021	26	0	0	0	0	0	26
	2022	26	1	0	0	0	1	26
	<u>2023</u>	<u>26</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26</u>
~~IOWA~~	~~2020~~	~~12~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~11~~
<u>IOWA</u>	2021	11	0	0	0	0	1	10
	2022	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
	<u>2023</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
~~KANSAS⁽⁵⁾~~	~~2020~~	~~29~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~29~~
<u>KANSAS⁽³⁾</u>	2021	29	1	0	0	0	0	30
	2022	29	1	0	0	0	1	29
	<u>2023</u>	<u>29</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30</u>
KENTUCKY	~~2020~~	~~11~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~11~~
	2021	11	1	0	0	0	0	12
	<u>2022</u> <u>2023</u>	<u>12</u> <u>12</u>	<u>0</u> <u>0</u>	<u>0</u> <u>0</u>	<u>0</u> <u>0</u>	<u>0</u> <u>0</u>	<u>0</u> <u>0</u>	<u>12</u> <u>12</u>
LOUISIANA	~~2020~~	~~31~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~31~~

Table No. 3A

Status of Franchised Outlets for Fiscal Years ~~2020~~2021 to ~~2022~~⁴2023 (Traditional Venue Locations)

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
	2021	31	0	0	0	0	2	29
	2022	29	2	0	1	0	0	30
	<u>2023</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30</u>
MAINE	~~2020~~	~~4~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~4~~
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
MARYLAND	~~2020~~	~~51~~	~~0~~	~~0~~	~~1~~	~~0~~	~~0~~	~~50~~
	2021	50	1	0	0	0	1	50
	2022	50	1	0	0	0	0	51
	<u>2023</u>	<u>51</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>52</u>
MASSACHUSETTS	~~2020~~	~~22~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~22~~
	2021	22	0	0	0	0	0	22
	2022	<u>22</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22</u>
	<u>2023</u>	<u>22</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22</u>
MICHIGAN	~~2020~~	~~24~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~25~~
	2021	25	0	0	0	0	0	25
	2022	<u>25</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25</u>
	<u>2023</u>	<u>25</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25</u>
MINNESOTA	~~2020~~	~~9~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~9~~
	2021	9	0	0	0	0	1	8
	2022	8	0	0	0	0	0	8
	<u>2023</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
MISSISSIPPI	~~2020~~	~~13~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~13~~
	2021	13	0	0	0	0	0	13
	2022	<u>13</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>
	<u>2023</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>
~~MISSOURI~~	~~2020~~	~~33~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~32~~
<u>MISSOURI</u>	2021	32	1	0	0	0	2	31
	2022	31	0	0	1	0	0	30
	<u>2023</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30</u>
MONTANA	~~2020~~	~~5~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~4~~
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>

Table No. 3A

Status of Franchised Outlets for Fiscal Years ~~2020~~2021 to ~~2022~~⁽⁴⁾2023 (Traditional Venue Locations)

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
NEBRASKA	~~2020~~ 2021	~~6~~ 6	~~0~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 1	~~6~~ 6
	2022	6	1	0	0	0	0	7
	<u>2023</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
~~NEVADA~~	~~2020~~	~~21~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~22~~
<u>NEVADA</u>	2021	22	1	0	0	0	0	23
	2022	23	0	0	0	0	0	23
	<u>2023</u>	<u>23</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>22</u>
NEW HAMPSHIRE	~~2020~~ 2021	~~6~~ 6	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~6~~ 6
	2022	6	0	0	0	0	0	6
	<u>2023</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
~~NEW JERSEY~~	~~2020~~	~~48~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~49~~
<u>NEW JERSEY</u>	2021	49	1	0	1	0	1	48
	2022	48	0	0	0	0	0	48
	<u>2023</u>	<u>48</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49</u>
~~NEW MEXICO~~	~~2020~~	~~22~~	~~0~~	~~0~~	~~0~~	~~3~~	~~6~~	~~13~~
<u>NEW MEXICO</u>	2021	13	3 ⁽⁴⁾	0	0	0	1	15
	2022	15	0	0	0	0	0	15
	<u>2023</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>
~~NEW YORK~~	~~2020~~	~~57~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~58~~
<u>NEW YORK</u>	2021	58	3	0	0	0	2	59
	2022	59	2	0	1	0	1	59
	<u>2023</u>	<u>59</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>60</u>
NORTH CAROLINA	~~2020~~ 2021	~~56~~ 49	~~1~~ 2	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~8~~ 2	~~49~~ 49
	2022	49	2	0	0	0	0	51
	<u>2023</u>	<u>51</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>51</u>
NORTH DAKOTA	~~2020~~ 2021	~~2~~ 2	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~2~~ 2
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
~~NORTHERN~~	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~0~~

Table No. 3A

Status of Franchised Outlets for Fiscal Years ~~2020~~2021 to ~~2022~~⁴2023 (Traditional Venue Locations)

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
MARIANA ISLANDS	~~2021~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
OHIO	~~2020~~	~~39~~	~~1~~	~~0~~	~~0~~	~~0~~	~~—1~~	~~39~~
OHIO	2021	39	1	0	0	0	7	33
	2022	33	1	0	0	0	0	34
	<u>2023</u>	<u>34</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34</u>
OKLAHOMA	~~2020~~	~~31~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~31~~
	2021	31	1	0	0	0	1	31
	2022	31	0	0	0	0	0	31
	<u>2023</u>	<u>31</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32</u>
OREGON	~~2020~~	~~11~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~11~~
OREGON	2021	11	2	0	0	0	0	13
	2022 <u>2023</u>	<u>13</u> <u>13</u>	<u>0</u> <u>0</u>	<u>0</u> <u>0</u>	<u>0</u> <u>0</u>	<u>0</u> <u>0</u>	<u>0</u> <u>0</u>	<u>13</u> <u>13</u>
PENNSYLVANIA	~~2020~~	~~27~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~27~~
	2021	27	0	0	0	0	1	26
	2022	26	0	0	0	0	1	25
	<u>2023</u>	<u>25</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>24</u>
PUERTO RICO	~~2020~~	~~6~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~6~~
	2021	6	0	0	0	0	0	6
	2022	6	1	0	0	0	0	7
	<u>2023</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
RHODE ISLAND	~~2020~~	~~5~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~5~~
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
SOUTH CAROLINA	~~2020~~	~~33~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~	~~31~~
	2021	31	0	0	0	0	1	30
	2022	30	1	0	0	0	0	31
	<u>2023</u>	<u>31</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>31</u>
SOUTH DAKOTA	~~2020~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>

Table No. 3A

Status of Franchised Outlets for Fiscal Years ~~2020~~2021 to ~~2022~~⁴2023 (Traditional Venue Locations)

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
TENNESSEE	~~2020~~ 2021	~~39~~ 36	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~3~~ 2	~~36~~ 34
	2022	34	0	0	0	0	0	34
	<u>2023</u>	<u>34</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>34</u>
~~TEXAS~~	~~2020~~	~~208~~	~~3~~	~~0~~	~~2~~	~~0~~	~~4~~	~~205~~
<u>TEXAS</u>	2021	205	4	0	0	0	1	208
	2022	208	1	0	0	0	1	208
	<u>2023</u>	<u>208</u>	<u>5</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>210</u>
~~UTAH~~	~~2020~~	~~22~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~22~~
<u>UTAH</u>	2021	22	0	0	0	0	1	21
	2022	<u>21</u> 21	<u>0</u> 0	<u>0</u> 0	<u>0</u> 0	<u>0</u> 0	<u>0</u> 0	<u>21</u> 21
	<u>2023</u>							
VERMONT	~~2020~~ 2021	~~1~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
VIRGINIA	~~2020~~ 2021	~~66~~ 63	~~0~~ 2	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~3~~ 0	~~63~~ 65
	2022	65	1	0	0	0	0	66
	<u>2023</u>	<u>66</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>65</u>
WASHINGTON	~~2020~~ 2021	~~32~~ 31	~~0~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 0	~~31~~ 32
	2022	32	1	0	0	0	0	33
	<u>2023</u>	<u>33</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34</u>
WEST VIRGINIA	~~2020~~ 2021	~~8~~ 8	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~8~~ 8
	2022	8	0	0	0	0	0	8
	<u>2023</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
WISCONSIN	~~2020~~ 2021	~~15~~ 14	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 1	~~14~~ 13
	2022	13	1	0	0	0	0	14
	<u>2023</u>	<u>14</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>
WYOMING	~~2020~~ 2021	~~3~~ 3	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 1	~~3~~ 2

Table No. 3A

Status of Franchised Outlets for Fiscal Years ~~2020~~2021 to ~~2022~~⁽⁴⁾2023 (Traditional Venue Locations)

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
	2022	2	0	0	0	0	0	2
TOTALS	~~2020~~ 2021 <u>3</u>	~~1,696~~ <u>2</u>	~~160~~	0	~~90~~	~~30~~	~~461~~	~~1,654~~ <u>1</u>
TOTALS	2021	1,654	30	0	3	0	45	1,638
	2022	1,637 ⁽⁵⁾ <u>5</u>	26	0	7	0	10	1,646
	<u>2023</u>	<u>1,646</u>	<u>35</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>20</u>	<u>1,658</u> ⁽⁶⁾

Notes

~~(1) The figures in Table No. 3A include status of franchised outlets for Traditional Venue locations as of December 31, 2020, Fiscal Year 2021, and Fiscal Year 2022.~~

(1) ~~(2)~~ All Florida outlets are franchised by a subfranchisor.

(2) ~~(3)~~ Three Georgia outlets are franchised by a subfranchisor.

(3) One Kansas Flip'd location was included in 2021 but excluded in 2022.

(4) These three New Mexico outlets are the same three outlets included in Table No. 4 as "sold to franchisees". They had previously been operated by a prior franchisee, were closed, and were then franchised to a different franchisee during Fiscal Year 2021.

~~(5) One Kansas Flip'd location was included in 2021 but excluded in 2022.~~

(5) ~~(6)~~ Total excludes one Flip'd location that was included in 2021.

(6) Total includes 5 restaurants that were temporarily closed as of December 31, 2023.

Table No. 3B

Status of Franchised Outlets for Fiscal Years ~~2020~~2021 to ~~2022~~⁽⁴⁾2023 (Non-Traditional Venue)

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
ARKANSAS	~~2020~~ 2021	~~1~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 0	~~0~~ 0
	2022	0	1	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
CALIFORNIA	~~2020~~ 2021	~~2~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 0	~~1~~ 1
	2022	1	2	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
GEORGIA	~~2020~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~

	2021	2	1	0	0	0	0	3
	2022	3	2	0	0	0	0	5
	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>4</u>
ILLINOIS	~~2020~~ 2021	~~1~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 0	~~0~~ 0
	2022	0	1	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
INDIANA	~~2020~~ 2021	~~0~~ 1	~~1~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
IOWA	~~2020~~ 2021	~~0~~ 0	~~0~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
KANSAS	~~2020~~ 2021	~~1~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
MARYLAND	~~2020~~ 2021	~~1~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
MICHIGAN	~~2020~~ <u>2021</u>	~~2~~ <u>3</u>	~~1~~ <u>0</u>	0	0	0	0	3
	<u>2022</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>MISSOURI</u>	2021	~~3~~ <u>0</u>	0	0	0	0	0	~~3~~ <u>0</u>
	2022	~~3~~ <u>0</u>	0	0	0	0	0	~~3~~ <u>0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
NEVADA	~~2020~~ 2021	~~1~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
NEW JERSEY	~~2020~~ 2021	~~1~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
NEW YORK ⁽²¹⁾	~~2020~~ 2021	~~1~~ ~~11000~~	~~0~~	0	0	0	~~0~~ <u>1</u>	1

		11						
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NORTH CAROLINA	~~2020~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
OHIO	~~2020~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
OKLAHOMA	~~2020~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
PENNSYLVANIA	~~2020~~	~~1~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~2~~
	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
TENNESSEE	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
~~TEXAS~~	~~2020~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~2~~
<u>TEXAS</u>	2021	2	2	0	0	0	0	4
	2022	4	2	0	0	0	0	6
	<u>2023</u>	<u>6</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
VIRGINIA	~~2020~~	~~3~~	~~0~~	~~0~~	~~1~~	~~0~~	~~0~~	~~2~~
	2021	2	0	0	0	0	1	1
	2022	1	1	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>WEST VIRGINIA</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
~~TOTAL~~	~~2020~~	~~23~~	~~3~~	~~0~~	~~1~~	~~0~~	~~4~~	~~21~~
<u>TOTAL</u>	2021	21	8	0	0	0	2	27
	2022	26	11	0	0	0	0	37
	<u>2023</u>	<u>37</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>45⁽²⁾</u>
Notes								

~~(1) The figures in Table No. 3B include status of franchised outlets for Non-Traditional Venue locations as of December 31, 2020, Fiscal Year 2021 and Fiscal Year 2022.~~

~~(1) (2)~~ 1 New York Flip'd location was included in 2021 but excluded in 2022.

~~(2)~~ Total includes 1 restaurant that was temporarily closed as of December 31, 2023.

Table No. 4

Status of Company-Owned Outlets for Fiscal Years ~~2020~~2021 to ~~2022~~⁽¹⁾2023 (Traditional Venue)

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
NEW MEXICO	~~2020~~	~~0~~	~~0~~	~~3~~	~~0~~	~~0~~	~~0~~
	2021	3	0	0	0	3 ⁽²⁾	0
	2022	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTALS	~~2020~~	~~0~~	~~0~~	~~3~~	~~0~~	~~0~~	~~3~~
	2021	3	0	0	0	3	0
	2022	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Notes

~~(1) The figures in Table No. 4 include status of company-owned outlets for Traditional Venue locations as of December 31, 2020, Fiscal Year 2021 and Fiscal Year 2022.~~

~~(1) (2)~~ These three New Mexico outlets are the same three outlets included in Table No. 3A as “opened”. They had previously been operated by a prior franchisee, were closed, and were then franchised to a different franchisee during Fiscal Year 2021.

Table No. 5A

Projected New Franchised Outlets as of January 1, ~~2023~~2024 (Traditional Venue)

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the ~~2023~~ 2024 Fiscal Year	Projected New Company - Owned Outlets in the ~~2023~~ 2024 Fiscal Year
ARKANSAS	0	1	0
CALIFORNIA	1	4	0
COLORADO	~~2~~ 0	1	0
CONNECTICUT	~~0~~ 1	~~2~~ 1	0
~~DELAWARE~~	~~0~~	~~1~~	~~0~~
~~FLORIDA~~	~~0~~	~~2~~	~~0~~
GEORGIA	~~0~~ 1	~~5~~ 6	0

Table No. 5A				
Projected New Franchised Outlets as of January 1, ~~2023~~ 2024 (Traditional Venue)				
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the ~~2023~~ 2024 Fiscal Year	Projected New Company - Owned Outlets in the ~~2023~~ 2024 Fiscal Year	
<u>HAWAII</u>	<u>0</u>	<u>1</u>	<u>0</u>	
<u>ILLINOIS</u>	<u>0</u>	<u>1</u>	<u>0</u>	
KANSAS	~~2~~ <u>1</u>	2	0	
<u>LOUISIANA</u>	<u>0</u>	<u>1</u>	<u>0</u>	
MARYLAND	<u>0</u>	1	~~1~~	0
~~MICHIGAN~~	~~0~~	~~1~~	~~0~~	
MISSOURI	1	0	0	
NEW JERSEY	0	~~1~~ <u>2</u>	0	
NEW MEXICO	0	1	0	
NEW YORK	~~2~~ <u>1</u>	1	0	
NORTH CAROLINA	0	~~4~~ <u>1</u>	0	
<u>NORTH DAKOTA</u>	<u>0</u>	<u>1</u>	<u>0</u>	
<u>OHIO</u>	<u>1</u>	<u>0</u>	<u>0</u>	
<u>OREGON</u>	<u>0</u>	<u>1</u>	<u>0</u>	
<u>PENNSYLVANIA</u>	<u>0</u>	<u>1</u>	<u>0</u>	
~~OKLAHOMA~~	~~1~~	~~0~~	~~0~~	
~~TENNESSEE~~	~~1~~	~~0~~	~~0~~	
TEXAS	~~2~~ <u>0</u>	~~5~~ <u>3</u>	0	
<u>VIRGINIA</u>	<u>0</u>	<u>1</u>	<u>0</u>	
WASHINGTON	~~0~~	1	<u>3</u>	0
~~WISCONSIN~~	~~0~~	~~2~~	~~0~~	
Total	~~13~~ <u>8</u>	~~35~~ <u>34</u>	0	

Table No. 5B			
Projected New Franchised Outlets as of January 1, ~~2023~~ 2024 (Non-Traditional Venue)			
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the ~~2023~~ 2024 Fiscal Year	Projected New Company - Owned Outlets in the ~~2023~~ 2024 Fiscal Year
<u>KANSAS</u>	<u>0</u>	<u>1</u>	<u>0</u>
<u>MAINE</u>	<u>0</u>	<u>3</u>	<u>0</u>
~~MARYLAND~~	~~1~~	~~0~~	~~0~~

Table No. 5B				
Projected New Franchised Outlets as of January 1, ~~2023~~ 2024 (Non-Traditional Venue)				
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the ~~2023~~ 2024 Fiscal Year	Projected New Company - Owned Outlets in the ~~2023~~ 2024 Fiscal Year	
MISSOURI	0	1	0	
<u>PENNSYLVANIA</u>	<u>0</u>	<u>1</u>	<u>0</u>	
~~OKLAHOMA~~	~~0~~	~~1~~	~~0~~	
~~NEVADA~~	~~0~~	~~1~~	~~0~~	
TEXAS	~~1~~ 2	~~4~~ 2	0	
WEST VIRGINIA	0	<u>2</u> 1	<u>0</u>	0
Total	<u>2</u> 3	<u>9</u> 8	0	

Current Franchised Locations

Attached as Exhibit A is a list of the names, addresses and telephone numbers of all IHOP Restaurant outlets in the U.S. as of Fiscal Year ~~2022~~2023.

Attached as Exhibit A-1 is a complete list of company-owned IHOP brand Restaurants in the U.S. operated by affiliates of IHOP as of Fiscal Year ~~2022~~2023.

Former Franchisees

Attached as Exhibit A-2 is a list of the names and last known addresses and telephone numbers of each franchisee who has had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during Fiscal ~~2022~~2023 or who has not communicated with us or our affiliate within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Purchase of Previously-Owned Franchise Outlet

If you are purchasing a previously-owned franchised outlet, we will provide you additional information on the previously-owned franchise outlet in an addendum to this Disclosure Document.

Confidentiality Clauses

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with IHOP. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. Several former franchisees signed agreements that include confidentiality clauses as part of a settlement of litigation (*see* Item 3). Several current franchisees signed agreements that include confidentiality clauses as part of a test for new products and/or equipment, or as a member of an IHOP sponsored committee that considers new products, services, and the procurement of products and services for IHOP or Franchising Restaurants.

Trademark Specific Franchisee Organizations

A Franchise Leadership Council of current IHOP franchisees from each IHOP-defined geographic region was created by and is sponsored by IHOP and/or its affiliates. It has no separate address, telephone number, email address or web address.

The following independent franchisee association has asked to be included in this Disclosure Document:

Name:	Blue Roof Franchisee Association c/o John Jordan, Executive Director
Address:	4919 Lamar Avenue Mission, KS 66202
Email Address:	brfa@dc-kansascity.com
Website:	www.brfa.net

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit G are our audited financial statements as of and for the years ended [December 31, 2023](#), January 1, 2023, [and](#) January 2, 2022, ~~and January 3, 2021~~.

Also included are the audited financial statements of our parent company, Dine Brands as of its fiscal years ending [December 31, 2023](#), January 1, 2023, [and](#) January 2, 2022, ~~and January 3, 2021~~. These financials are included because Dine Brands performs certain post-sale obligations for the franchisor; Dine Brands does not guarantee our performance of obligations to our franchisees.

We and Dine Brands have a 52/53 week fiscal year ending on the Sunday nearest to December 31 of each year. For convenience, in this Disclosure Document, we may sometimes refer to fiscal years as ending on December 31 and fiscal quarters as ending on the nearest calendar quarter-end. There were [52 calendar weeks in our and Dine Brands' 2023 fiscal year ended on December 31, 2023](#), 52 calendar weeks in our and Dine Brands' 2022 fiscal year ended on January 1, 2023, [and](#) 52 calendar weeks in our and Dine Brands' 2021 fiscal year ended on January 2, 2022, ~~and 53 calendar weeks in our and Dine Brands' 2020 fiscal year ended on January 3, 2021~~.

ITEM 22

CONTRACTS

The following agreements are attached as Exhibits to this Disclosure Document:

Exhibit B:	Franchise Agreement
Exhibit C:	Rider for Novation Program
Exhibit D:	Equipment Lease
Exhibit E:	Equipment Purchase Agreement
Exhibit F:	Expendables Purchase Agreement-Food and Paper Goods Inventory
Exhibit H:	Sublease
Exhibit I-1:	Guarantee of Obligations (Franchise Agreement)
Exhibit I-2:	Guarantee of Obligations (Development Agreement)
Exhibit J:	Multi-Store Development Agreement
Exhibit K:	Single Store Development Agreement
Exhibit L:	Promissory Note
Exhibit L-1:	Down Payment Promissory Note
Exhibit R:	General Release
Exhibit S:	Addendum to Lease
Exhibit T:	Addendum to Franchise Agreement (Purchase Program)
Exhibit U:	Lease

ITEM 23

RECEIPTS

Two copies of a Receipt for this Disclosure Document are attached as the last two pages of this Disclosure Document. Please sign, date and return one copy to us and retain the other copy for your files.

LIST OF FRANCHISEES

EXHIBIT A

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Restaurant Legal Entity	Address	City	State/Province/Region	Zip Code	Restaurant Phone Number
Stocker 003 Inc.	3625 Stocker St	LOS ANGELES	CA	90008-2503	(323) 291-0001
Double O Two, Inc.	8555 Vesper Ave	PANORAMA CITY	CA	91402-2914	(818) 891-6186
Hollywood Five, Inc.	7006 Sunset Blvd	HOLLYWOOD	CA	90028-7510	(323) 466-8370
PJ Warren, Inc.	15140 La Mirada Blvd	LA MIRADA	CA	90638-4724	(714) 521-5448
Sunshine Restaurant Merger Sub, LLC	1101 N E 163rd Street	NORTH MIAMI BEACH	FL	33162-4502	(305) 940-1691
Glendale 708 Inc.	605 N Glendale Ave	GLENDALE	CA	91206-2408	(818) 242-0922
Forty Seven Twenty Five Company, Inc.	1850 Soldiers Field Road	BRIGHTON	MA	02135-1113	(617) 787-0533
Ashoori, Farshad Dan	2912 S Sepulveda Blvd	LOS ANGELES	CA	90064-3913	(310) 478-4017
Buena Park Pancakes, Inc.	7950 Beach Blvd	BUENA PARK	CA	90620-1939	(714) 522-7448
Naymel's Pancakes, Inc.	22222 Foothill Blvd	HAYWARD	CA	94541-2711	(510) 886-2244
Granada Hills Pancakes, Inc.	16943 Devonshire St	GRANADA HILLS	CA	91344-7407	(818) 366-0774
Lakewood Pancakes, Inc.	5316 Lakewood Blvd	LAKEWOOD	CA	90712-1720	(562) 634-5311
MAC 46-1, Inc.	50 Parsonage Road	EDISON	NJ	08837-2416	(732) 548-3020
West Covina 716 Inc.	702 S Citrus Ave	COVINA	CA	91722-3417	(626) 966-1241
Elizabeth Operating Group Inc.	465 N. Broad Street	ELIZABETH	NJ	07208-3772	(908) 351-8833
Seven Seventeen, Inc.	3165 W Sixth St	LOS ANGELES	CA	90020-1708	(213) 388-7770
Ash Hop Inc.	15635 Ventura Blvd	ENCINO	CA	91436-3128	(818) 783-4470
Fairlawn Pancake House Inc.	37-13 Broadway	FAIR LAWN	NJ	07410-5428	(201) 402-3820
Seven Twenty Eight Company, Inc.	913 N San Fernando Blvd	BURBANK	CA	91504-4326	(818) 842-8622
FLIP 1202, Inc.	5929 N Lincoln Ave	CHICAGO	IL	60659-3728	(773) 769-1550
RMLS HOP ILLINOIS LLC	100 Asbury Ave	EVANSTON	IL	60202-3893	(847) 328-1450
C & H 608, Inc.	644 N First Street	SAN JOSE	CA	95112-5109	(408) 294-4130
Arcadia Pancakes, Inc.	1113 S Baldwin Ave	ARCADIA	CA	91007-7509	(626) 446-2034
Opportunity Pancakes LLC	610 Cedar Lane	TEANECK	NJ	07666-1703	(201) 836-6500
Sunshine Restaurant Merger Sub, LLC	2754 Hollywood Blvd	HOLLYWOOD	FL	33020-4241	(954) 923-3011
Larchmont Pancake House, Inc.	1375 Boston Post Road	LARCHMONT	NY	10538-3904	(914) 834-4734
Guru Nanak Restaurants, Inc.	950 E Madison St	SEATTLE	WA	98122-4318	(206) 323-9323
New Zaks USA Inc.	4210 N Cicero Ave	CHICAGO	IL	60641-1603	(773) 685-0242
Six Fourteen, Inc., a California Corporation	1825 Fourth St	SAN RAFAEL	CA	94901-2786	(415) 524-8355
Arlington Pancakes, Inc.	935 N Stafford St	ARLINGTON	VA	22203-1812	(703) 522-3118
Moore Hospitality 506, Inc.	7405 New Hampshire Ave	TAKOMA PARK	MD	20912-6944	18006037318
MRNT, Inc.	151 W Orangethorpe Ave	FULLERTON	CA	92832-2901	(714) 525-4544
Sunshine Restaurant Merger Sub, LLC	6928 Collins Avenue	MIAMI BEACH	FL	33141-3206	(305) 866-8961
Sunshine Restaurant Merger Sub, LLC	802 S Dale Mabry Highway	TAMPA	FL	33609-4411	(813) 873-0279
Ardmore PA Pancakes House Inc.	130 W Lancaster Ave	ARDMORE	PA	19003-1305	(610) 642-2555
SS406 LLC	6120 Roswell Rd	SANDY SPRINGS	GA	30328-3904	(404) 256-4639
Opportunity Pancakes LLC	481 Old York Rd	JENKINTOWN	PA	19046-2735	(215) 886-6150
Al-Masa Group, Inc.	70 Boston Turnpike	SHREWSBURY	MA	01545-3601	(508) 791-9328
Opportunity Pancakes LLC	180 E Sunrise Highway	VALLEY STREAM	NY	11581-1312	(516) 825-9388
Sunshine Restaurant Merger Sub, LLC	3501 E Busch Blvd	TAMPA	FL	33612-2309	(813) 443-2178
M&H 2, Inc.	785 Parkway Avenue	TRENTON	NJ	08618-2729	(609) 403-8174
Cardinal Restaurant Corp.	159 W. Main Road	MIDDLETOWN	RI	02842-4936	4018479818

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Stamford Pancakes, Inc.	2410 Summer Street	STAMFORD	CT	06905-4505	(203) 324-9819
413A LLC	2741 Clairmont Road, NE	ATLANTA	GA	30329-2712	(404) 633-1889
Tamara III, Inc.	8049 Clayton Rd	SAINT LOUIS	MO	63117-1105	(314) 725-8798
Mave Corp.	1586 Northern Blvd	MANHASSET	NY	11030-3006	(516) 365-2732
411 Company Inc.	915 Wade Hampton Blvd	GREENVILLE	SC	29609-4943	(864) 412-5511
SunCakes SC, LLC	1031 Assembly St	COLUMBIA	SC	29201-3145	(803) 830-3775
Forty Six Nineteen Company, Inc.	2101 Ralph Avenue	BROOKLYN	NY	11234-5405	(718) 251-2262
Opportunity Pancakes LLC	170-19 Hillside Avenue	JAMAICA	NY	11432-4546	(718) 523-4561
Tai Wah, Inc.	590 El Camino Real	SAN BRUNO	CA	94066-4347	(650) 588-8344
JC Pearce Enterprises, Inc.	1010 S Central Expressway	RICHARDSON	TX	75080-7303	(972) 231-8622
Sunshine Restaurant Merger Sub, LLC	312 U S Highway 1	NORTH PALM BEACH	FL	33408-5507	(561) 842-8372
Bronx Pancakes, Inc.	4340 Boston Post Road	BRONX	NY	10475-1020	(718) 325-6664
Opportunity Pancakes LLC	145 Hillside Avenue	WILLISTON PARK	NY	11596-1700	(516) 746-8421
Laksh Management, Inc.	542 Bloomfield Avenue	BLOOMFIELD	NJ	07003-3302	(973) 743-9177
Richie's H.O.P., Inc.	25402 Rockaway Blvd	ROSEDALE	NY	11422-3107	(718) 978-6689
Edwards, Douglas	3001 S. Memorial Parkway	HUNTSVILLE	AL	35801-5304	(256) 288-0070
B-Hop Corp.	2159 Jericho Turnpike	COMMACK	NY	11725-2903	(631) 499-7265
RMLS HOP ILLINOIS LLC	3760 N Halsted St	CHICAGO	IL	60613-3907	(773) 296-0048
Bren-Hop, Corp.	2971 Long Beach Road	OCEANSIDE	NY	11572-3202	(516) 536-0527
Di Hop Corp.	651 Montauk Highway	WEST BABYLON	NY	11704-8217	(631) 321-0953
Ristich and Ristich, Inc.	2818 W Diversey Ave	CHICAGO	IL	60647-1702	(773) 342-8901
Sunshine Restaurant Merger Sub, LLC	201 South Federal Highway	DANIA BEACH	FL	33004-3616	(954) 929-1529
Six Twenty Seven Company, Inc.	3730 Lake Tahoe Blvd	SOUTH LAKE TAHOE	CA	96150-8904	(530) 544-4880
Hotcakes No. 1, Inc.	6135 Balboa Ave	SAN DIEGO	CA	92111-3105	(858) 277-4791
Holloway 733, Inc.	8461 Santa Monica Blvd	LOS ANGELES	CA	90069-4218	(323) 656-5468
Samira, Inc.	179 Cobb Parkway S	MARIETTA	GA	30060-9208	(770) 590-0425
520A LLC	1002 W Mercury Blvd	HAMPTON	VA	23666-3405	757-964-9378
MESK Investment 628, LLC	4300 196th Street SW	LYNNWOOD	WA	98036-6721	(425) 776-2838
DM2Pancakes, Inc.	5645 Broadway	BRONX	NY	10463-5504	(718) 549-4565
Chenega IH, LLC	29202 Woodward Ave	ROYAL OAK	MI	48073-0901	(248) 544-0908
Chenega IH, LLC	16 Wolf Road	ALBANY	NY	12205-2603	(518) 459-7540
RMLS HOP TEXAS, L.L.C.	1627 University Ave	LUBBOCK	TX	79401-4417	(806) 744-5153
Moore Hospitality Inc.	2526 University Blvd, W	WHEATON	MD	20902-1911	18006053216
Victoria Food LLC	259B Old Walt Whitman Rd	HUNTINGTON STATION	NY	11746-4124	(631) 423-8760
M. K. Atigh, Inc.	3912 Airport Blvd	MOBILE	AL	36608-1622	(251) 342-7501
ACG 1333, L.P.	1626 W Mockingbird Lane	DALLAS	TX	75235-5009	(214) 634-0200
Reya's Excellent Pancake Inc	28 S. Central Avenue	HARTSDALE	NY	10530-2313	(914) 682-8271
DCR Restaurants, Inc.	7128 Kingston Pike	KNOXVILLE	TN	37919-5707	(865) 588-8331
ACG 1337, L.P.	2100 S Western St	AMARILLO	TX	79109-1516	(806) 352-2646
Sunshine Restaurant Merger Sub, LLC	3416 N Roosevelt Blvd	KEY WEST	FL	33040-4126	(305) 292-6319
Six Thirty Company, Inc.	1800 S Virginia St	RENO	NV	89502-3402	(775) 786-5028
Five Twenty One Associates, Inc.	4400 St. Barnabas Rd	MARLOW HEIGHTS	MD	20748-1812	(301) 423-4545
Adday, Inc.	1180 Baxter St	ATHENS	GA	30606-3710	(706) 354-1356
Adday II, Inc.	4276 La Vista Rd	TUCKER	GA	30084-5309	470-545-1356

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Sunshine Restaurant Merger Sub, LLC	516 South Federal Highway	DEERFIELD BEACH	FL	33441-5915	(954) 725-6602
436 HOP, Ltd.	101 N. University Ave	LITTLE ROCK	AR	72205-3102	(501) 664-2014
MAS AMIN 1336 INC	5729 Westheimer Rd	HOUSTON	TX	77057-5719	(713) 952-1378
Kenny Family Enterprises, Inc.	2500 Route 22 E	UNION	NJ	07083-8540	(908) 687-2022
KIMCNEFOOD, LLC	155-17 Northern Blvd	FLUSHING	NY	11354-5031	(718) 353-5576
Sunshine Restaurant Merger Sub, LLC	2204 South Atlantic Avenue	DAYTONA BEACH	FL	32118-5333	(386) 255-9629
King Star Enterprises, Inc.	10001 York Rd	COCKEYSVILLE	MD	21030-3303	(410) 666-7034
Atigh Restaurants, LLC	2904 Hardy St	HATTIESBURG	MS	39401-7053	(601) 264-6789
Sunshine Restaurant Merger Sub, LLC	6495 Overseas Highway	MARATHON	FL	33050-2759	(305) 743-5952
Revere Pancakes, Inc.	105 Squire Road	REVERE	MA	02151-1309	(781) 289-6012
638, Inc.	14747 NE 20th St	BELLEVUE	WA	98007-3716	(425) 747-5975
Sunshine Restaurant Merger Sub, LLC	2454 North University Drive	SUNRISE	FL	33322-3044	(954) 749-4545
Sunshine Restaurant Merger Sub, LLC	427 North Atlantic Avenue	DAYTONA BEACH	FL	32118-3935	(386) 253-8319
Sunshine Restaurant Merger Sub, LLC	1715 West Vine Street	KISSIMMEE	FL	34741-3115	(407) 846-2311
Khani, Michael A.	2680 Beach Blvd	BILOXI	MS	39531-4519	(228) 594-2211
Sunshine Restaurant Merger Sub, LLC	285 N W 42nd Avenue	MIAMI	FL	33126-5434	(305) 643-1210
Madison 1255 Inc.	4614 E Washington Ave	MADISON	WI	53704-3236	(608) 240-0838
Sunshine Restaurant Merger Sub, LLC	3447 South Florida Avenue	LAKELAND	FL	33803-4757	(863) 646-7087
Six Thirty Six Company, Inc.	2098 W Orangeburg Ave	MODESTO	CA	95350-3742	(209) 342-9065
Sunshine Restaurant Merger Sub, LLC	4160 W State Road 520	COCOA	FL	32926-4161	(321) 631-3414
Parker 1833 LLC	512 N Chelton Rd	COLORADO SPRINGS	CO	80909-5218	(719) 632-5098
Sunshine Restaurant Merger Sub, LLC	190 South Atlantic Avenue	ORMOND BEACH	FL	32176-6638	(386) 672-7153
Hyannis Pancakes, Inc.	790 Iyannough Rd.	HYANNIS	MA	02601-4916	(508) 778-2993
RMLS HOP INDIANA, L.L.C.	4403 Coldwater Rd	FORT WAYNE	IN	46825-5522	(260) 483-8435
SHARP 4652 INC	1602 Church Road	CHERRY HILL	NJ	08002-1203	(856) 667-3454
ACG 1359, L.P.	901 E Koenig Lane	AUSTIN	TX	78751-1504	(512) 452-7311
ACG 1375, L.P.	103 College Ave	COLLEGE STATION	TX	77840-1406	(979) 846-7073
Cal-Hope, Inc.	830 N Euclid St	ANAHEIM	CA	92801-4127	(714) 535-3550
Bona 1372, Inc.	3830 College St	BEAUMONT	TX	77701-4620	(409) 833-5510
1900 South 10th, LLC	1900 S Tenth St	MC ALLEN	TX	78503-5404	(956) 682-5913
Frank D. Carfora, Inc.	141-147 N. Dean Street	ENGLEWOOD	NJ	07631-2501	(201) 568-8088
Anthraper Enterprises, Inc.	115 W Southwest Loop 323	TYLER	TX	75701-8702	(903) 561-1133
Sunshine Restaurant Merger Sub, LLC	3830 North Atlantic Avenue	COCOA BEACH	FL	32931-3461	(321) 783-0620
Sunshine Restaurant Merger Sub, LLC	6101 N University Dr	TAMARAC	FL	33321-4024	(954) 721-7666
Sunshine Restaurant Merger Sub, LLC	647 East Colonial Drive	ORLANDO	FL	32803-4674	(407) 896-8313
MVNR Hospitality LLC	4209 N Division St	SPOKANE	WA	99207-1608	(509) 483-8188
Sunshine Restaurant Merger Sub, LLC	1395 Pompano Parkway	POMPANO BEACH	FL	33069-4323	(954) 917-3463
Sunshine Restaurant Merger Sub, LLC	5001 Gulf Boulevard	ST. PETE BEACH	FL	33706-2423	(727) 360-8595
Sunshine Restaurant Merger Sub, LLC	2305 North University Drive	PEMBROKE PINES	FL	33024-4001	(954) 744-3016
M&H 4, Inc.	10740 Roosevelt Blvd	PHILADELPHIA	PA	19116-3938	(215) 969-5170
Sunshine Restaurant Merger Sub, LLC	6005 International Drive	ORLANDO	FL	32819-8322	(407) 351-0031
Sunshine Restaurant Merger Sub, LLC	4562 Lake Worth Road	LAKE WORTH	FL	33463-4320	(561) 641-7823
Sunshine Restaurant Merger Sub, LLC	5184 W Irlo Bronson Memorial Hwy	KISSIMMEE	FL	34746-5370	(407) 396-1500
Sunshine Restaurant Merger Sub, LLC	3101 West Oakland Park Blvd	FT. LAUDERDALE	FL	33311-1229	(954) 731-8249

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Sunshine Restaurant Merger Sub, LLC	7378 S.W. 40th Street (Bird Rd)	MIAMI	FL	33155-6626	(305) 263-6882
Sunshine Restaurant Merger Sub, LLC	1241 South Federal Highway	FT. LAUDERDALE	FL	33316-2068	(954) 779-7599
Sunshine Restaurant Merger Sub, LLC	795 South Semoran Blvd	ORLANDO	FL	32807-3121	(407) 927-0389
Sunshine Restaurant Merger Sub, LLC	1215 North Woodland Blvd	DELAND	FL	32720-2211	(386) 516-0078
Sunshine Restaurant Merger Sub, LLC	1425 South Federal Highway	STUART	FL	34994-3428	(772) 220-3452
Sunshine Restaurant Merger Sub, LLC	7944 West Sample Road	MARGATE	FL	33065-4712	(954) 340-6500
Sunshine Restaurant Merger Sub, LLC	7990 Miramar Parkway	MIRAMAR	FL	33023-5857	(954) 981-7489
Sunshine Restaurant Merger Sub, LLC	1838 U S Hwy 1	VERO BEACH	FL	32960-5414	(772) 569-8229
Sunshine Restaurant Merger Sub, LLC	1501 South Tamiami Trail	PUNTA GORDA	FL	33950-5909	(941) 637-1404
Marakaya, LP	739 Hot Wells Blvd	SAN ANTONIO	TX	78223-2626	(210) 533-0525
NAAS Inc.	9500 Skokie Blvd	SKOKIE	IL	60077-1313	(847) 675-5100
Sunshine Restaurant Merger Sub, LLC	7661 International Drive	ORLANDO	FL	32819-8263	(407) 351-4090
Pancakes 642, Inc	2495 Hilltop Dr	REDDING	CA	96002-0507	(530) 221-5130
Sunshine Restaurant Merger Sub, LLC	3625 SW 13th Street	GAINESVILLE	FL	32608-3541	(352) 336-1839
457 LLC	10686 Alpharetta Hwy	ROSWELL	GA	30076-1427	770-696-2633
Sunshine Restaurant Merger Sub, LLC	851 W Sample Road	POMPANO BEACH	FL	33064-1900	(954) 941-0311
Peak California Restaurant Group, LLC	316 S Airport Blvd	SOUTH SAN FRANCISCO	CA	94080-6704	(650) 583-8020
Zanobia, LLC	2015 S Cherry Lane	WHITE SETTLEMENT	TX	76108-3603	(817) 246-5401
Sanrod Restaurants, Incorporated	6902 Londonderry Way	UNION CITY	GA	30291-2035	8668971796
0409A, LLC	5000 Jimmy Carter Blvd	NORCROSS	GA	30093-2041	(770) 242-8390
Excalibur of Bergen, Inc.	111 Route 17 South	HASBROUCK HEIGHTS	NJ	07604-2531	(201) 288-0355
Zafar Restaurant 735, Inc.	5031 Kanan Rd	AGOURA	CA	91301-2515	(818) 991-4957
Seven Forty One Company, Inc.	880 S Arroyo Parkway	PASADENA	CA	91105-3212	(626) 449-5226
Seven Forty Two Company, Inc.	701 S Fremont	ALHAMBRA	CA	91803-1320	(626) 284-0458
Seven Forty Four Company, Inc.	2227 N Figueroa Street	LOS ANGELES	CA	90065-1023	(323) 224-9163
Club Sand Restaurant, Inc.	722 Highway 138 SW	RIVERDALE	GA	30274-3910	(770) 478-7433
Hotcakes No. 2, Inc.	354 W El Norte Parkway	ESCONDIDO	CA	92026-1925	(760) 480-9791
N. H. Enterprises, Inc.	4014 Tweedy Blvd	SOUTH GATE	CA	90280-6136	(323) 564-8697
Sunshine Restaurant Merger Sub, LLC	6065 Irlo Bronson Memorial Hwy	KISSIMMEE	FL	34747-4512	(407) 396-0406
Seven Forty Six, Inc.	1931 N Oxnard Blvd	OXNARD	CA	93030-2904	(805) 485-0225
Sunshine Restaurant Merger Sub, LLC	7529 W Irlo Bronson Mem Hwy	KISSIMMEE	FL	34746-1700	(407) 396-2033
T & S Business Corporation	4770 Florin Rd	SACRAMENTO	CA	95823-2505	(916) 392-1125
Restaurant 916, Inc.	1001 E 17th St	SANTA ANA	CA	92701-2546	(714) 953-7515
Sunshine Restaurant Merger Sub, LLC	8400 Baymeadows Road	JACKSONVILLE	FL	32256-7422	(904) 730-3571
Upland 747 Inc.	80 N Euclid Ave	UPLAND	CA	91786-6000	(909) 981-6944
1399, LLC	101 Grand Junction Blvd	MESQUITE	TX	75149-3129	(972) 285-1513
Sunshine Restaurant Merger Sub, LLC	315 Blanding Blvd	ORANGE PARK	FL	32073-4208	(904) 272-0690
ACG 1404, L.P.	1313 W Centerville Rd	GARLAND	TX	75041-5908	(972) 613-7800
La Familia, Inc.	5280 Wadsworth Bypass, Bldg P	ARVADA	CO	80002-3730	(303) 425-1134
Pertex, Inc.	1004 Broad St	WICHITA FALLS	TX	76301-4410	(940) 322-4555
Sunshine Restaurant Merger Sub, LLC	9010 Atlantic Blvd	JACKSONVILLE	FL	32211-8750	(904) 721-6333
R. R. Ventures of the Emerald Coast, Inc.	2178 Pleasant Hill Rd	DULUTH	GA	30096-4660	1-833-920-2330
Nine Eighteen Company, Inc.	18782 Beach Blvd	HUNTINGTON BEACH	CA	92648-2006	(714) 962-4400
Seven Fifty Three Company, Inc.	26135 Bouquet Canyon Rd	SAUGUS	CA	91350-2644	(661) 253-2696

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Seven Fifty-Four, Inc.	1320 University Ave	RIVERSIDE	CA	92507-4445	(951) 369-4028
R.W. McGuire Enterprises, Inc.	1950 N Cobb Parkway	KENNESAW	GA	30152-4504	(770) 499-2174
AHDAF, LLC	2625 Old Denton Rd #900	CARROLLTON	TX	75007-5126	(972) 323-1700
Romulus Restaurants, L.L.C.	6601 W Peoria Ave	GLENDALE	AZ	85302-1011	(623) 878-9631
Family Cafeteria of the Southwest, Inc.	2309 W Airport Freeway	EULESS	TX	76040-3966	(817) 540-0719
Tarzana 748, Inc.	19100-K Ventura Blvd	TARZANA	CA	91356-3238	(818) 609-1548
Hop 1 Enterprises, Inc.	70 E Kaahumanu Ave	KAHULUI MAUI	HI	96732-2176	(808) 871-4000
Sunshine Restaurant Merger Sub, LLC	9696 W Sunset Drive	MIAMI	FL	33173-3222	(305) 598-1714
Romulus Restaurants, L.L.C.	1230 N 51st Ave	PHOENIX	AZ	85043-1732	(602) 352-1766
Santa Maria Pancakes, Inc.	202 Nicholson Ave	SANTA MARIA	CA	93454-4706	(805) 925-1513
Akhter, Rummana	3601 Bladensburg Rd	COLMAR MANOR	MD	20722-1809	(301) 779-0838
Silver King Enterprises, Inc.	1225 Truman St	SAN FERNANDO	CA	91340-3219	(818) 837-1814
Rancho 759 Inc.	7228 Archibald Ave	RANCHO CUCAMONGA	CA	91701-5017	(909) 941-1814
Costa Mesa Pancakes, Inc.	3125 Harbor Blvd	COSTA MESA	CA	92626-2506	(714) 545-0800
Sunshine Restaurant Merger Sub, LLC	3427 U S Highway 98 North	LAKELAND	FL	33809-3804	(863) 858-5299
Sunshine Restaurant Merger Sub, LLC	7940 103rd Street	JACKSONVILLE	FL	32210-6663	(904) 771-7776
KBDS Enterprises, Inc.	3196A Kennedy Blvd	UNION CITY	NJ	07087-2351	(201) 617-7079
Five Forty Nine, Inc.	2190 Crain Highway	WALDORF	MD	20601-3146	(301) 843-1233
Moreno 760 Inc.	24318 Hemlock Ave, Unit L	MORENO VALLEY	CA	92557-7223	(951) 242-1522
TomNatCo Inc.	2450 Wardlow Rd	CORONA	CA	92880-2890	(951) 736-5416
Maha Trading, LLC	2060 N Highway 360	GRAND PRAIRIE	TX	75050-1423	(972) 647-8502
Bluefork, LLC	3700 Alta Mesa Blvd	FORT WORTH	TX	76133-5606	(817) 292-6508
Six Fifty Three Company, Inc.	1674 E Hammer Lane	STOCKTON	CA	95210-4119	(209) 951-3137
Vaid Hop, Inc.	260 Route 206 South	HILLSBOROUGH	NJ	08844-5166	(908) 281-9753
ACG 1413, L.P.	933 N Central Expressway	PLANO	TX	75075-8805	(972) 422-7770
Sunshine Restaurant Merger Sub, LLC	12400 S Apopka-Vineland Road	ORLANDO	FL	32836-6721	(407) 239-0909
Havva Pancakes, Inc.	3252 Riverside Dr	BAKERSFIELD	CA	93308-6356	(661) 323-3048
Hotcakes No. 3, Inc.	632 Sycamore Ave	VISTA	CA	92083-7910	(760) 727-9642
Cake 1414 LLC	5790 FM 1960 Rd W	HOUSTON	TX	77069-4204	(281) 587-8164
Pancakes 654, Inc.	3020 Tulare St	FRESNO	CA	93721-1415	(559) 486-8642
Flapjacks, Inc.	11139 Washington Blvd	WHITTIER	CA	90606-3007	(562) 692-4490
Ramamara, LP	3820 Broadway	SAN ANTONIO	TX	78209-6310	(210) 824-8113
Muqaddim Inc.	4619 Clayton Rd	CONCORD	CA	94521-2932	(925) 687-1124
San Bernardino Pancakes, Inc.	219 E Hospitality Lane	San Bernardino	CA	92408-3411	(909) 888-7880
Ramakaya, LP	817 Interstate 35 N	NEW BRAUNFELS	TX	78130-3780	(830) 620-0115
Unicoy, Inc.	630 Hwy 34 E	NEWNAN	GA	30265-1007	(770) 252-3998
H & M Restaurant Corp.	1190 Arnold Dr	MARTINEZ	CA	94553-4133	(925) 228-3322
Nine Twenty Five Company, Inc.	2285 S Archibald Ave	ONTARIO	CA	91761-8534	(909) 930-6760
Vaid East 4672 Inc	178 Route 37 East	TOMS RIVER	NJ	08753-5536	(732) 349-4555
Pancakes 659, Inc.	3418 W Shaw Ave	FRESNO	CA	93711-3216	(559) 275-0450
SMK-Clifton Pancake House, Inc.	680 Route 3 West	CLIFTON	NJ	07012-2302	(973) 471-7717
Sunshine Restaurant Merger Sub, LLC	9990 International Drive	ORLANDO	FL	32819-8017	(407) 352-9447
Panapple, L.P.	1802 Parkway	SEVIERVILLE	TN	37862-7006	(865) 429-3925
ACG 1417, L.P.	11225 Katy Freeway	HOUSTON	TX	77079-2103	(713) 467-9400

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Pancakes 660, Inc.	1075 N Davis Rd	SALINAS	CA	93907-1946	(831) 758-6882
MAS AMIN 1419, INC.	12725 Southwest Freeway	STAFFORD	TX	77477-3806	(281) 240-3500
Brookdale Restaurant Operating Group Inc	1129 Broad Street	BLOOMFIELD	NJ	07003-3092	(973) 893-0151
Sharp, Robert	285 Route 73 North	W. BERLIN	NJ	08091-2500	(856) 753-8404
Paul, Eric	30 Bend River Mall Dr	BEND	OR	97701-7528	(541) 317-9812
A & R Investment Group	10301 Evergreen Way	EVERETT	WA	98204-3863	(425) 355-3122
668, Inc.	7445 S Hosmer	TACOMA	WA	98408-1220	(253) 474-5320
MESK Investment 670, LLC	3427 Gateway	SPRINGFIELD	OR	97477-1057	(541) 747-1024
MESK Investment Lakewood, Inc.	10005 Lakewood Drive SW	TACOMA	WA	98499-3838	(253) 588-7898
MESK Investment 664 LLC	1433 NW Sammamish Rd	ISSAQUAH	WA	98027-8902	(425) 392-1361
Guru Nanak Restaurants, Inc.	3519 Martin Way E	OLYMPIA	WA	98506-5049	(360) 459-5649
665, Inc.	610 Rainier Ave S	RENTON	WA	98055-2409	(425) 228-8697
MESK Investment 675, LLC	4931 SE 82nd Ave	PORTLAND	OR	97266-3103	(503) 771-1582
Hotcakes No. 22, Inc.	471 S Indian Canyon Dr	Palm Springs	CA	92262-7828	(760) 322-7177
Scripture, Willie Joe	8979 Hwy 92	WOODSTOCK	GA	30189-3689	(770) 926-4581
487, LLC	11745 Jefferson Ave	NEWPORT NEWS	VA	23606-4410	(757) 591-0388
Nisyros, Intl., Incorporated	3130 Johnson Ferry Rd	MARIETTA	GA	30062-5657	(770) 640-1731
Hotcakes No. 5, Inc.	5851 University Ave	SAN DIEGO	CA	92115-6251	(619) 265-8602
490, LLC	742 Hwy 53 SE	CALHOUN	GA	30701	(706) 624-9800
Rainbow 1606 Inc.	3595 S Rainbow Blvd	LAS VEGAS	NV	89103-1005	(702) 365-1004
Nazarian, Inc.	197 Greens Rd	HOUSTON	TX	77060-1330	(281) 876-4467
Seven Sixty Six, Inc.	1771 S Victoria Ave	VENTURA	CA	93003-6503	(805) 650-8002
Alsad Corporation, Inc.	3605 Spencer Hwy	PASADENA	TX	77504-1111	(713) 944-9908
Tai Wah, Inc.	491 Veterans Blvd	REDWOOD CITY	CA	94063-1119	(650) 367-8849
Monterey Park 767 Inc.	2060 S. Atlantic Blvd	MONTEREY PARK	CA	91754-6304	(323) 887-1111
Sunshine Restaurant Merger Sub, LLC	1124 Southwest Pine Avenue	OCALA	FL	34471-0631	(352) 629-2727
Near East Enterprise, LLC	8640 E Freeway (I-30)	FORT WORTH	TX	76120-4408	(817) 277-7983
Hotcakes No. 6, Inc.	1430 E Plaza Blvd	NATIONAL CITY	CA	91950-3665	(619) 474-8096
Tripoli, LLC	5950 Interstate 20 W	ARLINGTON	TX	76017-1037	(817) 561-9973
Romulus Restaurants, L.L.C.	935 W Elliott Rd	CHANDLER	AZ	85224-2191	(480) 917-0140
491, LLC	1101 Lanada Rd	GREENSBORO	NC	27407-2651	(336) 579-9673
SunCakes NC, LLC	9253 E. Independence Blvd	MATTHEWS	NC	28105-4501	704-246-3447
Moore Hospitality 551 Inc	15004 Baltimore Ave	LAUREL	MD	20707-4628	(301) 498-7488
AHDAF, LLC	3910 Belt Line Rd	ADDISON	TX	75001-4305	(972) 241-9299
Ford, Anthony	718 W Ventura St	FILLMORE	CA	93015-1835	(805) 524-1456
Bay Shore Food Corp.	Shore Mall	BAY SHORE	NY	11706-5039	(631) 968-6187
Harvest-493, Inc	641 Battlefield Blvd N	CHESAPEAKE	VA	23320-4948	8668910848
Sixteen O Eight Company, Inc.	1401 S Decatur Blvd	LAS VEGAS	NV	89102-8508	(702) 877-1316
Cheyenne Food Corp	6870 W Cheyenne Ave	LAS VEGAS	NV	89108-4590	(702) 656-3220
Sixteen O Nine Company, Inc.	3780 S Maryland Parkway	LAS VEGAS	NV	89119-5651	(702) 737-0375
Parhop, Inc.	18542 MacArthur Blvd	IRVINE	CA	92612-1216	(949) 474-4467
Sixteen Ten Company, Inc.	4860 Boulder Hwy	LAS VEGAS	NV	89121-3018	(702) 454-1126
Wang, Mitchell	803 E NASA Road One, #160	WEBSTER	TX	77598-5304	(281) 282-9253

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Pancakes 688, Inc.	114 Plaza Dr	VALLEJO	CA	94591-3702	(707) 642-1566
Silver King Enterprises, Inc.	2315 Michael Dr	NEWBURY PARK	CA	91320-3233	(805) 499-5840
RMLS HOP TEXAS, L.L.C.	3750 S Clack St	ABILENE	TX	79606-2725	(325) 695-2432
C & H 687, Inc.	5687 Jarvis Ave	NEWARK	CA	94560-1259	(510) 794-5687
Romulus Restaurants, L.L.C.	5020 E Ray Rd	PHOENIX	AZ	85044-6406	(480) 598-0887
Chino 930 Inc.	12585 Central Ave	CHINO	CA	91710-3514	(909) 613-1595
ACG 1421, L.P.	707 E Cesar Chavez	AUSTIN	TX	78701-4100	(512) 478-9520
Romulus Restaurants, L.L.C.	1150 N Higley Rd	MESA	AZ	85205-5300	(480) 981-3398
The Munirs Company	2201 W Cleveland Ave	MADERA	CA	93637-8716	(559) 675-5179
Tropicana 1611 Inc.	3260 E Tropicana Ave	LAS VEGAS	NV	89121-7316	(702) 433-8430
Scripture, Willie Joe	2530 Cobb Parkway SE	SMYRNA	GA	30080-3060	(770) 850-0811
Bona, Inc.	6759 Hwy 6 S	HOUSTON	TX	77083-1511	(281) 561-6983
Peak California Restaurant Group, LLC	5312 Old Redwood Hwy	PETALUMA	CA	94954-1165	(707) 792-9110
Peak California Restaurant Group, LLC	1401 Fulton Rd	SANTA ROSA	CA	95403-1809	(707) 542-4467
Arsalco, Inc.	813 St. Andrews Rd	COLUMBIA	SC	29210-5813	(803) 731-2136
Sheerji, Inc.	14794 La Paz Dr	Victorville	CA	92395-4006	(760) 214-9260
Ramsey Pancake House LLC	475 Route 17 South	RAMSEY	NJ	07446-2012	(201) 236-2401
496, Inc.	980 Edwards Ferry Rd NE	LEESBURG	VA	20176-3317	(703) 779-7501
Top Hop, Inc.	1560 S Harbor Blvd	ANAHEIM	CA	92802-2312	(714) 635-0933
Hotcakes No. 24, Inc.	34199 Monterey Ave	RANCHO MIRAGE	CA	92270-2700	(760) 770-5686
1432, Inc.	1105 W Interstate Hwy 20	ARLINGTON	TX	76017-5857	(817) 784-6040
Tripoli, LLC	5920 Quebec St	FORT WORTH	TX	76135-3605	(817) 237-2894
Sunshine Restaurant Merger Sub, LLC	600 US Hwy 27N	SEBRING	FL	33870-2001	(863) 382-8870
Bona 1435, Inc.	19711 Eastex Freeway	HUMBLE	TX	77338-3513	(281) 548-7778
Pancakes 694, Inc.	4821 Madison Ave	SACRAMENTO	CA	95841-2518	(916) 338-0373
Tri-Hop Inc.	766 Route 18 North	EAST BRUNSWICK	NJ	08816-4907	(732) 390-6565
Lorraine Enterprises, L.C.	8515 West Loop S	HOUSTON	TX	77096-1722	(713) 661-9795
SunCakes NC, LLC	900 Longpine Rd	BURLINGTON	NC	27215-9160	(336) 343-6040
1436, Inc.	2940 W Sam Houston Pkwy S	HOUSTON	TX	77042-3604	(713) 977-9908
Harvest-Towson Inc	6820 Loch Raven Blvd	TOWSON	MD	21286-8301	1-833-931-0652
Peak California Restaurant Group, LLC	2745 Fourth St	SANTA ROSA	CA	95405-4726	(707) 579-4000
Dundalk Operating Group, Inc.	1557 Merritt Blvd	DUNDALK	MD	21222-2113	(833) 920-2442
Professional Restaurant Group, Inc.	7925 Belair Rd	NOTTINGHAM	MD	21236-3705	(410) 661-3183
Issam1293, Inc.	700 N Milwaukee Ave	VERNON HILLS	IL	60061-1593	(847) 247-9307
Valencia Pancakes, Inc.	24737 Pico Canyon Rd	STEVENSON RANCH	CA	91381-1702	(661) 254-1537
Seven Seventy Two Company, Inc.	21716 Avalon Blvd	CARSON	CA	90745-3301	(310) 830-5872
Romulus Restaurants, L.L.C.	2501 N 44th St	PHOENIX	AZ	85008-2444	(602) 808-9380
Clamel Enterprises, Inc.	7131 Eastern Ave	BELL GARDENS	CA	90201-3905	(323) 771-2680
Hotcakes No. 29, Inc.	1806 Oceanside Blvd	OCEANSIDE	CA	92054-3452	(760) 721-6282
RMLS HOP ILLINOIS LLC	2250 Barrington Rd	HOFFMAN ESTATES	IL	60195-2014	(847) 885-9508
Sunshine Restaurant Merger Sub, LLC	12755 SW 88th St	MIAMI	FL	33186-4326	(305) 383-7775
Alvarez SC 500, LLC	1300 S Kings Hwy	MYRTLE BEACH	SC	29577-4507	(843) 626-0136
H & C Hakim, Inc.	1960 N Central Expressway	MC KINNEY	TX	75070-2908	(972) 562-1855
Hotcakes No. 8, Inc.	9708 Mission Gorge Rd	SANTEE	CA	92071-3808	(619) 562-4246

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Issam1289, Inc.	1040 W North Ave	MELROSE PARK	IL	60160-1506	(708) 343-8258
Lorraine Enterprises, L.C.	19989 Katy Freeway	HOUSTON	TX	77094-1019	(281) 398-8667
JROD Incorporated	705 Jeff Davis Drive N	NAVETTEVILLE	GA	30214-1698	(770) 460-7550
Peak California Restaurant Group, LLC	144 Vintage Way	NOVATO	CA	94945-5003	(415) 892-2232
Opportunity Pancakes LLC	4310 Roosevelt Blvd	PHILADELPHIA	PA	19124-3019	(215) 744-7841
Carpenteria Pancakes, Inc.	1114 Casitas Pass Road	CARPINTERIA	CA	93013-2104	(805) 566-4926
MC HENRY IL 1294, INC.	4228 W Elm St	MC HENRY	IL	60050-4001	(815) 759-0213
RMLS HOP TEXAS, L.L.C.	2973 John Ben Shepperd Pkwy	ODESSA	TX	79762-8157	(432) 363-8742
Stone Mountain Family Restaurants, Inc.	4205 Stone Mountain Hwy	LILBURN	GA	30047-3339	1-833-920-4491
Seven Seventy Three Company, Inc.	249 E Compton Blvd	COMPTON	CA	90220-2412	(310) 638-8988
Sharp 471, Inc.	9490 Blake Lane	FAIRFAX	VA	22031-1157	(703) 277-1022
Jersey NJ Pancake House INC.	700 Route 440	JERSEY CITY	NJ	07304-1094	(201) 432-0400
BGM Promise, Inc.	1688 N Perris Blvd, Suite J	PERRIS	CA	92571-4702	(951) 943-1844
SunCakes TN, LLC	4098 Nolensville Pike	NASHVILLE	TN	37211-4516	629-204-3340
473 LLC	970 Thornton Rd	LITHIA SPRINGS	GA	30122-2622	(770) 732-6252
ACG 1437, L.P.	25619 I H 45	SPRING	TX	77380-3506	(281) 367-6626
Sunshine Restaurant Merger Sub, LLC	6773 West Indiantown Rd	JUPITER	FL	33458-8908	(561) 747-0128
ACG 1438, L.P.	2345 S Stemmons Expressway	LEWISVILLE	TX	75067-8754	214-845-7513
San Bernardino 937, Inc.	4023 N University Parkway #6	SAN BERNARDINO	CA	92407-1823	(909) 473-1195
Sunshine Restaurant Merger Sub, LLC	1915 Cypress Garden Blvd	WINTER HAVEN	FL	33884-1552	(863) 326-1772
Berkey's, Inc.	1316 Fordham Drive	VIRGINIA BEACH	VA	23464-5334	(757) 523-9851
C&H 1703, Inc.	1625 Countryside Dr	TURLOCK	CA	95380-9528	(209) 668-6793
Hotcakes No. 9, Inc.	1286 Oakdale Ave	EL CAJON	CA	92021-6450	(619) 440-0205
Norwalk 939 Inc.	12623 Norwalk Blvd	NORWALK	CA	90650-3141	(562) 868-6394
Cake 1444 LLC	1414 Cypress Station	HOUSTON	TX	77090-3022	(281) 893-0063
Sunipa, Inc.	6254 Duke St	ALEXANDRIA	VA	22312-2701	(703) 658-2163
SunCakes TN, LLC	2219 Gallatin Pike N	MADISON	TN	37115-2005	629-262-5100
Romulus Restaurants, L.L.C.	5101 E Grant Rd	TUCSON	AZ	85712-2144	(520) 323-3144
1443 Las Cruces, Inc.	2900 Del Rey Boulevard	LAS CRUCES	NM	88011-5006	(575) 522-8240
Ashoori, Farshad Dan	903 W Arrow Hwy	SAN DIMAS	CA	91773-2400	(909) 592-6980
Sunshine Restaurant Merger Sub, LLC	17 Alafaya Woods Blvd.	OVIEDO	FL	32765-9386	(407) 359-0888
New Castle Operating Group, Inc.	148 N Dupont Hwy	NEW CASTLE	DE	19720-3102	(302) 325-2188
SunCakes NC, LLC	9940 Pineville-Matthews Rd	PINEVILLE	NC	28134-7551	980-580-0530
Zanobia, LLC	7006 Wesley St	GREENVILLE	TX	75402-7133	(903) 454-1135
Sunshine Restaurant Merger Sub, LLC	1020 West Hallandale Blvd	HALLANDALE	FL	33009-5219	954-457-0210
Seven Seventy Six Company, Inc.	212 Madonna Rd	SAN LUIS OBISPO	CA	93405-5409	(805) 547-9140
H & C Hakim #2, Inc.	2617 N US Hwy 75	SHERMAN	TX	75090-0501	(903) 893-8262
RMLS HOP INDIANA, L.L.C.	7521 US Hwy 31 S	INDIANAPOLIS	IN	46227-8544	(317) 859-0355
Alaimo and Alaimo, Inc.	7719 Two Notch Rd	COLUMBIA	SC	29223-6223	(803) 788-5101
Eat and Dine Inc.	8696 Liberty Rd	RANDALLSTOWN	MD	21133-4707	1-833-934-1006
ACG 1439, L.P.	11654 Research Blvd	AUSTIN	TX	78759-4033	(512) 345-7124
F & B GLOBAL, INC.	746 Taylorville Rd	GRASS VALLEY	CA	95949-7713	(530) 272-7928
Long Beach Pancakes, Inc.	700 E 45th St	LONG BEACH	CA	90807-1510	(562) 422-8310
Fertitta Hospitality, LLC	5224 Seawall Blvd	GALVESTON	TX	77551-4003	(409) 740-7474

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

1448, Inc.	2515 Southwest Fwy	HOUSTON	TX	77098-4603	(713) 520-9908
West Hills 778 Inc.	22810 Vanowen St	WEST HILLS	CA	91307-2532	(818) 710-9452
ACG 1450, L.P.	205 E FM 1382	CEDAR HILL	TX	75104-2147	(972) 293-2464
Nine Forty Company, Inc.	1630 Industrial Park Ave	REDLANDS	CA	92374-2829	(909) 335-6030
FADI 1449 LLC	13335 FM 1960 Road W	HOUSTON	TX	77065-4001	(281) 469-0430
SunCakes NC, LLC	1295 Silas Creek Parkway	WINSTON-SALEM	NC	27127-5628	(336) 930-0182
Sharp 563, Inc.	206 N Frederick Ave	GAITHERSBURG	MD	20877-2409	(301) 840-5706
Reller, David C.	1510 Walnut Avenue	DALTON	GA	30720-3831	(706) 226-2862
1818, Inc.	7017 S Clinton St	GREENWOOD VILLAGE	CO	80112-3629	(303) 790-1818
4402, Inc.	1310 Dogwood Drive SE	CONYERS	GA	30012-5075	1-833-920-1679
SFAL, Inc.	3675 Highway 138 SE	STOCKBRIDGE	GA	30281-4173	(770) 507-1911
Seventeen O Eight Company, Inc.	3120 Naglee Rd	TRACY	CA	95304-7319	(209) 839-8701
Hsiung, Christopher	2398 Junipero Serra Blvd	DALY CITY	CA	94015-1647	(650) 992-8887
Chenega IH, LLC	2550 South Road	POUGHKEEPSIE	NY	12601-5468	(845) 462-1792
AURORA IL 1300, INC.	583 S Route 59	AURORA	IL	60504-8168	(630) 375-0890
RZ5304 Bridgeview LLC	7240 W 79th Street	BRIDGEVIEW	IL	60455-1527	(708) 594-5770
Parker 1833 LLC	8065 N Academy Blvd	COLORADO SPRINGS	CO	80920-2036	(719) 264-0469
Harvest 562 Inc.	15470 Annapolis Rd	BOWIE	MD	20715-1846	1-833-920-1686
Chenega IH, LLC	5355 Market Street	WILMINGTON	NC	28405-3505	(910) 790-3311
7606 ZACLENTZ PARKWAY, LTD.	7606 NE Zac Lentz Parkway	VICTORIA	TX	77904-1390	(361) 573-3360
Bona 1451, Inc.	202 E Hwy 332	LAKE JACKSON	TX	77566-5682	(979) 285-0606
Pancakes 1707, Inc.	9170 E Stockton Blvd	ELK GROVE	CA	95624-9510	(916) 686-4901
Forty Seven Sixty Five Company, Inc.	114 Broadway	SAUGUS	MA	01906-1039	(781) 233-4097
1422, Inc.	5450 Stone Creek Circle	LOVELAND	CO	80538-8838	(970) 203-9300
Romulus Restaurants, L.L.C.	7945 E Broadway Blvd	TUCSON	AZ	85710-3936	(520) 546-9140
S & S Eatery Inc	4725 Showcase Boulevard	MEMPHIS	TN	38118-8497	901-207-2812
Eight Twenty-Three, Inc.	2390 Roll Dr	SAN DIEGO	CA	92154-7237	(619) 671-0282
OP5305, Inc.	6936 W 119th Street	OVERLAND PARK	KS	66209-2016	(913) 498-1366
ELGIN IL 5306, INC.	101 S Randall Road	ELGIN	IL	60123-5551	(847) 289-4801
SunCakes NC, LLC	504 Cox Road	GASTONIA	NC	28054-0627	980-888-9800
Harvest - Manassas, Inc.	8785 Centreville Rd	MANASSAS	VA	20110-8423	8668910882
Chenega IH, LLC	2771 E Grand River Ave	EAST LANSING	MI	48823-4710	(517) 337-8311
1821, Inc.	13700 E Mississippi Ave	AURORA	CO	80012-3690	(303) 743-7474
Lorraine Enterprises, L.C.	1508 Interstate 45 S	CONROE	TX	77304-2806	(936) 756-9445
Norwood Pancakes, Inc.	1378 Boston Providence Highway	NORWOOD	MA	02062-5004	(781) 769-6442
Sunshine Restaurant Merger Sub, LLC	5427 14th Street	BRADENTON	FL	34207-3307	(941) 758-1453
Killeen - 1455, LLC	700 West Central Texas Expy	KILLEEN	TX	76541-2564	(254) 526-4467
Marlboro Operating Group Inc	12 Route 9 North	MORGANVILLE	NJ	07751-1575	(732) 617-9024
Romulus Restaurants, L.L.C.	4501 E Cactus Rd	PHOENIX	AZ	85032-7701	(602) 765-1430
4407, LLC	110 E Parris Avenue	HIGH POINT	NC	27262-7709	(336) 905-6712
ACG 1454, L.P.	2310 Stemmons Trail	DALLAS	TX	75220-5327	(214) 358-5599
SunCakes NC, LLC	3009 Capital Boulevard	RALEIGH	NC	27604-3333	984-302-3055
R & R 4406, Inc.	1 Park Woodruff Drive	GREENVILLE	SC	29607-5728	(864) 676-0032
Yama LP	5920 Bandera Rd	LEON VALLEY	TX	78238-1821	(210) 509-7800

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Davani International, Inc.	430 Jesse Jewell Parkway SW	GAINESVILLE	GA	30501-4204	(770) 539-9120
Tripoli, LLC	3860 NE Loop 820	FORT WORTH	TX	76137-3406	(817) 838-0022
4410 LLC	955 Lawrenceville Suwanee Road	LAWRENCEVILLE	GA	30043-5421	(678) 629-3627
4411, Inc.	2831 Plank Road	FREDERICKSBURG	VA	22401-4947	(540) 785-4336
USA JAN, Inc.	4821 Cal Sag Road	CRESTWOOD	IL	60418	(708) 824-1886
ACG 1459, L.P.	13405 East Freeway	HOUSTON	TX	77015-5901	(713) 451-4999
Clamore VII, LLC	906 Turner Street	MARYVILLE	TN	37801-3840	(865) 981-9677
1822 LLC	4701 N Freeway Rd	PUEBLO	CO	81008-2058	(719) 546-0070
SunCakes SC, LLC	3191 N. Main Street	ANDERSON	SC	29621-2764	(864) 772-1255
Plat Enterprises, LLC	1120 US Hwy 22	N. PLAINFIELD	NJ	07060-1749	(908) 791-9355
SunCakes NC, LLC	2415 US Highway 70 SE	HICKORY	NC	28602-8301	(828) 639-8855
Opportunity Pancakes LLC	935 Richmond Avenue 947	STATEN ISLAND	NY	10314-1501	(718) 494-4467
Ikbariah, Alex	1728 Old Fort Parkway	MURFREESBORO	TN	37129-3384	(615) 867-0705
4415A LLC	3010 S. Evans Street	GREENVILLE	NC	27834-6939	252-689-2923
SunCakes NC, LLC	800 Cloverleaf Plaza	KANNAPOLIS	NC	28083-6982	980-499-4924
Mead International, Inc.	920 Market Place Boulevard	CUMMING	GA	30041-7920	(770) 888-2911
Khan, Inc.	1100 Shaw Ave	CLOVIS	CA	93612-3991	(559) 324-0245
Seven Seventy Nine Company, Inc.	25340 Madison St	MURRIETA	CA	92562-8908	(951) 600-0777
1458, Longview, Inc.	203 W Loop 281	LONGVIEW	TX	75605-4440	(903) 663-9552
Chung Enterprises of Texarkana, Inc.	329 E 51st St	TEXARKANA	AR	71854-1003	(870) 772-9919
Class Seven Management, LLC	7361 Mazyck Rd	N. CHARLESTON	SC	29406-6422	(843) 824-9390
Five Sixty-six, Inc	7694 Richmond Hwy	ALEXANDRIA	VA	22306-2843	(703) 660-6659
Columbus Vista II, LLC	2111 Airport Thruway	COLUMBUS	GA	31904-9050	706 323-1199
RMLS HOP TEXAS, L.L.C.	2507 West Loop 250 N	MIDLAND	TX	79705-3108	(432) 684-5759
Elsherif Group, LLC	528 S. Broadway	SALEM	NH	03079-4438	(833) 928-2141
Nine Forty Two Company, Inc.	4991 Lincoln Ave	CYPRESS	CA	90630-2655	(714) 816-1677
Chenega IH, LLC	31117 Little Mack Road	ROSEVILLE	MI	48066-4557	(586) 293-2838
Romulus Restaurants, L.L.C.	1500 W Grant Rd	TUCSON	AZ	85745-1404	(520) 798-3371
Sunshine Restaurant Merger Sub, LLC	1821 West Hill Ave	VALDOSTA	GA	31601-5161	(229) 249-8444
S Khan Food Inc	2290 Loveridge Rd	PITTSBURG	CA	94565-5022	(925) 427-6870
Sunshine Restaurant Merger Sub, LLC	18860 S Dixie Hwy	MIAMI	FL	33157-7736	(305) 233-3267
4423, LLC	275 Bendix Road	SALISBURY	NC	28146-7003	(704) 431-4235
Pahop, LLC	8685 Memorial Blvd	PORT ARTHUR	TX	77640-7014	(409) 721-6310
Cake Lubbock 1463 LLC	3911 S Loop 289	LUBBOCK	TX	79423-1134	(806) 785-7084
4424, LLC	817 First Colonial Road	VIRGINIA BEACH	VA	23451-6125	(757) 901-0659
ACG 1468, L.P.	1801 N Belt Line Rd	IRVING	TX	75061-1509	(972) 986-0035
1465, Inc.	5901 SW Loop 820	FORT WORTH	TX	76132-1826	(817) 263-8525
Harvest 568, Inc.	110 Lincoln Hwy, Suite #1	FAIRLESS HILLS	PA	19030-1011	8668745926
Opportunity Pancakes LLC	1720 DeKalb Pike	BLUE BELL	PA	19422-3352	(610) 270-9101
Miss Omelet, LLC	321 Goodman Road W	SOUTHAVEN	MS	38671-9410	(662) 349-1020
RMLS Hop Midwest, L.L.C.	2819 B Wilma Rudolph Boulevard	CLARKSVILLE	TN	37040-5156	(931) 503-0911
Hotcakes No. 10, Inc.	3335 Midway Dr	SAN DIEGO	CA	92110-4910	(619) 223-1425
DARASP1, INC.	5202 S Padre Island Dr	CORPUS CHRISTI	TX	78411-4102	(361) 993-5535
Santa Barbara Pancakes, Inc.	1701 State St	SANTA BARBARA	CA	93101-2521	(805) 898-1886

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Eggpan, LLC	2060 Union Ave	MEMPHIS	TN	38104-4138	(901) 725-4448
Farah Company, Inc.	14200 Middlebelt Road	LIVONIA	MI	48154-4540	(734) 422-4467
Peak California Restaurant Group, LLC	3401 Klose Way	RICHMOND	CA	94806-5726	(510) 758-5800
Romulus Restaurants, L.L.C.	2529 N 75th Ave	PHOENIX	AZ	85035-1211	(623) 245-2611
1715, Inc.	1044 Outlet Collection Way SW	AUBURN	WA	98001-6537	(253) 833-7559
Sunshine Restaurant Merger Sub, LLC	12801 S Cleveland Avenue	FORT MYERS	FL	33907-3816	(239) 274-0922
4428 LLC	7401 Douglas Blvd	DOUGLASVILLE	GA	30135-1554	(770) 577-8272
Broad Street Pancakes, Inc.	9820 W Broad St	GLEN ALLEN	VA	23060-4171	(804) 346-5424
Pancakes 1716, Inc.	6751 Stanford Ranch Rd	ROCKLIN	CA	95677-2682	(916) 632-0682
ACG 1467, L.P.	2002 N IH 35	ROUND ROCK	TX	78681-2135	(512) 388-1123
Eggbowl, LLC	2810 Wolfcreek Pkwy	MEMPHIS	TN	38133-8152	(901) 266-0400
SunCakes NC, LLC	134 W Woodlawn Road	CHARLOTTE	NC	28217-2110	980-580-0455
Sharp 570, Inc.	6655 Arlington Blvd	FALLS CHURCH	VA	22042-3002	(703) 237-5191
1469, Inc.	11222 Fuqua St	HOUSTON	TX	77089-2513	(281) 922-9908
4429, Inc.	2710 Watson Blvd	WARNER ROBINS	GA	31093-2948	(478) 953-6589
Vaid Pancakes Inc.	900 Easton Avenue	SOMERSET	NJ	08873-1760	(732) 227-9000
Blue Coral Springs, LLC	2797 Cherry Road	ROCK HILL	SC	29730-8960	(803) 325-1705
Midlothian Pancakes, Inc.	7714 Midlothian Turnpike	RICHMOND	VA	23235-5226	(804) 327-1650
Romulus Restaurants, L.L.C.	8359 W Bell Rd	PEORIA	AZ	85382-3701	(623) 412-1001
Harvest Garner LLC	1450 US Highway 70 W	GARNER	NC	27529-2552	(919) 661-2604
Phenix Cakes, LLC	724 Skyland Boulevard	TUSCALOOSA	AL	35405-3931	(800) 606-1592
Nellis Food Corp.	352 N Nellis Blvd, Suite G	LAS VEGAS	NV	89110-5336	(702) 438-2000
4438A LLC	3400 M. L. King, Jr. Blvd	NEW BERN	NC	28562-2301	252-288-6920
Chatsworth Pancakes, Inc.	21103 Devonshire St	CHATSWORTH	CA	91311-2317	(818) 700-8398
Jacmat Management, Inc.	301 N Central Ave	HAPEVILLE	GA	30354-1620	1-833-920-4475
#572 Corporation	13804 Metrotech Dr	CHANTILLY	VA	20151-3241	(703) 378-5291
SunCakes TN, LLC	1201 E Stone Dr	KINGSPORT	TN	37660-4126	423-830-1090
Pancakes 1717, Inc.	3800 Northgate Blvd	SACRAMENTO	CA	95834-1615	(916) 929-3330
Nazarian 1473, Inc.	5001 Garth Rd	BAYTOWN	TX	77521-9640	(281) 421-9555
Magnolia Avenue, Inc.	10301 Magnolia Ave	RIVERSIDE	CA	92505-1809	(951) 688-9806
C & H 1718, Inc.	6379 Dublin Blvd	DUBLIN	CA	94568-7569	(925) 828-7934
Jackson 4441 Inc	9 Stonebridge Blvd	JACKSON	TN	38305-2055	(731) 660-3440
Hotcakes No. 11, Inc.	8747 Broadway	LA MESA	CA	91941-8045	(619) 462-9897
1471, L.C.	1989 Airline Dr	BOSSIER CITY	LA	71112-2448	(318) 752-4467
5270, Inc.	4804 W Plano Pkwy	PLANO	TX	75093-5309	(972) 596-5004
Harvest 4694, Inc.	106 Route 36	KEYPORT	NJ	07735-1449	8668955872
MAS Amin 1478, Inc.	6508 Washington Ave	HOUSTON	TX	77007-2113	(713) 426-2100
Zuaiter, Rick	2000 Pelham Parkway	PELHAM	AL	35124-1177	(205) 987-1325
FM SJ INC	5170 Memorial Drive	STONE MOUNTAIN	GA	30083-3111	(404) 508-4480
Clamore II, LLC	5604 Merchants Center Blvd	KNOXVILLE	TN	37912-3479	(865) 689-1202
SunCakes TN, LLC	3214 Peoples Street	JOHNSON CITY	TN	37604-4142	(423) 427-2550
Romulus Restaurants, L.L.C.	8950 E Mountain View Rd	SCOTTSDALE	AZ	85258-4401	(480) 661-8998
K & R Restaurant Group Inc.	1912 Highway K	O' FALLON	MO	63366-3987	(636) 281-4467
ACG 1476, L.P.	1101 S Mo Pac Expy	AUSTIN	TX	78746-5779	(512) 327-9284

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

ACG 1474, LP	4400 S Medford Dr	LUFKIN	TX	75901-5640	(936) 634-1410
Sahara 1613 Inc.	9480 W Sahara Ave	LAS VEGAS	NV	89117-5357	(702) 341-9009
Hyderali, Abdul	2575 Highland Ave	HIGHLAND	CA	92346-2003	(909) 864-7677
Chenega IH, LLC	2732 N Salisbury Blvd	SALISBURY	MD	21801-2143	(410) 334-6276
SunCakes TN, LLC	5016 Old Hickory Blvd	HERMITAGE	TN	37076-2566	629-204-3890
Gilmar, L.L.C.	8010 Youree Dr	SHREVEPORT	LA	71115-2324	(318) 798-0799
573 LLC	3926 Franklin Rd SW	ROANOKE	VA	24014-3055	540-655-4654
ACG 1477, L.P.	13201 Ranch Rd 620 N, Bldg Q	AUSTIN	TX	78717-1025	(512) 336-9234
Class Seven Management, LLC	1217 N Main Street	SUMMERVILLE	SC	29483-7329	(843) 851-3400
4445 LLC	115 Eastern Boulevard	MONTGOMERY	AL	36117-2007	334-398-8919
SunCakes VA, LLC	65 Peppers Ferry Rd NW	CHRISTIANSBURG	VA	24073-1067	(540) 385-7400
Belmont H.C.F.C., Inc.	510 El Camino Real	BELMONT	CA	94002-2121	(650) 610-8887
Copper Mine, LLC	2701 W 29th St	GREELEY	CO	80631-8500	(970) 339-3334
Yam Yam, LP	12780 W IH 10	SAN ANTONIO	TX	78230-1046	(210) 690-3131
Sunshine Restaurant Merger Sub, LLC	7450 NW 186th Street	MIAMI	FL	33015-3006	(305) 825-9966
Harvest-575, Inc	2501 Taylor Rd	CHESAPEAKE	VA	23321-2203	8668910502
577 LLC	114 E 21st St	NORFOLK	VA	23517-2315	757-937-2122
1480, Inc.	6888 Gulf Fwy, Suite 700	HOUSTON	TX	77087-2548	(713) 847-9908
Romulus Restaurants, L.L.C.	2508 N Central Ave	PHOENIX	AZ	85004-1333	(602) 253-7971
P.Y. Pancakes, Inc.	3425-A Richmond Hwy	ALEXANDRIA	VA	22305-3127	(703) 519-4220
Parker 1833 LLC	7733 W Long Dr	LITTLETON	CO	80123-1245	(303) 904-9609
Harvest Danville, LLC	101 Teal Court	DANVILLE	VA	24541-5573	(434) 792-5476
MASA Group, Inc.	95 Main Street	TEWKSBURY	MA	01876-1708	(978) 640-8950
L&I, Inc.	61 Depot Drive	HIRAM	GA	30141-2732	(770) 222-9666
RMLS HOP TEXAS, L.L.C.	4302 College Hills Blvd	SAN ANGELO	TX	76904-6920	(325) 223-2865
Pancakes 1720, Inc.	201 Soscol Ave	NAPA	CA	94559-4007	(707) 637-4440
HARVEST LYNCHBURG, LLC	5500 Fort Avenue	LYNCHBURG	VA	24502-5318	(434) 239-9725
SunCakes SC, LLC	8135 Warren H. Abernathy Highway	SPARTANBURG	SC	29301-2451	(864) 598-3055
SunCakes TN, LLC	5420 Target Drive	ANTIOCH	TN	37013-3870	629-204-3910
Sunshine Restaurant Merger Sub, LLC	18279 Pines Blvd. #A3	PEMBROKE PINES	FL	33029-3678	(954) 441-4998
Hospitality Management of College Park, Inc.	9680 Baltimore Ave	COLLEGE PARK	MD	20740-1324	(301) 982-7400
Hotcakes No. 12, Inc.	1020 W San Marcos Blvd #160	SAN MARCOS	CA	92069-4031	(760) 471-2108
ACG 1486, L.P.	203 I-35 Hwy NE	HILLSBORO	TX	76645-2618	(254) 582-0061
4455, Inc.	6151 University Drive NW	HUNTSVILLE	AL	35806-1773	(256) 830-0047
LAXMI US 1234 Food corp.	1627 S Mooney Blvd	VISALIA	CA	93277-4443	(559) 741-0908
Fontana 945 Inc.	16866 Foothill Blvd	FONTANA	CA	92335-8407	(909) 350-7083
Sunshine Restaurant Merger Sub, LLC	13061 N Cleveland Avenue	NORTH FORT MYERS	FL	33903-4862	(239) 652-5800
MAS AMIN 1483, INC.	16530 Southwest Freeway	SUGAR LAND	TX	77479-2328	(281) 494-4334
AFSANEH 3, LLC	10150 N McCarran Blvd	RENO	NV	89503-6843	(775) 787-7700
SunCakes NC, LLC	1106 E Dixie Dr	ASHEBORO	NC	27203-8813	(336) 308-8137
Hotcakes No. 21, Inc.	79892 Hwy 111	LA QUINTA	CA	92253-6005	(760) 342-8489
West Side Restaurant, LLC	515 S Ridge Circle	WICHITA	KS	67209-2233	(316) 773-0077
Harvest Rocky Mount, LLC	790 N Wesleyan Blvd	ROCKY MOUNT	NC	27804-1756	(252) 443-4999

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

4452 LLC	6125 Peachtree Parkway	NORCROSS	GA	30092-3304	678-231-0081
RMLS HOP OKC, LLC	1731 SW Wanamaker Rd	TOPEKA	KS	66604-3812	(785) 271-1100
RMLS HOP OKC, LLC	840 Ed Noble Pkwy	NORMAN	OK	73072-4878	(405) 292-4467
HADAF, LLC	2624 W Memorial Rd	OKLAHOMA CITY	OK	73134-8031	(405) 753-9800
Olathe 5321, Inc.	15410 W 119th Street	OLATHE	KS	66062-5606	(913) 393-2174
Pebble 1614, Inc.	2450 Pebble Rd	HENDERSON	NV	89074-7089	(702) 933-0420
Union City Pancakes, Inc.	32010 Dyer St	UNION CITY	CA	94587-1700	(510) 952-9160
ACG 1487, L.P.	14310 North IH-35	AUSTIN	TX	78728-7093	(512) 989-2333
Chenega IH, LLC	2187 S Telegraph Road	BLOOMFIELD HILLS	MI	48302-0250	(248) 333-7522
4459, Inc.	3407 Ross Clark Circle	DOTHAN	AL	36303-2579	(334) 794-5712
Lorraine Enterprises, L.C.	3008 Hwy 30 W	HUNTSVILLE	TX	77340-0768	(936) 291-7550
Griddle, LLC	3130 S Memorial Dr	TULSA	OK	74145-1306	(918) 621-4467
4456 LLC	1904 US Hwy 78 E	OXFORD	AL	36203-2020	(256) 832-3116
1490 OKC, LLC	701 S Meridian Ave	OKLAHOMA CITY	OK	73108-1601	(405) 917-7900
Paul, Eric	7951 NE Vancouver Plaza Dr	VANCOUVER	WA	98662-6625	(360) 254-4467
Iftikhar Enterprises, Inc.	35 Riverbend Drive SW	ROME	GA	30161-6065	(706) 295-2172
1825, Inc.	575 Genoa Way	CASTLE ROCK	CO	80104-7902	(303) 814-2246
Chenega IH, LLC	3720 Vestal Parkway East	VESTAL	NY	13850-2312	(607) 644-9051
Pancakes 1726, Inc.	3525 Bradshaw Rd	SACRAMENTO	CA	95827-3304	(916) 369-8575
Koerner, Milton E.	46931 Cedar Lake Plaza	STERLING	VA	20164-8653	(703) 421-5784
Parker 1833 LLC	2015 S Pueblo Blvd	PUEBLO	CO	81005-2577	(719) 564-4600
Syed, Abutalib S.	2258 Otay Lakes Rd	CHULA VISTA	CA	91915-1000	(619) 656-7780
KMG Enterprises, Inc.	3102 Iowa Street	LAWRENCE	KS	66046-5202	(785) 842-6462
Arkhop, LLC	2411 S Caraway Rd	JONESBORO	AR	72401-6208	(870) 268-8134
Mechanicsville Pancakes, Inc.	7401 Sandy Lane	MECHANICSVILLE	VA	23111-3533	(804) 730-5764
2430 Pablo Kisel, Ltd	2430 Pablo Kisel Blvd	BROWNSVILLE	TX	78526-4095	(956) 550-0333
Maryland Pancake House, Inc.	2990 Donnell Dr	FORESTVILLE	MD	20747-3202	8668771806
Romulus Restaurants, L.L.C.	2100 S Power Rd	Mesa	AZ	85208-6632	(480) 325-5966
4463 LLC	1428 Beltline Road SW	DECATUR	AL	35601-5504	256-686-3054
Cambrook Foods LLC	109 Bergen Street	NEWARK	NJ	07103-2424	(973) 802-1555
Eggbowl, LLC	1661 Sycamore View Road	MEMPHIS	TN	38134-7313	(901) 213-3195
Skillet, LLC	11020 East 71st St	TULSA	OK	74133-2526	(918) 254-2277
Anna A. Corp.	4025 Southwest Parkway	WICHITA FALLS	TX	76308-3562	(940) 691-5555
Ritran, Inc.	2616 Ridge Rd	ROCKWALL	TX	75087-5511	(972) 772-9629
LC1497, LLC	2601 Admiral King St	LAKE CHARLES	LA	70615-6901	(337) 474-4644
Chenega IH, LLC	320 Western Blvd	JACKSONVILLE	NC	28546-6303	(910) 353-2324
S & S Eatery Inc	3710 Riverdale Road	MEMPHIS	TN	38115-5400	(901) 737-3902
Juliangel Corporation	1935 Skibo Road	FAYETTEVILLE	NC	28314-1541	(910) 764-1721
Pyramid Operating Group, Inc.	150 Easton Rd	WARRINGTON	PA	18976-2513	(215) 491-5905
COMBO, LLC	7123 S Lewis Ave	TULSA	OK	74136-5402	(918) 496-8244
Cook, James	1206 N Hwy 77	WAXAHACHIE	TX	75165-5114	(972) 937-0272
William J. Burns	2028 Woodbury Ave	NEWINGTON	NH	03801-2819	(603) 430-4981
Cheema, Maqsood A.	3280 Berlin Turnpike	NEWINGTON	CT	06111-4628	(860) 666-6222
Sunshine Restaurant Merger Sub, LLC	4736 US Hwy 19	NEW PORT RICHEY	FL	34652-4921	(727) 847-7880

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Bona 1900, Inc.	5875 Eastex Freeway	BEAUMONT	TX	77706-6921	(409) 899-3117
Alisal Ventures LLC	8600 S Sepulveda Blvd	LOS ANGELES	CA	90045-4002	(310) 410-4457
#588 Corporation	13718 Smoketown Rd	WOODBIDGE	VA	22192-4236	(703) 580-5641
SunCakes VA, LLC	1540 General Booth Blvd	VIRGINIA BEACH	VA	23454-5103	(757) 901-0658
Warm Springs 1615, Inc.	1230 W Warm Springs Rd	HENDERSON	NV	89014-8739	(702) 547-4096
Sunshine Restaurant Merger Sub, LLC	1101 N Federal Highway	FT. LAUDERDALE	FL	33304-1465	(954) 567-9687
SunCakes VA, LLC	109 University Blvd	HARRISONBURG	VA	22801-3747	(540) 246-0266
Munni Food, Inc.	1601 N Texas St	FAIRFIELD	CA	94533-3813	(707) 422-5775
D & G Restaurants, L.L.C.	486 Boston Post Road	ORANGE	CT	06477-3510	(203) 799-8000
RMLS HOP OKC, LLC	2 W I-240 Service Rd	OKLAHOMA CITY	OK	73139-8012	(405) 635-9633
Yunibabu LLC	1511 Lehigh Street	ALLENTOWN	PA	18103-3813	(610) 797-6113
Hotcakes No. 13, Inc.	8440 Mira Mesa Blvd	SAN DIEGO	CA	92126-2311	(858) 271-7995
Houston Crosstimbers, Inc.	4321 N 10th St	MC ALLEN	TX	78504-3008	(956) 682-4467
Ashoori, Farshad Dan	4501 N 27th Street	LINCOLN	NE	68521-4113	(402) 477-4467
Sunshine Restaurant Merger Sub, LLC	1503 Belvedere Road	WEST PALM BEACH	FL	33406-1030	(561) 242-4949
Sunshine Restaurant Merger Sub, LLC	27240 Bay Landing Drive	BONITA SPRINGS	FL	34135-4363	(239) 949-4340
Sunshine Restaurant Merger Sub, LLC	5203 Kirkman Road	ORLANDO	FL	32819-7563	(407) 370-0597
SunCakes VA, LLC	3495 Linden Dr	BRISTOL	VA	24202-5809	(276) 821-2211
MESK Investment 1728, LLC	407 Lancaster Dr NE	SALEM	OR	97301-4729	(503) 375-9988
Ashoori, Farshad Dan	12423 W Center Road	OMAHA	NE	68144-3927	(402) 333-3533
Ontario 947, Inc.	4422 Ontario Mills Parkway	ONTARIO	CA	91764-5107	(909) 980-8650
Pancakes 1727, Inc.	7119 N Fresno St	FRESNO	CA	93720-2936	(559) 440-0494
HADAF, LLC	611 N Main St	STILLWATER	OK	74075-5408	(405) 533-4467
MAS AMIN 1904 INC	8607 Southwest Fwy	HOUSTON	TX	77074-1501	(713) 779-4467
Ashoori, Farshad Dan	7201 S 84th Street	LA VISTA	NE	68128-2130	(402) 339-2880
Yara, LP	2634 SW Military Dr	SAN ANTONIO	TX	78224-1028	(210) 921-9800
Farshchi, Majid	1787 N. Highway 17	MOUNT PLEASANT	SC	29464-3334	(843) 849-0639
Peak Restaurant Group, LLC	7188 Plaza Center Dr	WEST JORDAN	UT	84084-5506	(801) 260-1930
Hull Street Pancakes, Inc.	12321 Chattanooga Plaza	MIDLOTHIAN	VA	23112-4867	(804) 763-4199
Craig Road Food Corp.	2026 W Craig Rd	NORTH LAS VEGAS	NV	89032-3030	(702) 638-6500
Camarillo Pancakes, Inc.	1620 Daily Dr	CAMARILLO	CA	93010-6268	(805) 484-1346
Romulus Restaurants, L.L.C.	1671 N Industrial Park Dr	NOGALES	AZ	85621-4525	(520) 377-0500
Adi, Fawaz	4117 North St	NACOGDOCHES	TX	75961-1822	(936) 560-5444
Eggspert, LLC	3965 N. Gloster Street	TUPELO	MS	38804-0915	(662) 620-1458
Vaid 4697 Inc	297 Route 72 W	MANAHAWKIN	NJ	08050-2890	(609) 978-4370
Peak Restaurant Group, LLC	850 W 1250 S	OREM	UT	84058-5904	(801) 226-1771
MESK Investment NW, LLC	1520 Cooper Point Rd SW	OLYMPIA	WA	98502-5785	(360) 570-9962
DECAN LLC.	4807 SE 14th Street	DES MOINES	IA	50320-1603	(515) 953-5800
ACG 1498, L.P.	3317 E State Hwy 114	SOUTHLAKE	TX	76092-9175	(817) 424-0788
HARVEST ROANOKE LLC	4764 Valley View Blvd NW	ROANOKE	VA	24012-2029	(540) 265-4289
Peak Restaurant Group, LLC	2463 S 25th E	IDAHO FALLS	ID	83406-5706	(208) 524-0885
Sharp 592, Inc.	17820 Garland Groh Blvd	HAGERSTOWN	MD	21740-1992	(301) 791-5855
1907 OKC, LLC	7708 NW Expressway	OKLAHOMA CITY	OK	73132-1573	(405) 470-0790
1827 LLC	2290 Southgate Rd	COLORADO SPRINGS	CO	80906-2607	(719) 635-0777

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Sara Inc.	3851 Veteran's Memorial Parkway	SAINT PETERS	MO	63376-6416	(636) 300-0505
Peak Restaurant Group, LLC	10815 State St	SANDY	UT	84070-4104	(801) 523-8613
Chung, Bong	3837 Central Ave	HOT SPRINGS	AR	71913-6900	(501) 520-4020
4000 Ambassador Caffery, LLC	4000 Ambassador Caffery Pkwy	LAFAYETTE	LA	70503-5263	(337) 406-2834
4470, L.C.	2715 S MacArthur Dr	ALEXANDRIA	LA	71301-2922	(318) 767-1666
Cake Shawnee 5330 LLC	15350 Shawnee Mission Pkwy	SHAWNEE	KS	66217-9312	1-833-929-2245
Sunshine Restaurant Merger Sub, LLC	5175 NW 36th Street	MIAMI SPRINGS	FL	33166-5950	305-863-3100
Hsiung, Helen C.	1150 E Yosemite Ave	MANTECA	CA	95336-5052	(209) 825-3950
Abdel-Salam, Ahmad	4604 W Walnut St	ROGERS	AR	72756-1474	(479) 631-2467
RMLS HOP Idaho, L.L.C.	3525 E Fairview Ave	MERIDIAN	ID	83642-5816	(208) 888-1216
SunCakes VA, LLC	1740 Rio Hill Center	CHARLOTTESVILLE	VA	22901-1140	(434) 234-8440
Houston Crosstimbers, Inc.	15 E Crosstimbers St	HOUSTON	TX	77022-6216	(713) 694-8900
Diamond Mine, LLC	1938 Dell Range Blvd	CHEYENNE	WY	82009-4917	307-514-2141
LAXMI US 1234 Food corp.	1230 W Kettleman Lane	LODI	CA	95240-6049	(209) 369-1361
Clamore XIV, LLC	1115 Interstate Drive	COOKEVILLE	TN	38501-4133	(931) 646-4600
Pancakes 1749, Inc.	1310 Franklin Rd	YUBA CITY	CA	95993-4604	(530) 755-0148
Peak Restaurant Group, LLC	3383 Decker Lake Dr	WEST VALLEY CITY	UT	84119-3459	(801) 908-6043
Makawi, Mohamed	2681 David H McLeod Blvd	FLORENCE	SC	29501-4041	(843) 407-6902
RMLS HOP OKC, LLC	1421 S Air Depot Blvd	MIDWEST CITY	OK	73110-4811	(405) 741-4440
Khauv, John	20402 International Blvd	SEATAC	WA	98198-5801	8668910809
Grandcakes, Inc.	6300 Santa Fe Ave	HUNTINGTON PARK	CA	90255-3806	(323) 584-0234
Raya, Inc.	1113 N IH 35	SAN MARCOS	TX	78666-7038	(512) 396-4467
Harvest 591, Inc.	1210 N Main St	SUFFOLK	VA	23434-4321	8668910879
Paul, Eric	15935 SW Regatta Lane	BEAVERTON	OR	97006-8925	(503) 614-8485
HADAF, LLC	5201 N Classen Blvd	OKLAHOMA CITY	OK	73118-4450	(405) 840-4467
RMLS HOP Idaho, L.L.C.	3599 Federal Way	BOISE	ID	83705-5221	(208) 426-9125
Sharp 594, Inc.	775 Rockville Pike	ROCKVILLE	MD	20852-1136	(301) 738-1894
Westminster 1830, Inc.	4730 W 120th Ave	WESTMINSTER	CO	80020-3328	(303) 410-8900
ENID, LLC	4125 W Owen K. Garriott Rd	ENID	OK	73703-4820	(580) 237-8999
Hotcakes No. 14, Inc.	2169 Fenton Pkwy, Suite 108	SAN DIEGO	CA	92108-4735	(619) 640-3711
Ashoori, Farshad Dan	1503 Cornhusker Road	BELLEVUE	NE	68123-4419	(402) 292-6690
Sunshine Restaurant Merger Sub, LLC	7693 S Orange Blossom Trail	ORLANDO	FL	32809-6912	(407) 854-8839
Four is a Crowd, LLC	230 East W. T. Harris Blvd	CHARLOTTE	NC	28262-3492	(704) 717-9600
Peak Restaurant Group, LLC	1040 N Main St	LOGAN	UT	84341-2216	(435) 752-4467
Romulus Restaurants, L.L.C.	575 E 16th St	YUMA	AZ	85365-2027	(928) 782-5094
2105 W. Lincoln, LTD	2105 W Lincoln St	HARLINGEN	TX	78552-5919	(956) 440-9451
SunCakes VA, LLC	170 Front Royal Pike	WINCHESTER	VA	22602-7312	(540) 773-0200
Maraya, Inc.	8107 Agora Pkwy	SELMA	TX	78154-1317	(210) 945-0911
Khauv, John	178 SW Campus Dr	FEDERAL WAY	WA	98023-7926	18006055493
ARK 1919, Inc.	7809 Rogers Ave	FORT SMITH	AR	72903-5545	(479) 452-0501
1927, Inc.	2829 Broadway St	PEARLAND	TX	77581-4506	(281) 412-4242
4290, Inc.	908 N Burleson Blvd	BURLESON	TX	76028-2904	(817) 426-2600
HADAF, LLC	1220 E 2nd St	EDMOND	OK	73034-5317	(405) 715-2600
Bluefork, LLC	2005 S Main St	WEATHERFORD	TX	76086-5576	(817) 598-1925

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Harvest Wheat, Inc.	2273 S 9th Street	SALINA	KS	67401-7308	(785) 8255876
Cobber, Inc.	1295 N Military Hwy	NORFOLK	VA	23502-2228	(757) 455-2880
SHAWNEE, LLC	185 W Interstate Pkwy	SHAWNEE	OK	74804-1330	(405) 275-446754
RMLS HOP ILLINOIS LLC	6960 Argus Drive	ROCKFORD	IL	61107-5868	(815) 394-5315
Peak Restaurant Group, LLC	388 North Market Place Dr	CENTERVILLE	UT	84014-1702	(801) 296-8000
Racine 5337, Inc.	5800 Durand Avenue	RACINE	WI	53406-5055	(262) 583-1016
Mendenhall Restaurants, LLC	6511 West Canal Dr	KENNEWICK	WA	99336-7803	(509) 737-0491
1930, LLC	3006 College Dr	BATON ROUGE	LA	70808-3117	(225) 218-8467
Romulus Restaurants, L.L.C.	8445 N Cerius Stravenue	TUCSON	AZ	85742-8141	(520) 744-1316
Alvarez SC 599, LLC	700 Highway 17 N	NORTH MYRTLE BEACH	SC	29582-2908	(843) 249-9742
5339, Inc.	3804 S Glenstone Avenue	SPRINGFIELD	MO	65804-4418	(417) 890-6800
Artieda, Victor	4618 Black Horse Pike	MAYS LANDING	NJ	08330-3213	(609) 484-8687
ACG 1929, L.P.	4801 Hwy 121	THE COLONY	TX	75056-2916	(469) 384-1400
Peak Restaurant Group, LLC	189 12th St 84404-5601	OGDEN	UT	84412-5606	(801) 621-7000
YAZEEDCO LLC	2700 Greenway Dr	JACKSON	MS	39204-3303	(601) 923-9901
Seven Eighty Three Company, Inc.	18677 Soledad Canyon Rd	SANTA CLARITA	CA	91351-3701	(661) 250-1860
1831, Inc.	9565 S University Blvd	HIGHLANDS RANCH	CO	80126-7803	(720) 344-7383
Chenega IH, LLC	2190 N. Goodman Street	ROCHESTER	NY	14609-1043	(585) 482-4467
Cake Amura LLC	12128 S US Highway 71	GRANDVIEW	MO	64030-1129	1-833-920-2457
RMLS HOP INDIANA, L.L.C.	2901 S Third Street	TERRE HAUTE	IN	47802-3707	(812) 232-3132
Cake Independence 5400 LLC	20100 E. Valley View Circle	INDEPENDENCE	MO	64057-1592	1-833-920-4479
Aramingo Operating Group, Inc.	3400 Aramingo Ave	PHILADELPHIA	PA	19134-4513	(215) 427-3370
Guru Nanak Restaurants, Inc.	10002 Aurora Ave N #2-24	SEATTLE	WA	98133-9347	(206) 517-4467
1933 HOP, LTD.	4225 Warden Rd	NORTH LITTLE ROCK	AR	72116-7093	(501) 771-9700
ACG 1934, L.P.	655 Sunland Park Drive, Suite C	EL PASO	TX	79912-5168	(915) 845-1700
Hotcakes No. 16, Inc.	2050 N Bellflower Blvd	LONG BEACH	CA	90815-3049	(562) 799-4467
Romulus Restaurants, L.L.C.	1491 N Dysart Rd	AVONDALE	AZ	85323-1515	(623) 925-1260
Ramtran, Inc.	1664 S University Dr	FORT WORTH	TX	76107-6574	(817) 336-4191
Abdel-Salam, Ahmad	2117 S Rangeline Rd	JOPLIN	MO	64804-3242	(417) 781-4201
Dajani, Tawfiq	3301 Cerrillos Rd	SANTA FE	NM	87505-2948	5054383773
Hotcakes No. 17, Inc.	915 Avenida Pico	SAN CLEMENTE	CA	92673-3908	(949) 361-9455
MVNR Hospitality LLC	14706 E Indiana Ave	SPOKANE	WA	99216-1814	(509) 927-2888
Altura Enterprises, LLC	800 Englewood Parkway	ENGLEWOOD	CO	80110-7315	(303) 761-4467
Anaheim Pancake, Inc.	2250 E Lincoln Ave	ANAHEIM	CA	92806-4107	(714) 533-4467
JAMAL AND KAMAL, INC.	325 N Highway 190	COVINGTON	LA	70433-5006	985-327-7495
MR Cakes LLC	4003 Maple Rd	AMHERST	NY	14226-1029	(716) 446-1117
4478, LLC	6875 Siegen Lane	BATON ROUGE	LA	70809-4531	(225) 291-5311
Peak Restaurant Group, LLC	275 S Green Springs Dr	WASHINGTON	UT	84780-1574	(435) 627-2282
Chenega IH, LLC	535 French Rd	NEW HARTFORD	NY	13413-1043	(315) 724-2930
Bluefork, LLC	4103 S Carrier Pkwy	GRAND PRAIRIE	TX	75052-3215	(972) 262-1931
Hotcakes No. 23, Inc.	34031 Date Palm Dr	CATHEDRAL CITY	CA	92234-6860	(760) 328-3010
Abdel-Salam, Ahmad	5 N Highway 67	FLORISSANT	MO	63031-7102	(314) 830-9120
Cake 5334 LLC	4337 N Chouteau Trafficway	KANSAS CITY	MO	64117-1724	1-833-920-4482
Momin, Inc.	1669 E Hatch Rd	MODESTO	CA	95351-5009	(209) 556-0500

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

MVNR Hospitality LLC	5403 E Sprague Ave	SPOKANE	WA	99212-0822	(509) 568-1111
Clamore XII LLC	313 Lovell Road	KNOXVILLE	TN	37922-1907	(865) 671-3804
ABQ Restaurants LLC	5221 Ouray Road Northwest	ALBUQUERQUE	NM	87120-3030	(505) 554-1057
MPO Pancakes, Inc.	4122 Highway 20	BUFORD	GA	30518-3440	(678) 714-1435
Peak Restaurant Group, LLC	920 N Main St	LAYTON	UT	84041-2260	(801) 593-0433
Youssef, Mohamad	11237 Saint Charles Rock Rd	BRIDGETON	MO	63044-2702	(314) 739-6964
VASK, Inc.	7200 75th Street	KENOSHA	WI	53142-7638	(262) 948-1813
Chenega IH, LLC	50 Thruway Plaza Dr	CHEEKTOWAGA	NY	14225-4901	(716) 895-8601
MESK Investment NW, LLC	1802 S Mildred St	TACOMA	WA	98465-1633	(253) 566-1777
Catherine Fuentes	6301 Douglas Avenue	URBANDALE	IA	50322-3311	(515) 331-0556
RMLS HOP INDIANA, L.L.C.	1474 E 79th Ave	MERRILLVILLE	IN	46410-5702	(219) 795-1329
Pancakes 789, Inc.	9220 Rosedale Hwy	BAKERSFIELD	CA	93312-2161	(661) 587-7090
Dara, LP	11613 Bandera Rd	SAN ANTONIO	TX	78250-6818	(210) 543-9154
Emmanuelle Hop Inc	7503 San Dario Ave	LAREDO	TX	78045-7370	(956) 753-9555
ACG 1937, L.P.	801 S Hwy 287	DECATUR	TX	76234-1629	(940) 627-1290
4501 Corporation	320 Worth Ave	STAFFORD	VA	22556-1538	(540) 658-1036
4777 Food Services Corp.	513 Patchogue Road	PORT JEFFERSON STATION	NY	11776-1006	(631) 928-3888
Hotcakes No. 18, Inc.	4291 Camino de la Plaza	SAN DIEGO	CA	92173-3026	(619) 690-9411
Vaid Hotcakes Inc	2200 State Route 66	NEPTUNE	NJ	07753-4062	(732) 775-5608
ABQ Restaurants LLC	1400 Mercantile Ave	ALBUQUERQUE	NM	87107-7039	(505) 508-4835
Seven Ninety Company, Inc.	3506 Rosemead Blvd	ROSEMEAD	CA	91770-2073	(626) 571-4467
Hotcakes No. 15, Inc.	856 Grand Ave	SAN DIEGO	CA	92109-3906	(858) 274-9764
Parker 1833 LLC	1502 Oakridge Dr	FORT COLLINS	CO	80525-7305	(970) 226-3154
Nine Fifty Company, Inc.	361 E Alessandro Blvd	RIVERSIDE	CA	92508-2463	(951) 789-6082
Parker 1833 LLC	11133 S Parker Rd	PARKER	CO	80134-4772	(720) 851-8121
JAMAL AND KAMAL, INC.	1719 Manhattan Blvd	HARVEY	LA	70058-3409	(504) 227-0205
Hassan, Nashat	3020 Panola Road	LITHONIA	GA	30038-2316	(770) 323-2330
RZ5409 St Charles LLC	125 Smith Rd	SAINT CHARLES	IL	60174-5206	(630) 377-7448
MILWAUKEE WI 5405, INC.	1110 Miller Park Way	WEST MILWAUKEE	WI	53214-3653	(414) 647-8645
Sunshine Restaurant Merger Sub, LLC	11927 South Dixie Hwy	MIAMI	FL	33156-4440	(305) 253-2484
TomNatCo Inc.	1201 Foothill Blvd	LA VERNE	CA	91750-3324	(909) 392-1055
ACG Elite 1938, L.P.	1341 George Dieter Dr	EL PASO	TX	79936-7410	(915) 590-0025
Peak Restaurant Group, LLC	1944 Blue Lakes Blvd N	TWIN FALLS	ID	83301-3005	(208) 732-0000
PEORIA IL 5412, INC.	5012 N Big Hollow Rd	PEORIA	IL	61615-3549	(309) 689-8890
RZ5413 Matteson LLC	20900 Cicero Ave	MATTESON	IL	60443-1643	(708) 748-1813
Sunshine Restaurant Merger Sub, LLC	14505 SW 42nd Street	KENDALL	FL	33175-6840	(305) 480-6767
Pancakes 1760, Inc.	1421 Meadowview Rd	SACRAMENTO	CA	95832-1009	(916) 427-4467
Kenvil IHOP Inc	810 US Highway 46	KENVIL	NJ	07847-2632	(973) 927-7899
Sunshine Restaurant Merger Sub, LLC	11111 N Dale Mabry	TAMPA	FL	33618-3803	(813) 962-1102
ABQ Restaurants LLC	7500 Menaul Blvd NE	ALBUQUERQUE	NM	87110-3638	(505) 554-1201
PJ Warren, Inc.	1301 W Imperial Hwy	LA HABRA	CA	90631-6995	(562) 266-1542
Nine Fifty One Company, Inc.	730 W Ramsey St	BANNING	CA	92220-4942	(951) 922-2826
Ristich, Michelle	1671 W Lake St	ADDISON	IL	60101-6707	(630) 932-1775

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

ACG 1939, L.P.	900 Market Place	IRVING	TX	75063-8038	(214) 574-7100
Excellent Pancake, Inc.	2701 N Meridian Blvd	WYOMISSING	PA	19610-3331	(610) 374-9300
Hsiung, Helen C.	4567 1st St	LIVERMORE	CA	94551-4917	(925) 606-8887
Goldrush Pancakes, Inc.	501 E Tudor Rd	ANCHORAGE	AK	99503-7320	(907) 279-4467
Fran-Cakes, Inc.	155 Dolson Avenue	MIDDLETOWN	NY	10940-6538	(845) 343-0880
AFM, LLC	2009 Crossroads Blvd	WATERLOO	IA	50702-4403	(319) 287-4467
Seven Ninety Two Company, Inc.	1880 W Slauson Ave	LOS ANGELES	CA	90047-1126	(323) 296-4465
KASV, Inc.	4115 N. Main Street	MISHAWAKA	IN	46545-3196	(574) 259-5309
One Jefferson Pancakes, Inc.	200 Beach St	SAN FRANCISCO	CA	94133-1216	415-655-3381
Dajani, Tawfiq	3546 E Main St	FARMINGTON	NM	87402-5329	5055643400
Romulus Restaurants, L.L.C.	13734 W Bell Rd	SURPRISE	AZ	85374-3804	(623) 556-2151
Peak Restaurant Group, LLC	2420 Hwy 6 and 50	GRAND JUNCTION	CO	81505-1102	(970) 248-9559
Full Stack-4, LLC	1951 Hwy 287 N	MANSFIELD	TX	76063-4808	(817) 453-3101
Temple - 1941, LLC	3913 Bell Dr	TEMPLE	TX	76502-4843	(254) 791-2200
Peak California Restaurant Group, LLC	4101 San Pablo Ave	EMERYVILLE	CA	94608-3680	(510) 601-0310
Scripture, Willie Joe	1870 E West Connector	AUSTELL	GA	30106-1246	(678) 945-4311
Aurora IL 5415, Inc.	2455 Augusta Way	AURORA	IL	60506-6444	(630) 340-5747
Monder, Inc.	5039 28th Street SE	GRAND RAPIDS	MI	49512-2067	(616) 956-0494
Sunshine Restaurant Merger Sub, LLC	4745 West Atlantic Ave	DELRAY BEACH	FL	33445-3828	561-638-7201
Sunshine Restaurant Merger Sub, LLC	1776 North Military Trail	WEST PALM BEACH	FL	33409-4714	(561) 689-1196
Reller, David C.	5113 Highway 153	HIXSON	TN	37343-4519	(423) 877-4732
JHG Holland, LLC	3110 Beeline Road	HOLLAND	MI	49424-8034	(616) 994-0184
Parker 1833 LLC	1675 28th St	BOULDER	CO	80301-1001	(303) 444-2115
JAMAL AND KAMAL, INC.	12150 I-10 Service Rd	NEW ORLEANS	LA	70128-3502	(504) 244-0013
AFM, LLC	2545 Edgewood Rd SW	CEDAR RAPIDS	IA	52404-3253	(319) 390-0077
Sharp, Robert	6308 MacCorkle Ave SE	CHARLESTON	WV	25304-2918	(304) 925-4467
KT Taylor Corporation	4767 Wilson Ave SW	GRANDVILLE	MI	49418-2853	(616) 534-2543
Khani, Michael A.	15130 Turkey Creek Drive	GULFPORT	MS	39503-4292	(228) 868-2211
Peak Restaurant Group, LLC	801 Gordon Drive	SIOUX CITY	IA	51101-1829	(712) 234-0077
Sunshine Restaurant Merger Sub, LLC	4910 Spruce Street	TAMPA	FL	33607-1418	(813) 288-8828
Logan Restaurants, Inc.	51 Conley Road	COLUMBIA	MO	65201-6477	(573) 442-9242
1943 HOP, LLC	1161 Old Morrilton Hwy	CONWAY	AR	72032-9108	(501) 764-4467
MESK Investment, LLC	849 NE 25th Ave	HILLSBORO	OR	97124-5975	(503) 648-3226
Parker 1833 LLC	5820 S Parker Rd	AURORA	CO	80015-1113	(303) 400-4467
RMLS HOP Idaho, L.L.C.	7959 W Emerald St	BOISE	ID	83704-9024	(208) 322-4467
Chenega IH, LLC	21 S Little Creek Rd	DOVER	DE	19901-4798	(302) 736-5578
Blue Fin Two, Incorporated	6972 Gadwall Street	APPLE VALLEY	MN	55124-7257	952 388 1234
1944 HOP, LLC	11601 Hermitage Rd	LITTLE ROCK	AR	72211-3716	(501) 954-7737
Peak Restaurant Group, LLC	5277 S State St	MURRAY	UT	84107-4828	(801) 281-8900
Palmdale 794, Inc.	39176 10th Street W	PALMDALE	CA	93551-3740	(661) 273-7777
Full Stack-4, LLC	6240 Precinct Line Rd	HURST	TX	76054-2609	(817) 788-1946
4489, L.C.	4205 Pecanland Mall Drive	MONROE	LA	71203-7007	(318) 322-5424
KEDD 954, Inc.	200 S Main Street #116	HUNTINGTON BEACH	CA	92648-8103	(714) 374-4553
5503, Inc.	22 Massillon Marketplace Drive SW	MASSILLON	OH	44646-2016	(330) 833-6529

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Lahorian Capital Group, Inc.	2362 S 4th St	EL CENTRO	CA	92243-6002	(760) 352-1100
GREEN BAY WI 5428, INC.	2415 S Oneida Street	GREEN BAY	WI	54304-5582	(920) 499-1460
CK Hospitality Inc.	2647 N Kansas Expy	SPRINGFIELD	MO	65803-1114	(417) 868-8783
Atigh Restaurants, LLC	4375 Rangeline Road	MOBILE	AL	36619-9561	(251) 217-7313
JAMAL AND KAMAL, INC.	1719 Martin Luther King Jr Blvd	HOUMA	LA	70360-2409	(985) 580-4467
CAKE 1947 LLC	401 FM 2094 Rd	CLEAR LAKE SHORES	TX	77565-2683	(281) 334-9888
Cake 5332 LLC	628 NE 291 Highway	LEES SUMMIT	MO	64086-2534	1-833-921-0057
SunCakes NC, LLC	8146 S Tryon Street	CHARLOTTE	NC	28273-3325	980-580-0250
Chester Pancakes, Inc.	12251 Bermuda Crossroad Ln	CHESTER	VA	23831-2353	(804) 768-9077
Sunshine Restaurant Merger Sub, LLC	6708 Forrest Hill Blvd	GREEN ACRES	FL	33415-3038	(561) 434-2707
AFM, LLC	2402 SE Delaware Avenue	ANKENY	IA	50021-4766	(515) 963-0102
Porter 1945, Inc.	23681 Church St	PORTER	TX	77365-4613	(281) 354-3779
BLOOMINGTON IL 5429, INC.	2109 E. Empire St	BLOOMINGTON	IL	61704-3508	(309) 662-8895
GRAND CHUTE WI 5434, INC.	4101 W Wisconsin Ave	GRAND CHUTE	WI	54913-8610	(920) 733-6829
River Road Restaurants, LLC	833 Boardman Poland Rd	BOARDMAN	OH	44512-5116	(330) 758-8505
Peak Restaurant Group, LLC	947 W Riverdale Rd	RIVERDALE	UT	84405-3718	(801) 392-4467
RMLS HOP INDIANA, L.L.C.	3300 N. Chadam Lane	MUNCIE	IN	47304-5221	(765) 254-4467
Centennial Food Corp.	5970 Centennial Center Blvd	LAS VEGAS	NV	89149-4558	(702) 515-1791
Restaurant 955, Inc.	1740 E Edinger Ave	SANTA ANA	CA	92705-5031	(714) 258-7127
JHG Beltline, LLC	2071 E Beltline Ave NE	GRAND RAPIDS	MI	49525-9779	(616) 364-1210
Brooklyn Center Pancakes, Inc.	5601 Xerxes Avenue N	BROOKLYN CENTER	MN	55430-2806	(763) 560-9622
Peak Restaurant Group, LLC	4510 W 41st St	SIOUX FALLS	SD	57106-0929	(605) 362-6632
ACG 1942, L.P.	2480 Preston Rd	FRISCO	TX	75034-9429	(972) 712-8700
5508, Inc.	2877 S Arlington Rd	AKRON	OH	44312-4715	(330) 644-4467
Altura Enterprises, LLC	3730 Quebec St	DENVER	CO	80207-1600	(303) 399-4646
M Khan Food, Inc.	1745 Cowell Blvd	DAVIS	CA	95616-6306	(530) 750-0170
ACG 1948, L.P.	2600 Long Prairie Rd	FLOWER MOUND	TX	75022-4839	(972) 899-3235
5430 LLC	3289 Elida Rd	LIMA	OH	45805-1219	(419) 228-0607
Peak Restaurant Group, LLC	2231 Killebrew Dr	BLOOMINGTON	MN	55425-1881	(952) 854-3480
Peak Restaurant Group, LLC	1701 45th St SW	FARGO	ND	58103-7796	(701) 282-6538
Llana, Robert	2833 King Ave W, Suite A	BILLINGS	MT	59102-6409	(406) 651-8778
Janmohammed, Salauddin	2662 Belvidere Rd	WAUKEGAN	IL	60085-6006	(847) 782-8800
Tamara II, Inc.	4 McBride and Son Center Drive	CHESTERFIELD	MO	63005-1406	(636) 536-6905
Peak Restaurant Group, LLC	4122 Yellowstone Ave	POCATELLO	ID	83202-2422	(208) 637-2200
Waite Park Pancakes, Inc.	327 2nd Street S	WAITE PARK	MN	56387-2314	(320) 259-4467
FLIP 5442, INC.	1981 Pipestone Rd	BENTON HARBOR	MI	49022-2314	(269) 925-1500
Romulus Restaurants, L.L.C.	4187 N Oracle Rd	TUCSON	AZ	85705-2721	(520) 293-3003
Alisal Ventures LLC	5655 Wilshire Blvd	LOS ANGELES	CA	90036-3710	(323) 297-4467
Peak Restaurant Group, LLC	4550 Highland Dr	HOLLADAY	UT	84117-4202	(801) 278-4467
TA Management Group, LLC	1807 E 17th Ave	HUTCHINSON	KS	67501-1102	(620) 664-9438
Forty Seven Eighty One Company, Inc.	115 Parkingway Street	QUINCY	MA	02169-5044	(617) 770-9414
Lorraine Enterprises, L.C.	3110 Silverlake Village Dr	PEARLAND	TX	77584-8081	(713) 436-6746
JAMAL AND KAMAL, INC.	61101 Airport Road	SLIDELL	LA	70460-6838	(985) 641-4577
Golden Dove, Inc.	11855 E Kellogg Dr	WICHITA	KS	67207-1939	(316) 652-7251

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Maplewood Pancakes, Inc.	1935 Beam Avenue	MAPLEWOOD	MN	55109-1173	(651) 748-1700
ACG 1954, L.P.	402 N Interstate 35	GAINESVILLE	TX	76240-3800	(940) 612-1900
Cake Time 1950 LLC	22607 Tomball Parkway	TOMBALL	TX	77375-8239	(281) 655-4200
Sharp, Robert	130 Mall Road	BARBOURSVILLE	WV	25504-1823	(304) 733-9410
5450 LLC	10151 Fremont Pike	PERRYSBURG	OH	43551-3332	(419) 873-0505
5509, Inc.	4760 Portage St NW	NORTH CANTON	OH	44720-7009	(330) 966-9805
Fadi 1952, Inc.	7353 FM 1960 Rd E	HUMBLE	TX	77346-3130	(281) 812-4911
Ceti Capital Group, Inc.	32135 US Hwy 79	TEMECULA	CA	92592-6809	(951) 302-7126
Blue Fin Two, Incorporated	2080 County Road 42 West	BURNSVILLE	MN	55337-6925	(952) 247-0722
Sunshine Restaurant Merger Sub, LLC	1270 East Brandon Blvd	BRANDON	FL	33511-5529	(813) 571-2339
Taylor, Karl T.	3796 Alpine Ave NW	COMSTOCK PARK	MI	49321-8908	(616) 784-3233
Tamara IV, Inc.	110 Kate G Lane	FENTON	MO	63026-7743	(636) 326-9990
River Road Restaurants, LLC	10810 Brookpark Road	CLEVELAND	OH	44130-1119	(216) 898-0298
OSHKOSH WI 5455, INC.	1400 S Koeller Street	OSHKOSH	WI	54902-6168	(920) 235-3411
Al-Nairab, Sohail H.	2304 N Main St	ROSWELL	NM	88201-6453	(575) 625-6767
Peak Restaurant Group, LLC	1852 West 500 S	SPRINGVILLE	UT	84663-1844	(801) 491-3400
Stacks Corporation	701 N US Hwy 75	DENISON	TX	75020-1338	(903) 464-9400
Sunipa II, Inc.	8905 Woodyard Road	CLINTON	MD	20735-4257	(301) 868-4356
5456 LLC	4045 Talmadge Road	TOLEDO	OH	43623-3501	(419) 474-6701
Sunshine Restaurant Merger Sub, LLC	345 E. State Road 44	WILDWOOD	FL	34785-8511	(352) 748-6074
4492 LLC	870 N Main Street	ALPHARETTA	GA	30004-2332	(678) 5875890
Adi, Fawaz	5911 Hwy 6 N	HOUSTON	TX	77084-1835	(281) 463-9440
SunCakes NC, LLC	1821 N Pointe Drive	DURHAM	NC	27705-3415	984-245-0070
Sunshine Restaurant Merger Sub, LLC	3660 Commercial Way	SPRINGHILL	FL	34606-2317	(352) 683-5525
Sixteen Eighteen Company, Inc.	1201 S Boulder Hwy	HENDERSON	NV	89015-6989	(702) 558-5321
Peak Restaurant Group, LLC	307 West 2100 S	SALT LAKE CITY	UT	84115-1825	(801) 461-4466
Eagles Landing Investments, LLC	180 Aiken Mall Dr	AIKEN	SC	29803-6799	(803) 226-0657
FLIP 5458, INC.	346 Highway 13	WISCONSIN DELLS	WI	53965-7902	(608) 844-2615
Coon Rapids Pancakes #5460, Inc.	North Town Mall	COON RAPIDS	MN	55448-5601	(763) 780-4467
RMLS HOP ILLINOIS LLC	3003 S Cicero Ave	CICERO	IL	60808-3639	(708) 780-7326
795, Enterprises Inc.	6520 Foothill Blvd	TUJUNGA	CA	91042-2705	(818) 352-0460
Rodriguez, Jose	1513 Lafayette Parkway	LA GRANGE	GA	30241-2585	(706) 883-8100
RMLS HOP OKC, LLC	2501 S Service Rd	MOORE	OK	73160-5524	(405) 895-6652
Peak Restaurant Group, LLC	925 W State Rd	AMERICAN FORK	UT	84003-3379	(801) 492-2880
111 West I-20, LLC	111 Interstate 20 W	MARSHALL	TX	75672-8374	(903) 935-4686
Sunshine Restaurant Merger Sub, LLC	3150 S Orlando Drive	SANFORD	FL	32771-5615	(407) 688-0899
5461, LLC	6535 Airport Hwy	HOLLAND	OH	43528-9394	(419) 868-9831
Sixteen Nineteen Company, Inc.	5170 S Fort Apache Rd	LAS VEGAS	NV	89148-1717	(702) 871-6696
River Road Restaurants, LLC	Meadbowbrook Market Square #11	BEDFORD	OH	44146-1113	(440) 439-4462
4493 LLC	11720 Medlock Bridge Rd	DULUTH	GA	30097-1509	4702687567
Damaraya, LP	1500 SW Loop 410	SAN ANTONIO	TX	78227-1605	(210) 675-7775
RMLS HOP INDIANA, L.L.C.	1535 W Washington Center Rd	FORT WAYNE	IN	46825-4144	(260) 490-4467
Piscataway Pancake House, Inc.	1340 Centennial Ave	PISCATAWAY	NJ	08854-4324	(732) 562-1441
Sunshine Restaurant Merger Sub, LLC	11710 Morris Bridge Road	TEMPLE TERRACE	FL	33617-1808	813-983-0125

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Los Angeles Pancakes, Inc.	800 S Flower St	LOS ANGELES	CA	90017-4608	(213) 629-1759
Panapple, L.P.	3636 Parkway	PIGEON FORGE	TN	37863-3812	(865) 429-2335
Kenco, Inc.	1055 W Hwy 376	BRANSON	MO	65616-7131	(417) 339-4467
3230 NE Evangeline Thruway, LLC	3230 NE Evangeline Thruway	LAFAYETTE	LA	70507-3538	(337) 235-3630
Foothills Hospitality LLC	6525 Calhoun Memorial Hwy #6525A	EASLEY	SC	29640-3669	1-833-920-1682
Maradaya, LP	1429 Sidney Baker	KERRVILLE	TX	78028-2739	(830) 792-4940
4508, Inc.	6445 Lee Hwy	WARRENTON	VA	20187-7903	(540) 428-1820
Ruby XII LLC	207 W Minnesota Park Rd	HAMMOND	LA	70403-6124	(985) 902-9124
Hotcakes No. 26, Inc.	1206 Broadway	CHULA VISTA	CA	91911-2911	(619) 585-8600
Sunshine Restaurant Merger Sub, LLC	3755 Cheney Highway	TITUSVILLE	FL	32780-2500	(321) 264-2025
PRP 3031, LLC	3122 South 5600 West	WEST VALLEY CITY	UT	84120-1300	(801) 966-8800
Havahop, LLC	101 Paseo del Sol Avenue	LAKE HAVASU CITY	AZ	86403-4636	(928) 854-6501
Romulus Restaurants, L.L.C.	2064 E. Florence Blvd.	CASA GRANDE	AZ	85122-5402	(520) 426-1700
Solar International, Inc.	905 Highway 20 W	MC DONOUGH	GA	30253-6517	(770) 957-6150
ACG 1956, L.P.	6406 Interstate Hwy 45	LA MARQUE	TX	77568-3085	(409) 986-9778
Clamore V, LLC	4323 Freedom Parkway NW	CLEVELAND	TN	37312-7801	(423) 479-9707
Springfield Pancakes, Inc.	6206 Interparcel Road	KINGSTOWNE	VA	22315-3223	(703) 971-0051
RMLS HOP OKC, LLC	2520 Veterans Blvd.	ARDMORE	OK	73401-9568	(580) 223-0700
R & R 5411, Inc.	7120 N. Mannheim Road	ROSEMONT	IL	60018-3620	(847) 297-7992
Romulus Restaurants, L.L.C.	2090 East Baseline Road	PHOENIX	AZ	85042-6906	(602) 243-0734
JANESVILLE WI 2011 INC.	3000 Deerfield Rd	JANESVILLE	WI	53546-3455	(608) 756-1175
Eagles Landing Investments, LLC	2485 Broad Street	SUMTER	SC	29150-1820	(803) 869-4778
RMLS HOP INDIANA, L.L.C.	4215 State Road 26 E	LAFAYETTE	IN	47905-4816	(765) 446-0716
PRP 3034, LLC	1420 Nampa Caldwell Blvd.	NAMPA	ID	83651-1608	(208) 468-9979
BONA 5514, Inc.	5699 Romar Drive	MILFORD	OH	45150-8506	(513) 965-0926
Sunshine Restaurant Merger Sub, LLC	2560 State Road 16	ST. AUGUSTINE	FL	32092-0515	(904) 829-2215
Portland Pancake, LLC	195 Maine Mall Rd	PORTLAND	ME	04106-2310	1-833-925-1371
BONA 5515, Inc.	3222 Geier Drive	CINCINNATI	OH	45209-5000	(513) 731-3666
ACG 3004, L.P.	111 S. Interstate Highway 45	ENNIS	TX	75119-5110	(972) 878-0692
2008MI, LLC	229 Airport Road, Suite 1	ARDEN	NC	28704-9514	(828) 684-2828
ACG 3003, L.P.	1711 East Interstate 40	AMARILLO	TX	79102-4325	(806) 220-2715
RMLS HOP NEW MEXICO, L.L.C	811 E. 21st Street	CLOVIS	NM	88101-4803	(575) 763-4043
Kinghop, LLC	3600 Stockton Hill Road	KINGMAN	AZ	86401-3027	(928) 681-3300
Sunshine Restaurant Merger Sub, LLC	320 Dirksen Road	DEBARY	FL	32713-3903	(386) 668-9901
ACG 3000, L.P.	8801 South Interstate Highway 35	AUSTIN	TX	78744-6713	(512) 291-8442
DARASP2, INC.	2037 S Padre Island Drive	CORPUS CHRISTI	TX	78401-2502	(361) 814-5535
Country Road 3054, Inc.	46 RHL	SOUTH CHARLESTON	WV	25309-8278	(304) 746-0070
Yamadaya, LP	2777 N. Hwy 123	SEGUIN	TX	78155-7470	(830) 379-1241
BONA 5516, Inc.	1217 Omniplex Drive	FOREST PARK	OH	45240-1280	(513) 671-5042
PRP 3069, LLC	980 West 200 North	CEDAR CITY	UT	84720-2304	(435) 867-0502
5248 N 10th, LLC	2203 Veterans Blvd.	DEL RIO	TX	78840-3120	(830) 774-3272
PRP 3075, LLC	2425 US Highway 93 North	KALISPELL	MT	59901-2114	(406) 752-5504
FLIP 3064, INC.	5225 Franklin Street	MICHIGAN CITY	IN	46360-7856	(219) 874-5376
PRP 3053, LLC	3700 N Reserve Street	MISSOULA	MT	59808-1518	(406) 541-4467

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Phenix Cakes, LLC	3747 Hwy 431 N	PHENIX CITY	AL	36867-2363	(334) 291-9600
BONA 5513, Inc.	7400 Beechmont Ave.	CINCINNATI	OH	45255-4102	(513) 233-2505
F & C 888, Inc.	531 FOSTER CITY BLVD.	FOSTER CITY	CA	94404-1602	(650) 573-8887
Mendenhall Restaurants, LLC	5015 Road 68	PASCO	WA	99301-9175	(509) 544-9449
Eagles Landing Investments, LLC	2567 North Road	ORANGEBURG	SC	29118-1823	(803) 937-5568
Sunshine Restaurant Merger Sub, LLC	1101 E. 23rd Street	PANAMA CITY	FL	32405-5324	(850) 872-7033
Chenega IH, LLC	36670 Bayside Outlet Drive	REHOBOTH BEACH	DE	19971-4200	(302) 226-8082
2009 Corporation	7495 Iron Bar Lane	GAINESVILLE	VA	20155-2994	(571) 261-1709
Summerhop, LLC	9651 Trailwood Drive	LAS VEGAS	NV	89134-6249	(702) 243-2587
Koerner, Milton E.	5277 Buckeystown Pike	FREDERICK	MD	21704-7535	(240) 529-1006
RMLS HOP INDIANA, L.L.C.	1935 E. 53rd Street	ANDERSON	IN	46013-2831	(765) 640-4600
Duhop, Inc.	988 Hamilton Road	DUARTE	CA	91010-2700	(626) 303-4861
ACG 3001, L.P.	4109 South Jack Kultgen Expressway	WACO	TX	76711	(254) 757-1133
3067 HOP, LLC	3153 W. Wedington Drive	FAYETTEVILLE	AR	72704-5763	(479) 442-0770
Midwest Enterprises, LLC	1919 Prairie Crossing	KANSAS CITY	KS	66111-1210	(913) 788-4468
Anahop, Inc.	1840 S Harbor Blvd	ANAHEIM	CA	92802-3510	(714) 663-1600
Clamore VIII, LLC	472 Crockett Trace Dr.	MORRISTOWN	TN	37813-1643	(423) 587-4433
Segundohop, Inc.	755 N. Sepulveda Blvd.	EL SEGUNDO	CA	90245-3425	(310) 227-8300
Cobb & Scheuch, Inc.	15447 Warwick Blvd	NEWPORT NEWS	VA	23608-1505	(757) 877-3991
Harvest Wheat, Inc.	535 W. Diamond Drive	SALINA	KS	67401-8624	(785) 825-5896
Sunshine Restaurant Merger Sub, LLC	1825 East/West Parkway	FLEMING ISLAND	FL	32003-6348	(904) 215-9564
Bosami, LLC	4176 Logan Drive	LOGANVILLE	GA	30052-2265	1-833-924-3225
FLIP 3068, INC.	5325 South Westnedge	PORTAGE	MI	49002-0407	(269) 382-6750
2028, Inc.	401 E. California Ave	OKLAHOMA CITY	OK	73104-4210	(405) 231-4467
SunCakes VA, LLC	747 E Rochambeau Dr	WILLIAMSBURG	VA	23188-2187	(757) 920-7032
PRP 3044, LLC	550 Disk Drive	RAPID CITY	SD	57701-7870	(605) 341-4467
Harvest - Manassas Mall, Inc.	8300 Sudley Rd	MANASSAS	VA	20109-3458	8668910885
Blue Fin Two, Incorporated	7680 10th Street North	OAKDALE	MN	55128-5338	(651) 330-6261
R. R. Ventures of the Emerald Coast, Inc.	4117 Dawson Forest Road E	DAWSONVILLE	GA	30534-7720	8668944512
Sunshine Restaurant Merger Sub, LLC	13100 US Highway 301	DADE CITY	FL	33525-5439	352-567-6977
ACG 3006, L.P.	315 Central Expressway North	ALLEN	TX	75013-2631	(214) 383-3434
Miss Omelet, LLC	7768 Craft Goodman Road	OLIVE BRANCH	MS	38654-6659	(662) 895-9460
RMLS HOP INDIANA, L.L.C.	9115 East 56th St	Indianapolis	IN	46216-2034	(317) 591-1238
Raza Bradley LLC	1347 Kinneman Drive	BOURBONNAIS	IL	60914-9376	(815) 929-9765
Cardinal Restaurant of Massachusetts, Inc.	47 Faunce Corner Rd	NORTH DARTMOUTH	MA	02747-4202	5089961999
Eagles Landing Investments, LLC	482 Bypass 72 NW	GREENWOOD	SC	29649-1404	1-833-920-4477
SunCakes NC, LLC	700 E Dixon Blvd.	SHELBY	NC	28152-6832	980-484-1498
Hackettstown Operating Group Inc.	200 Mountain Avenue	HACKETTSTOWN	NJ	07840-2436	(908) 684-2315
RMLS HOP NEW MEXICO, L.L.C	3600 N. Lovington Highway	HOBBS	NM	88240-1022	(575) 392-1083
BONA 5518, Inc.	7748 Cox Lane	WEST CHESTER	OH	45069-6548	(513) 779-0910
HARVEST 2017 INC.	1759 Route 88	BRICK	NJ	08724-3016	8668910887
Sunshine Restaurant Merger Sub, LLC	7800 Ulmerton Road	LARGO	FL	33771-4057	(727) 524-8680
Flippin' Hospitality Group, LLC	1615 Highway 27 South	CARROLLTON	GA	30117-6935	(678) 796-0610

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

3106 L.C.	670 Boardwalk Blvd.	BOSSIER CITY	LA	71111-4385	(318) 741-4469
Raynham Pancakes, Inc.	235 Route 44	RAYNHAM	MA	02767-5447	(508) 828-4299
2201 West Expressway 83, LTD	2201 West Expressway 83	WESLACO	TX	78576-3901	(956) 447-4467
ACG 3007, L.P.	12750 North Freeway	FORT WORTH	TX	76177-3002	(817) 431-6300
Hotcakes No. 7, Inc.	1340 E. Valley Parkway	ESCONDIDO	CA	92027-2312	(760) 489-8730
Indyhop, Inc.	18261 Gale Ave.	CITY OF INDUSTRY	CA	91748-1259	(626) 956-4100
Sunshine Restaurant Merger Sub, LLC	8800 20th Street	VERO BEACH	FL	32966-6902	(772) 257-8208
HBP Group, LLC	3680 Harding Blvd.	BATON ROUGE	LA	70807-5219	1-833-920-1681
RMLS HOP INDIANA, L.L.C.	50 West County Rd., 300 South	KOKOMO	IN	46902-5137	(765) 453-5955
PRP 3091, LLC	100 Gateway Blvd.	ROCK SPRINGS	WY	82901-5742	(307) 362-9999
Ruba, L.L.C.	3400 South I-10 Service Road W	METAIRIE	LA	70001-2192	(504) 212-3280
Sunshine Restaurant Merger Sub, LLC	11302 Miramar Parkway	MIRAMAR	FL	33025-5801	(954) 431-3866
3117 Corporation	13810 Braddock Road	CENTREVILLE	VA	20121-2456	(703) 815-1379
Plover 3125, Inc.	3025 Village Park Drive	PLOVER	WI	54467-4314	(715) 254-0955
3090 HOP LLC	3513 East Race Ave	SEARCY	AR	72143-6202	(501) 368-0895
Spoon, LLC	1901 E. Hillside Drive	BROKEN ARROW	OK	74012-2364	(918) 355-5300
Springhop, LLC	7490 S. Las Vegas Blvd.	SOUTH LAS VEGAS	NV	89123-1008	(702) 617-0077
R & R Restaurant Group, Inc.	1028 W Highway 50	O' FALLON	IL	62269-1830	(618) 632-5400
Opportunity Pancakes LLC	3 Snyder Avenue	PHILADELPHIA	PA	19148-2722	(215) 339-5095
Flying Dove, Inc.	4000 General Hays Road	HAYS	KS	67601-6000	(785) 621-4467
Harvest Associates Incorporated	20009 Century Blvd.	GERMANTOWN	MD	20874-1105	1-833-920-2437
Clamore IX, LLC	2047 Battlefield Parkway	FORT OGLETHORPE	GA	30742-4025	(706) 858-9800
Gold Mine Investors, LLC	962 S. 4th Street	BRIGHTON	CO	80601-6750	(303) 654-1600
3121 HOP, LLC	17821 Interstate 30	BENTON	AR	72015-2932	(501) 778-4700
RMLS HOP ILLINOIS LLC	2600 Sunrise Drive	SPRINGFIELD	IL	62703-5680	(217) 789-4467
FLIP 3132, Inc.	7549 S. Cicero Avenue	CHICAGO	IL	60652-1035	(773) 767-4340
VSE Waikiki LLC	2211 Kuhio Avenue	HONOLULU	HI	96815-2834	(808) 921-2400
Menifee 2021 Inc.	26035 Newport Rd	MENIFEE	CA	92584-9142	(951) 679-1922
BONA 5521, Inc.	9540 Colerain Avenue	CINCINNATI	OH	45251-2004	(513) 385-0029
Marinahop, Inc.	4070 Lincoln Blvd.	MARINA DEL REY	CA	90292-5614	(310) 301-9200
AFSANEH, LLC	9786 S. Virginia Street	RENO	NV	89511-5941	(775) 853-6655
Sunshine Restaurant Merger Sub, LLC	1921 Davis Blvd.	NAPLES	FL	34104-4275	(239) 793-0704
Whithop, Inc.	15344 Whittier Blvd.	WHITTIER	CA	90603-1336	(562) 947-0100
Romulus Restaurants, L.L.C.	3000 N. Glassford Hill Road	PRESCOTT VALLEY	AZ	86314-1246	(928) 775-4121
ACN Family, Inc.	2598 N. Columbia Street	MILLEDGEVILLE	GA	31061-8709	(478) 452-0332
Sunshine Restaurant Merger Sub, LLC	11100 SW 93rd Court	OCALA	FL	34481-5187	(352) 291-9486
Sunshine Restaurant Merger Sub, LLC	990 SW Saint Lucie West Blvd.	PORT SAINT LUCIE	FL	34986-1766	(772) 621-9000
BONA 5520, Inc.	6885 Houston Road	FLORENCE	KY	41042-5124	(859) 647-0802
Country Road 3056, Inc.	201 Venture Road	MORGANTOWN	WV	26508-7301	(304) 291-2020
Landon Restaurants, Inc.	2861 James Sanders Blvd.	PADUCAH	KY	42001-9476	(270) 538-5244
Hespehop, Inc.	13233 Main Street	HESPERIA	CA	92345-4608	(760) 956-9555
MKKM, Inc.	4936 Centre Point Drive	N. CHARLESTON	SC	29418-6927	(854) 222-3743
Hospitality Management of Capitol Heights, Inc.	9003 Central Ave	CAPITOL HEIGHTS	MD	20743-3805	(301) 324-9003

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

The Munirs Company II	2941 Advantage Lane	SACRAMENTO	CA	95834-9666	(916) 575-9025
3124, LLC	245 Tunnel Road	ASHEVILLE	NC	28805-1819	(828) 255-8601
Adam Ahmed Investments, LLC	1143 Scenic Highway	LAWRENCEVILLE	GA	30045-6356	1-833-920-4490
Chenega IH, LLC	5985 University Parkway	WINSTON-SALEM	NC	27105-1341	(336) 377-2287
Country Road 3055, Inc.	1920 Harper Road	BECKLEY	WV	25801-2612	(304) 252-4467
River Road Restaurants, LLC	2306 Palumbo Drive	LEXINGTON	KY	40509-1011	(859) 269-0844
Ashburn Pancakes, Inc.	44030 Pipeline Plaza	ASHBURN	VA	20147-5880	(703) 723-3367
Opportunity Pancakes LLC	25 West Sunrise Highway	LINDENHURST	NY	11757-2424	(631) 225-9818
BONA 5522, Inc.	5063 Bowen Drive	MASON	OH	45040-7671	(513) 229-0960
Peachtree Food Group, LLC	4361 Washington Road	EVANS	GA	30809-3939	(706) 364-2095
Sunshine Restaurant Merger Sub, LLC	805 South Collins Street	PLANT CITY	FL	33563-5517	813-754-7400
Ruba, L.L.C.	3400 Williams Blvd.	KENNER	LA	70065-3726	(504) 667-3733
River Road Restaurants, LLC	1220 Veterans Pkwy..	CLARKSVILLE	IN	47129-2394	(812) 285-1772
Baldwin Park Pancakes, Inc.	3111 Baldwin Park Blvd	BALDWIN PARK	CA	91706-4748	(626) 962-2306
Harvard Square Pancakes, Inc.	16 Eliot Street #18	CAMBRIDGE	MA	02138-5706	(617) 354-0999
RMLS HOP TEXAS, L.L.C.	701 N. Interstate 27	PLAINVIEW	TX	79072-5815	(806) 296-5563
MESK Investment #2047, LLC	3710 Broadway	EVERETT	WA	98201-3786	(425) 252-0717
Chenega IH, LLC	611 Plank Road	CLIFTON PARK	NY	12065-2020	(518) 348-1892
Raza Peru LLC	4383 Venture Drive	PERU	IL	61354-1014	(815) 220-8772
Goldrush Pancakes No. 3, Inc.	1890 East Parks Highway	WASILLA	AK	99654-7353	(907) 864-4467
Flippin' Hospitality Group, LLC	640 East Main Street	CARTERSVILLE	GA	30121-3305	(770) 386-3539
Chenega IH, LLC	5245 Pickard Street	MOUNT PLEASANT	MI	48858-5007	(989) 773-4050
Sunshine Restaurant Merger Sub, LLC	4199 34th Street South	ST. PETERSBURG	FL	33705-5015	(727) 865-7916
ACG 3011, L.P.	270 E. Interstate 20	TERRELL	TX	75160-2092	(972) 563-8050
FLIP 3115, Inc.	2905 Ferndale Road	ELKHART	IN	46517-8789	(574) 875-4777
RMLS HOP TEXAS, L.L.C.	301 East Interstate 20	MIDLAND	TX	79701-2031	(432) 686-0537
3143 LLC	3463B Lawrenceville Suwanee Road	SUWANEE	GA	30024-6574	678-288-9318
3160, L.C.	202 Blanchard Street	WEST MONROE	LA	71291-7370	(318) 362-0061
BMP TOTOWA LLC	360 Route 46	TOTOWA	NJ	07512-1841	(973) 890-2802
ACG 3009, L.P.	790 N. I-35 E	LANCASTER	TX	75146-1804	(972) 274-9191
ACG 3010, L.P.	4333 DFW Turnpike	DALLAS	TX	75211-1304	(214) 634-4467
Chenega IH, LLC	2735 Ring Road	GREENSBORO	NC	27405-5129	(336) 375-9875
Llano Grande, Inc.	1474 Southlake Plaza Drive	MORROW	GA	30260-1752	(770) 961-7112
DS 3159, LLC	2260 Home Depot Drive	DENHAM SPRINGS	LA	70726-5228	(225) 665-6933
VSE Hilo LLC	111 E. Puainako Street, Space 790	HILO	HI	96720-5295	(808) 959-2600
Hartford Management Solutions, LLC	339 Cottage Grove Road	BLOOMFIELD	CT	06002-3148	(860) 243-1160
Eagles Landing Investments, LLC	5571 Sunset Blvd.	LEXINGTON	SC	29072-8017	(803) 520-7129
FLIP 3175, Inc.	2435 James Street	CORALVILLE	IA	52241-1245	(319) 248-1122
Downeyhop, Inc.	11414 Paramount Blvd.	DOWNEY	CA	90241-4528	(562) 923-0767
Duncake, Inc.	12251 Tech Road	SILVER SPRING	MD	20904-1901	(800) 603-7539
Kama, LP	6831 North Loop 1604 East	SAN ANTONIO	TX	78247-5332	(210) 651-8262
Columbus Cakes, LLC	2939 N Lake Parkway	COLUMBUS	GA	31909-2519	(706) 507-1635
Clamore X, LLC	7609 Mountain Grove Drive	KNOXVILLE	TN	37920-6755	(865) 577-0230
Chenega IH, LLC	22812 Sussex Hwy.	SEAFORD	DE	19973-5865	(302) 628-1224

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Bullhop, LLC	600 Highway 95, Suite 900	BULLHEAD CITY	AZ	86429-5005	(928) 754-2209
River Road Restaurants, 3170, LLC	3511 Steelyard Drive	CLEVELAND	OH	44109-2387	(216) 741-0407
CES PHILOXENIA, LLC	420 West Bakerview Road	BELLINGHAM	WA	98226-8106	(360) 255-2048
ACG 3012, L.P.	1889 N. Zaragoza Road	EL PASO	TX	79936-7912	(915) 857-3921
Athens Ahmed Family Restaurant, Inc.	1061 Parkway Place	ATHENS	GA	30606-6171	1-833-919-9489
817 Allerton Incorporated	817 Allerton Avenue	BRONX	NY	10467-8389	(718) 515-0161
PRP 3051, LLC	1687 N. 19th Ave.	BOZEMAN	MT	59718-3649	(406) 587-4467
Pancakes 3148, Inc.	2525 Iron Point Road	FOLSOM	CA	95630-8708	(916) 817-6580
Eggpan, LLC	8484 Wilkinsville Road	MILLINGTON	TN	38053-1504	(901) 873-4407
Knightdale Pancakes, Inc.	6707 Knightdale Blvd.	KNIGHTDALE	NC	27545-7300	(919) 266-0418
Sunshine Restaurant Merger Sub, LLC	1350 South Walnut Street	STARKE	FL	32091-4521	(904) 368-9945
ACG 3013, L.P.	750 South Interstate 35	GEORGETOWN	TX	78628	(512) 864-2480
Elhop, Inc.	18248 Collier Avenue	LAKE ELSINORE	CA	92530-2754	(951) 674-4522
ABKA Holding Limited Liability Company	1212 Springfield Avenue	IRVINGTON	NJ	07111-1984	(973) 371-2222
Salem Pancakes, Inc.	2 Traders Way	SALEM	MA	01970-1866	(978) 825-9020
RMLS HOP INDIANA, L.L.C.	6839 West Jefferson Blvd.	FORT WAYNE	IN	46804-6211	(260) 432-9040
Raza Morris LLC	60 Hampton Street	MORRIS	IL	60450-9175	(815) 416-0995
Chenega IH, LLC	24140 Ford Road	DEARBORN HEIGHTS	MI	48127-3231	(313) 274-0577
Sugar, LLC	9005 N. 121st East Ave.	OWASSO	OK	74055-5992	(918) 609-6226
Farah Franchise, LLC	4221 Ellsworth Road	YPSILANTI	MI	48197-7535	(734) 528-4467
Beaver Creek Pancakes, Inc.	1150 Beaver Creek Commons Drive	APEX	NC	27502-3919	(919) 387-8147
Torrahop, Inc.	24631 Crenshaw Blvd., Unit D	TORRANCE	CA	90505-5358	(310) 326-7535
Goldrush Pancakes No. 2, Inc.	11100 Old Seward Highway	ANCHORAGE	AK	99515-3036	(907) 341-4125
BJS, Inc.	101 Goodfood Place	MANHATTAN	KS	66502-5022	(785) 587-1930
AFSANEH 2, LLC	4752 Galleria Parkway	SPARKS	NV	89436-9603	(775) 626-1060
Ruba, L.L.C.	151 Westbank Expressway	GRETNA	LA	70053-2461	(504) 366-4177
2716 West, LLC	2716 W. University Drive	EDINBURG	TX	78539-2829	(956) 387-0444
Im El Zuz LLC	20014 W. 153rd St.	OLATHE	KS	66062-9594	1-833-925-1350
Hop 3193, LLC	401 East Harrell Drive	RUSSELLVILLE	AR	72802-2276	(479) 968-4467
VSE Pearl City, LLC	98 1248 Kaahumanu Street B03	PEARL CITY	HI	96782-3200	808-744-0209
Tuhop, Inc.	1004 E. Prosperity Avenue	TULARE	CA	93274-2354	(559) 684-7440
Romulus Restaurants, L.L.C.	10603 West Olive	PEORIA	AZ	85345-7323	(623) 977-0599
Providence Pancakes, Inc.	45 Pleasant Valley Parkway	PROVIDENCE	RI	02908-5603	(401) 626-4314
RMLS HOP INDIANA, L.L.C.	540 West Eaton Pike	RICHMOND	IN	47374-2642	(765) 966-3000
Yamakara, LP	6031 West IH 10	SAN ANTONIO	TX	78201-2104	(210) 736-1965
3189 Corporation	15271 Creativity Drive	CULPEPER	VA	22701-2504	(540) 829-9455
ACG 3014, L.P.	5175 N. President George Bush Highway	GARLAND	TX	75040-2763	(972) 530-4300
3187 LLC	4018 Lawrenceville Highway NW	LILBURN	GA	30047-2205	470-268-8535
Chenega IH, LLC	6305 Allegacy Way	CLEMMONS	NC	27012-9628	(336) 766-8650
3223 LLC	1002 Sutherland Drive	PITTSBURGH	PA	15205-4865	(412) 859-0354
Sara Int'l, Inc.	125 Cartmell Drive	ALBANY	GA	31707-7625	(229) 438-2112
DARAKIN, INC.	2612 S. 77 Expressway	KINGSVILLE	TX	78363-2103	(361) 595-4469
AMJOE, LLC	275 Smokey Park Hwy. Bldg 500	ASHEVILLE	NC	28806-1140	(828) 633-1806
Sunshine Restaurant Merger Sub, LLC	1160 East Boone Avenue	KINGSLAND	GA	31548-5429	(912) 576-5458

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Yamadara, LP	17220 Interstate Highway 35 North	SCHERTZ	TX	78154-1293	(210) 654-6200
Cake, LLC	1600 North 32nd Street	MUSKOGEE	OK	74401-2248	(918) 683-0500
314 N. Shary, LLC	314 N. Shary Road	MISSION	TX	78572-8355	(956) 581-9700
MILWAUKEE WI 3200, INC.	1010 West Layton Avenue	MILWAUKEE	WI	53221-2472	(414) 727-1020
FLIP 3225, Inc.	7056 West Forest Preserve Drive	NORRIDGE	IL	60706-7123	(708) 779-5110
3190 Corporation	12901 Galveston Court	MANASSAS	VA	20112-8685	(703) 680-1140
Hotcakes No. 28, Inc.	3637 Avocado Blvd.	LA MESA	CA	91941-7337	(619) 670-1209
Stonecrest Family Restaurant, Inc.	2910 Stonecrest Drive	LITHONIA	GA	30038-2690	(678) 526-0771
Sunshine Restaurant Merger Sub, LLC	2840 Apalachee Parkway	TALLAHASSEE	FL	32301-3608	(850) 656-1621
Farah Enterprises Brighton, Inc.	8075 Nemco Road	BRIGHTON	MI	48116-9413	(810) 225-6020
Hanhop, Inc.	180 North 11th Avenue	HANFORD	CA	93230-4669	(559) 583-9863
ACG 3015, L.P.	26301 Northwest Highway	CYPRESS	TX	77429-5762	(281) 256-3563
Dorchester Family Restaurant, LLC	9976 Dorchester Road	SUMMERVILLE	SC	29485-8529	(843) 594-3951
Peachtree Food Group, LLC	3125 Peach Orchard Road	AUGUSTA	GA	30906-6900	(706) 364-6147
3196 LLC	5749 Stetson Hill Blvd.	COLORADO SPRINGS	CO	80917-4222	(719) 597-0123
Father & Sons, LLC	1523 Alabama Avenue SE	WASHINGTON	DC	20032-5054	(202) 563-5890
RMLS HOP OKC, LLC	11312 Westmark Drive	OKLAHOMA CITY	OK	73099-7600	(405) 577-5960
R-Hops, Inc.	1700 City Center Blvd.	ELIZABETH CITY	NC	27909-8961	(252) 337-9838
Wausau 3268, Inc.	2008 North Mountain Road	WAUSAU	WI	54401-7127	(715) 298-9744
SUPERIOR 2071 INC.	401 Center Drive	SUPERIOR	CO	80027-8616	(303) 499-2177
Flippin' Hospitality Group, LLC	90 Highland Crossing South	ELLIJAY	GA	30540-2349	(706) 698-4467
Harvest La Plata, LLC	116 Rosewick Road	LA PLATA	MD	20646-4231	(301) 539-7373
3231A, LLC	2729 Legends Parkway	PRATTVILLE	AL	36067-6559	(334) 285-1955
2061, LLC	2510 Flat Shoals Road	ATLANTA	GA	30349-4314	(770) 703-7900
Darayama, LP	3523 Roosevelt Avenue	SAN ANTONIO	TX	78214-2832	(210) 922-6342
JESSIEHOP CORP	17250 Southcenter Parkway, Suite 104	TUKWILA	WA	98188-3351	8668883501
Harvest Gordonsville, LLC	137 Wood Ridge Terrace	ZION CROSSROADS	VA	22942-6966	(540) 832-1823
Sunshine Restaurant Merger Sub, LLC	2225 North Monroe Street	TALLAHASSEE	FL	32303-4814	(850) 385-0010
RMLS Hop Ohio, L.L.C.	10 Consumer Center Drive	CHILLICOTHE	OH	45601-2667	(740) 773-4467
Food Marketing Concepts, Ltd.	9801 Liberty Avenue	OZONE PARK	NY	11417-1653	(718) 659-6501
Eagles Landing Investments, LLC	266 Robert Smalls Parkway	BEAUFORT	SC	29906-4213	(843) 379-5137
Pancake King, LLC	16518 Twin Lakes Avenue	MARYSVILLE	WA	98271-4720	(360) 652-2373
Darayama, LP	14424 San Pedro	SAN ANTONIO	TX	78232-4300	(210) 404-1699
Sunshine Restaurant Merger Sub, LLC	3480 Wedgewood Lane	THE VILLAGES	FL	32162-7185	(352) 674-9064
SunCakes TN, LLC	779 Team Blvd.	SMYRNA	TN	37167-5676	(615) 625-0707
Country Road 3057, Inc.	134 Jefferson Crossing Way	CHARLES TOWN	WV	25414-4964	(304) 724-8300
Sarah Ahmed Family Restaurant, Inc.	2170 West Spring Street	MONROE	GA	30655-3195	1-833-925-1102
3236 LLC	702 Walmart Drive	UNIONTOWN	PA	15401-8425	(724) 438-5690
Yadarada, Inc.	6519 FM 78	SAN ANTONIO	TX	78244-1366	(210) 666-0621
Vaid 3249 West Inc	941 Route 37 West #6	TOMS RIVER	NJ	08755-5054	(732) 286-2083
Flippin' Hospitality Group, LLC	243 Marketplace Connector	PEACHTREE CITY	GA	30269-3542	(770) 486-1552
Dinahop, Inc.	780 W. El Monte Way	DINUBA	CA	93618-3542	(559) 596-0995
Madarada, Inc.	107 SW Loop 410	SAN ANTONIO	TX	78245-2167	(210) 681-5826
Hemethop, Inc.	180 North Sanderson Avenue	HEMET	CA	92545-4900	(951) 658-5400

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Running Dove, Inc.	2507 East Crestway Drive	GARDEN CITY	KS	67846-6947	(620) 272-0000
Dayarada, Inc.	3115 SE Military Drive	SAN ANTONIO	TX	78223-3813	(210) 333-2985
Douglas Neal Restaurants, LLC	1040 North Colony Road	WALLINGFORD	CT	06492-1764	(203) 269-9901
VSE Waikiki II, LLC	1850 Ala Moana Blvd.	HONOLULU	HI	96815-1602	(808) 949-4467
ACG 3018, L.P.	2710 State Highway 121	EULESS	TX	76039-4073	(817) 205-3473
BJS, Inc.	321 East Ash Street	JUNCTION CITY	KS	66441-1408	(785) 238-4800
Kamaraya, LP	10622 Culebra Road	SAN ANTONIO	TX	78251-1320	(210) 521-1225
ACG 3020, L.P.	6080 Gateway East	EL PASO	TX	79905-2025	(915) 772-4077
3232, L.L.C.	2502 W. Ferguson Road, Ste 200	MOUNT PLEASANT	TX	75455-2942	(903) 572-7400
Star Generations, Inc.	155 Dorset Street, Ste D6	SOUTH BURLINGTON	VT	05403-6265	(802) 658-3303
Sunshine Restaurant Merger Sub, LLC	1789 Tamiami Trail	PORT CHARLOTTE	FL	33948-2534	(941) 255-9228
RZ3285 Oswego LLC	2850 US Highway 34	OSWEGO	IL	60543-8346	(630) 554-9065
Cheese, LLC	12101 South Waco Ave.	SAPULPA	OK	74066-6949	(918) 296-9625
Eagles Landing Investments, LLC	1800 E. Victory Drive, #B	SAVANNAH	GA	31404-4195	(912) 999-8845
ACG 3017, L.P.	9509 North Dallas Parkway	FRISCO	TX	75034-3480	(214) 872-3189
Ruby V, LLC	833 Canal Street	NEW ORLEANS	LA	70112-2305	(504) 593-0440
GABL Pancakes, Inc.	640 Riverdale Street	WEST SPRINGFIELD	MA	01089-4610	(413) 736-3854
Cake Besso LLC	3804 North Belt Highway	ST. JOSEPH	MO	64506-1342	1-833-927-0803
Cross Bronx Full Circle, Inc.	961 East 174th Street, #6	BRONX	NY	10460-5058	(718) 860-4467
Dedham Pancakes, Inc.	260 Providence Highway	DEDHAM	MA	02026-1878	(781) 326-0719
3279 Food Services Corp.	666 Motor Parkway	HAUPPAUGE	NY	11788-5141	(631) 273-6600
2076, Inc.	1595 S. Colorado Blvd.	DENVER	CO	80222-3704	(303) 758-1492
Sunshine Restaurant Merger Sub, LLC	4101 13th Street	ST. CLOUD	FL	34769-6756	(407) 891-8141
Caphop, LLC	1549 41st Avenue	CAPITOLA	CA	95010-2914	(831) 475-0540
Harvest 2051, Inc.	3077 State Highway Route 27	FRANKLIN PARK	NJ	08823-1314	8668862712
3289 Corporation	3914 Fettler Park Drive	DUMFRIES	VA	22025-1997	(703) 441-2525
Tenhop, LLC	1106 N. Germantown Pkwy	CORDOVA	TN	38016-5893	(901) 756-6488
EAST PEORIA IL 3304, INC.	214 W. Camp Street	EAST PEORIA	IL	61611-2004	(309) 698-3244
Sunshine Restaurant Merger Sub, LLC	4000 S. Tamiami Trail	SARASOTA	FL	34231-4513	(941) 925-8500
Trout Holding, Inc.	8500 Annapolis Road, Unit H	NEW CARROLLTON	MD	20784-3020	(301) 429-2088
Chenega IH, LLC	240 Fox Hunt Drive	BEAR	DE	19701-2536	(302) 834-4467
ACG 3025, L.P.	800 East Whitestone Blvd.	CEDAR PARK	TX	78613-9056	(512) 260-8880
Winchester Pancakes, Inc.	180 Crock Wells Mill Drive	WINCHESTER	VA	22603-3943	(540) 545-8866
Hotcakes No. 27, Inc.	4253 Oceanside Blvd.	OCEANSIDE	CA	92056-3471	(760) 630-1460
Opportunity Pancakes LLC	1320 Walnut Street	PHILADELPHIA	PA	19107-5410	(215) 732-1726
Goldrush Pancakes No. 4, Inc.	1106 North Muldoon Road, Suite 155	ANCHORAGE	AK	99504-6108	(907) 332-4467
RMLS Hop Ohio, L.L.C.	1585 River Valley Circle North	LANCASTER	OH	43130-8400	(740) 654-7790
3260 HOP, LLC	306 W. Commerce Drive	BRYANT	AR	72022-2399	(501) 847-8779
Goldencakes, Inc.	1100 N. Berkeley Blvd.	GOLDSBORO	NC	27534-3418	(919) 759-3055
Elcerritohop, LLC	11511 San Pablo Avenue	EL CERRITO	CA	94530-1958	(510) 232-5490
Uni-Hop, Inc.	6171 Oxon Hill Road	OXON HILL	MD	20745-3146	8668885179
Clamore XI, LLC	355 S. Illinois Avenue	OAK RIDGE	TN	37830-6741	(865) 220-5450
WestSacHop, LLC	779 Ikea Court, Suite 100	WEST SACRAMENTO	CA	95605-1635	(916) 617-2600
Sunshine Restaurant Merger Sub, LLC	10740 State Road 54	TRINITY	FL	34655-2264	(727) 376-8717

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Sunshine Restaurant Merger Sub, LLC	6631 Dudley Drive	NAPLES	FL	34105-3831	(239) 643-7500
Flippin' Hospitality Group, LLC	3010 Northside Parkway	CANTON	GA	30115-3541	(770) 345-1411
ZARA EXCELLENT PANCAKE INC.	40 Spring Valley Market Place	SPRING VALLEY	NY	10977-5212	(845) 517-5303
Belton 220, Inc.	220 Peculiar Drive	BELTON	MO	64012-5119	(816) 994-2520
Yaseenco LLC	474 Briarwood Drive	JACKSON	MS	39206-3003	(601) 206-1101
RMLS HOP INDIANA, L.L.C.	54 Johnson Blvd.	COLUMBUS	IN	47201-1590	(812) 348-2690
Pancakes 3306, Inc.	2035 Arden Way	SACRAMENTO	CA	95825-2201	(916) 929-4908
Romulus Restaurants, L.L.C.	2103 West Happy Valley Road	PHOENIX	AZ	85085-1842	(623) 587-4491
Burlington Operating Group, Inc.	2703 Mount Holly Road, Suite 4	BURLINGTON	NJ	08016-4175	(609) 386-1880
RMLS HOP INDIANA, L.L.C.	3038 South Western Avenue	MARION	IN	46953-3964	(765) 662-9490
ACG 3024, L.P.	758 North Earl Rudder Freeway	BRYAN	TX	77802-2914	(979) 774-9560
ACG 3021, L.P.	3646 East Sam Houston Parkway S	PASADENA	TX	77505-3102	(281) 487-2139
Carycakes, Inc.	1301 Kildaire Farm Road	CARY	NC	27511-5525	(919) 469-1835
C & H 888, Inc.	765 East Calaveras Blvd.	MILPITAS	CA	95035-5440	(408) 942-8887
Nellihop, LLC	5280 East Craig Road	LAS VEGAS	NV	89115-2257	(702) 643-1938
Opportunity Pancakes LLC	2001 Concord Pike, Suite 102	WILMINGTON	DE	19803-2904	(302) 427-3860
Opportunity Pancakes LLC	133 B West Sunrise Highway	FREEPORT	NY	11520-3523	(516) 442-2668
MBG & Associates, LLC	61 Weaver Blvd., Suite C	WEAVERVILLE	NC	28787-9804	(828) 645-3800
Sunshine Restaurant Merger Sub, LLC	1645 W. 49th Street	HIALEAH	FL	33012-2958	(305) 827-4481
Jenna, Inc.	10 Layla Lane	WENTZVILLE	MO	63385-1033	(636) 887-4467
Eagles Landing Investments, LLC	11 Towne Drive	BLUFFTON	SC	29910-4201	(843) 757-9155
2067, LLC	5518 George Washington Memorial Hwy	YORKTOWN	VA	23692-2764	(757) 369-4937
Nashua Pancakes, Inc.	230 Daniel Webster Hwy	NASHUA	NH	03060-5504	(603) 546-0400
Sunshine Restaurant Merger Sub, LLC	2589 South Highway 27	CLERMONT	FL	34711-6788	(352) 243-4467
Cake Sarsura LLC	125 N. Stewart Road	LIBERTY	MO	64068-1052	1-833-924-0494
River Road Restaurants, LLC	1401 S. Hurstbourne Parkway	LOUISVILLE	KY	40222-5791	(502) 618-2250
Denic Restaurants, Inc.	9840 NE Cascades Parkway	PORTLAND	OR	97220-6825	(503) 282-4467
Opportunity Pancakes LLC	650-672 Kapkowski Road	ELIZABETH	NJ	07201-3028	(908) 353-7600
Bedford Pancakes, Inc.	224 South River Road	BEDFORD	NH	03110-6819	(603) 296-0236
Hye Hop, Inc.	7821 Good Middling Drive	FAYETTEVILLE	NC	28304-5994	(910) 323-8880
Peak Third Party Restaurant Group, LLC	3951 32nd Avenue South	GRAND FORKS	ND	58201-5905	(701) 775-7001
Douglas Neal Restaurants II, LLC	2400 Dixwell Avenue	HAMDEN	CT	06514-1810	(203) 281-0022
ACG 3023, L.P.	701 Interstate Highway 30	MESQUITE	TX	75150-2703	(972) 240-5017
Romulus Restaurants, L.L.C.	10662 E. Southern Avenue	MESA	AZ	85209-3805	(480) 354-7781
Myrna Family Restaurant, LLC	100 Legends Road, Unit 5	MYRTLE BEACH	SC	29579-7076	(843) 796-1066
Ponce Cakes, LLC	428 Ponce de Leon Avenue NE	ATLANTA	GA	30308-2015	404 228 2741
Sunshine Restaurant Merger Sub, LLC	11571 University Blvd.	ORLANDO	FL	32817-2112	(407) 306-0800
Toast, LLC	101 S Highway 97	SAND SPRINGS	OK	74063-6515	(918) 419-2015
Impala International Inc.	165 Tom Hill Sr. Blvd.	MACON	GA	31210-1816	(478) 254-7100
Ozerovsky's Family Enterprise, Inc.	2620 Central Park Avenue	YONKERS	NY	10710-1126	(914) 395-1111
Walhop, LLC	2910 North Main Street	WALNUT CREEK	CA	94597-2003	(925) 938-3111
HM Group, Inc.	484 N. Main St.	LANSING	KS	66043-1312	(913) 727-1111
Sixcakes, Inc.	7471 Six Forks Road	RALEIGH	NC	27615-6164	(919) 847-4467
RMLS Hop Ohio, L.L.C.	2413 Taylor Square Drive	REYNOLDSBURG	OH	43068-9500	(614) 861-2800

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

SunCakes TN, LLC	6800 Charlotte Pike, Ste 117	NASHVILLE	TN	37209-4282	629-204-3889
Romulus Restaurants, L.L.C.	3495 East Baseline Road	GILBERT	AZ	85234-2651	(480) 813-5498
JESSIEHOP2 CORP	27149 185th Ave. SE, Ste 115	COVINGTON	WA	98042-8423	8668843470
Harvest Prince Frederick, LLC	680 Prince Frederick Blvd.	PRINCE FREDERICK	MD	20678-3146	(410) 535-3555
3238 LLC	4656 Browns Hill Road	PITTSBURGH	PA	15217-2938	(412) 586-5981
Westminster Pancakes, Inc.	490 Meadow Creek Drive	WESTMINSTER	MD	21158-4445	(410) 857-2998
ACG 3027, L.P.	7830 N. Central Expressway	DALLAS	TX	75206-1902	(214) 346-6520
DC Pancakes, LLC	3100 14th Street NW	WASHINGTON	DC	20010-2415	(202) 939-0500
Sunshine Restaurant Merger Sub, LLC	10050 Calle Comercio	BOCA RATON	FL	33428-1305	561-208-1603
Chenega IH, LLC	13785 Lakeside Circle	STERLING HEIGHTS	MI	48313-1315	(586) 566-5554
Country Road 3058, Inc.	331 Diederich Blvd.	ASHLAND	KY	41101-7007	(606) 324-4444
Mike's HOP, Inc.	11000 Flatlands Avenue	BROOKLYN	NY	11207-8215	(718) 257-4467
Waterbury Pancake House, Inc.	495 Union Street, Suite 2168	WATERBURY	CT	06706-1200	(203) 573-8822
Pancakes of Landstown, Inc.	3300 Princess Anne Road, Suite 711	VIRGINIA BEACH	VA	23456-2603	(757) 689-3359
Warwick Pancakes, Inc.	1802 Post Road	WARWICK	RI	02886-1501	(401) 738-0003
3330 Alamogordo, Inc.	1413 South White Sands Blvd.	ALAMOGORDO	NM	88310-7254	(575) 443-1260
ACG 3026, L.P.	1315 Wet N Wild Way	ARLINGTON	TX	76011-4302	(817) 795-7700
Ruby VIII, LLC	500 S. Lofton	PICAYUNE	MS	39466-4836	6017984422
Sunshine Restaurant Merger Sub, LLC	1560 S. Federal Highway	DELRAY BEACH	FL	33483-5032	(561) 266-9235
RMLS HOP OKC, LLC	1049 12th Avenue NE, Suite 140	NORMAN	OK	73071-5313	(405) 701-1616
Sunshine Restaurant Merger Sub, LLC	30200 US Highway 19 North	CLEARWATER	FL	33761-1046	(727) 789-4467
Bis Inc.	2390 Dallas Highway SW	MARIETTA	GA	30064-2750	(770) 485-1267
Chip, LLC	2020 S. Cherokee Street	CATOOSA	OK	74015-3232	(918) 739-3055
Romulus Restaurants, L.L.C.	913 N. Dobson Road	MESA	AZ	85201-7590	(480) 610-0792
3198 Food Services Corp.	339 Portion Road	RONKONKOMA	NY	11779-2343	(631) 580-5600
Plymouth Pancakes, Inc.	10 Shops at 5 Way	PLYMOUTH	MA	02360-2677	(774) 773-7193
Bunhop, LLC	12115 W. Ohio Avenue	LOS ANGELES	CA	90025-2507	(310) 826-3865
Harvest Spring Lake LLC	1417 North Bragg Boulevard	SPRING LAKE	NC	28390-2010	(910) 436-0663
Abu Joug LLC	4149 Sterling Ave.	KANSAS CITY	MO	64133-1348	1-833-920-4480
Eggspert, LLC	2152 Jackson Avenue W	OXFORD	MS	38655-5407	(662) 513-9991
ACG 3028, L.P.	170 East Central Texas Expressway	HARKER HEIGHTS	TX	76548-1889	(254) 526-7702
3362 Carlsbad, Inc.	2529 South Canal Street	CARLSBAD	NM	88220-6521	(575) 234-1599
RMLS HOP INDIANA, L.L.C.	9750 North by Northeast Blvd.	FISHERS	IN	46037-9783	(317) 288-0122
Cake Raytown 2095 LLC	10000 East 350 Highway	RAYTOWN	MO	64138-1801	1-833-927-0799
NMS Laburnum Dining, LLC	4840 S. Laburnum Avenue	RICHMOND	VA	23231-2714	8668910832
Ruby I.X. LLC	14099 Highway 90	BOUTTE	LA	70039-3511	(985) 758-2300
Clamore III, LLC	5814 Brainerd Road	CHATTANOOGA	TN	37411-5505	(423) 490-0559
Brooklyn Hop 2, LLC	785 Flushing Avenue	BROOKLYN	NY	11206-4107	(718) 408-1368
Trihop 14th Street LLC	235-237 E. 14th Street	NEW YORK	NY	10003-4113	(212) 388-1499
TALA-MO, Inc.	4103 Lemay Ferry Road	SAINT LOUIS	MO	63129-1859	(314) 892-4467
Westland Ventures, LLC	2495 William Ave.	LIMON	CO	80828-9334	(719) 775-9032
Chenega IH, LLC	2255 Tittabawassee Road	SAGINAW	MI	48604-9427	(989) 790-7340
RMLS HOP ILLINOIS LLC	4001 Wabash Avenue	SPRINGFIELD	IL	62711-6458	(217) 698-4467
Sunshine Restaurant Merger Sub, LLC	1797 North Congress Ave.	BOYNTON BEACH	FL	33426-8205	(561) 736-7220

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Brockton Pancakes, Inc.	540 Westgate Drive	BROCKTON	MA	02301-1816	(508) 521-6050
Flippin' Hospitality Group, LLC	5516 Peachtree Industrial Blvd.	CHAMBLEE	GA	30341-2045	(770) 452-8335
River Road Restaurants, LLC	3240 Scottsville Road	BOWLING GREEN	KY	42104-6311	(270) 904-2333
Sunshine Restaurant Merger Sub, LLC	408 East Bearss Ave.	TAMPA	FL	33613-1614	813-960-2679
Sunshine Restaurant Merger Sub, LLC	111 South Oregon Ave.	SANFORD	FL	32771-6667	(407) 688-8300
RMLS Hop Ohio, L.L.C.	5500 Renner Road	COLUMBUS	OH	43228-9359	(614) 851-3909
DARAPOR, INC.	1830 Highway 181	PORTLAND	TX	78374-4191	(361) 643-4467
Chenega IH, LLC	2720 Richlands Highway, #300	JACKSONVILLE	NC	28540-3684	(910) 219-4410
RMLS HOP INDIANA, L.L.C.	6901 W. 38th Street	INDIANAPOLIS	IN	46254-3905	(317) 802-7492
Edgewood Pancake, LLC	1804 Pulaski Highway	EDGEWOOD	MD	21040-1610	1-833-920-2387
Eagle's Landing Restaurants, LLC	478 River Highway	MOORESVILLE	NC	28117-6828	(980) 444- 6585
Country Road 3059, Inc	185 White Oaks Blvd.	BRIDGEPORT	WV	26330-4589	(304) 842-6894
3402 LLC	5155 Route 30 East	GREENSBURG	PA	15601-6692	(724) 834-1345
Talokas Cakes, LLC	6317 Talokas Lane	COLUMBUS	GA	31909-5641	(706) 569-0522
Broccoli, Domenico	1001 White Plains Road	BRONX	NY	10472-6013	(718) 823-4467
Abu Ross LLC	9099 Metcalf Avenue	OVERLAND PARK	KS	66212-1403	1-833-925-1452
Farisco Family Restaurants, LLC	5628 Carolina Beach Road	WILMINGTON	NC	28412-2608	(910) 769-1804
SunCakes TN, LLC	1203 Murfreesboro Road, Ste 190	FRANKLIN	TN	37064-3028	(615) 282-0090
Harvest 2085, Inc.	787 Route 33	HAMILTON	NJ	08619-4409	8668843440
Attleboro Pancakes, Inc.	383 Washington Street	ATTLEBORO	MA	02703-5916	(508) 399-8189
3376 Corporation	6419 Shiplett Blvd.	BURKE	VA	22015-3446	(703) 455-4891
RMLS Hop Ohio, L.L.C.	7130 Sawmill Road	COLUMBUS	OH	43235-1943	(614) 766-7990
Sunshine Restaurant Merger Sub, LLC	3315 West 80th Street	HIALEAH	FL	33018-7558	(305) 556-3734
Pancakes 3378, Inc.	3001 N Street	SACRAMENTO	CA	95816-6514	(916) 455-1548
O.C.I. Management, Inc.	44 Route 17k	NEWBURGH	NY	12550-3916	(845) 569-4467
Northborough Pancakes, Inc.	4102 Shops Way	NORTHBOROUGH	MA	01532-3200	(508) 393-1222
RMLS HOP INDIANA, L.L.C.	395 W. Northfield Drive	BROWNSBURG	IN	46112-7361	(317) 350-2167
Dunn cake II, Inc.	7 Lee Airpark Drive	EDGEWATER	MD	21037-1237	(800) 605-3196
Samrdh Excellent Pancake Inc	1745 E Main St	MOHEGAN LAKE	NY	10547-1356	(914) 743-1780
SunCakes NC, LLC	16015 A Lancaster Highway	CHARLOTTE	NC	28277-2032	980-580-0251
Central Cardan Hospitality, LLC	2704 Triple L Loop	ELLENSBURG	WA	98926-6594	(509) 925-2444
Eagles Landing Investments, LLC	4 East Gateway Blvd.	SAVANNAH	GA	31419-7554	(912) 219-3652
ACG 3411, L.P.	1220 Mockingbird Lane	SULPHUR SPRINGS	TX	75482-4855	(903) 885-2406
ACG 3030, L.P.	5401 Kyle Center Drive	KYLE	TX	78640-6622	(512) 268-2907
Awarta, LLC	2831 W. 18th Avenue	EMPORIA	KS	66801-6180	(620) 412-9586
2103 Restaurant Group, LLC	181 Homer Adams Pkwy	ALTON	IL	62002-5925	(618) 433-9940
Cake D'Iberville 2106 LLC	11475 Cinema Way Drive	D'IBERVILLE	MS	39540-9390	(228) 396-1016
Frederick Pancakes, Inc.	2421 Osprey Way	FREDERICK	MD	21701-1918	(301) 662-4500
Ithaka International Inc.	4971 Bill Gardner Parkway	LOCUST GROVE	GA	30248-2910	(678) 432-3111
Chenega IH, LLC	4950 ARENDELL ST STE A	MOREHEAD CITY	NC	28557-2686	(252) 222-0515
River Road Restaurants, LLC	3900 N. Dixie Highway	ELIZABETHTOWN	KY	42701-8610	(270) 769-6550
ACG 3410, L.P.	2825 Forest Lane	DALLAS	TX	75234-7501	(972) 241-2121
Sunshine Restaurant Merger Sub, LLC	6320 State Road 64 East	BRADENTON	FL	34208-6214	(941) 746-5193
Sunshine Restaurant Merger Sub, LLC	12875 Biscayne Blvd.	NORTH MIAMI	FL	33181-2359	(305) 981-8819

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Romulus Restaurants, L.L.C.	20710 E. Victoria Lane	QUEEN CREEK	AZ	85142-7643	(480) 987-5836
Mesk Investment 3430, LLC	2001 Freeway Drive	MOUNT VERNON	WA	98273-5470	(360) 336-0808
Walking Dove, Inc.	1410 West Wyatt Earp Blvd.	DODGE CITY	KS	67801-4039	(620) 371-6777
Romulus Restaurants, L.L.C.	2000 West Northern Avenue	PHOENIX	AZ	85021-5755	(602) 995-4044
ACG 3412, L.P.	3408 S. Main Street	LINDALE	TX	75771-7728	(903) 882-3436
3432, LLC	5119 University Parkway	NATCHITOCHE	LA	71457-7169	(318) 228-8860
2111 LLC	6450 South Highway 85-87	FOUNTAIN	CO	80817-1008	(719) 392-1900
RMLS Hop Ohio, L.L.C.	40 Polaris Parkway	WESTERVILLE	OH	43082-8007	(614) 392-2040
FADI 3428, INC.	351 E. University Avenue	LAS CRUCES	NM	88005-3399	(575) 556-9949
Cox Holding Company LLC	16211 Athens-Limestone Blvd.	ATHENS	AL	35613-2213	(256) 232-8708
Ruby X, LLC	5025 Lapalco Blvd.	MARRERO	LA	70072-4235	(504) 309-5573
Lawton -2109, LLC	4020 NW Cache Road	LAWTON	OK	73505-3634	(580) 357-7464
Sunshine Restaurant Merger Sub, LLC	16025 US 441	EUSTIS	FL	32726-2002	(352) 589-6070
Flippin' Hospitality Group, LLC	10340 Industrial Blvd. NE	COVINGTON	GA	30014-1477	(770) 787-0010
Hospitality Management of Greenbelt, Maryland, Inc.	7405 Greenbelt Road	GREENBELT	MD	20770-3402	(301) 486-1234
Mesk Investment 3440, LLC	13333 Meridian E, Suite A	PUYALLUP	WA	98373-2405	(253) 445-2445
3448 Artesia, Inc.	105 South First Street	ARTESIA	NM	88210-2109	(575) 746-4450
Mt. Airy Pancakes, Inc.	1001 Twin Arch Road, Suite 1	MOUNT AIRY	MD	21771-4130	(301) 703-5382
ACG 3413, L.P.	4500 Hondo Pass	EL PASO	TX	79904-1308	(915) 751-7665
Rosedale Pancake, LLC	8620 Pulaski Highway	ROSEDALE	MD	21237-3008	(833) 928-0967
3438 Corporation	7784 Gunston Plaza Drive	LORTON	VA	22079-1897	(703) 339-1168
RMLS HOP ILLINOIS LLC	2430 173rd Street	LANSING	IL	60438-1031	(708) 474-2240
Eagle's Landing Restaurants, LLC	4470 Kahn Drive	LUMBERTON	NC	28358-2326	(910) 802-4491
Madison 3451, Inc.	8622 US Highway 72 West NW	MADISON	AL	35758-9578	(256) 722-8991
Troy Hills Pancake House Inc.	792 Route 46 West	PARSIPPANY	NJ	07054-3401	(973) 396-8629
Chenega IH, LLC	43317 Grand River Avenue	NOVI	MI	48375-1739	(248) 773-8444
Fontana 3457 Inc.	9781 Sierra Ave	FONTANA	CA	92335-1716	(909) 357-1590
Opportunity Pancakes LLC	533 Old Country Road	WESTBURY	NY	11590-5109	(516) 280-5000
Barstow 3465, Inc.	2841 Lenwood Road	BARSTOW	CA	92311-9587	(760) 253-2828
River Road Restaurants, LLC	1062 Barnes Mill Road	RICHMOND	KY	40475-8729	(859) 353-8460
Channel Islands Pancakes, Inc.	747 West Channel Islands Boulevard	PORT HUENEME	CA	93041-2130	(805) 984-9800
1601 South Cage LLC	1601 S. Cage Rd.	PHARR	TX	78577-6354	(956) 961-4295
Chicken, LLC	901 Westside Drive	DURANT	OK	74701-3082	(580) 380-4915
Altura Enterprises, LLC	2040 Ken Pratt Boulevard	LONGMONT	CO	80501-6587	(303) 776-6262
Sunshine Restaurant Merger Sub, LLC	1393 South University Drive	PLANTATION	FL	33324-4000	954-472-5505
3454 Deming, Inc.	813 E. Pine Street	DEMING	NM	88030-3806	(575) 544-9903
Sunshine Restaurant Merger Sub, LLC	155 Bill France Boulevard	DAYTONA BEACH	FL	32114-6074	(386) 238-8883
RMLS Hop Ohio, L.L.C.	651 Hebron Road	HEATH	OH	43056-1349	(740) 522-6192
Harvest 3404 Inc	1661 S. Atherton Street	STATE COLLEGE	PA	16801-6210	8668942569
3456 Corporation	135 Crooked Run Plaza, Suite 130	FRONT ROYAL	VA	22630-7020	(540) 636-2324
ACG 3414, L.P.	209 S SW Loop 323	TYLER	TX	75702-6511	(903) 526-0049
Harvest 3405 Inc	2319 Lincoln Hwy E	LANCASTER	PA	17602-1113	8668941612
Bel Air Pancakes Inc	593 Baltimore Pike	BEL AIR	MD	21014-4319	(443) 371-6330

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

3452 LLC	1494 West Wade Hampton Blvd, Suite A	Greer	SC	29650-1166	864-655-4170
Demaz, Inc.	2730 John Hawkins Parkway	HOOVER	AL	35244-4001	(205) 682-2822
3475 LLC	4401 Virginia Beach Blvd	VIRGINIA BEACH	VA	23462-3106	757-937-2588
Chenega IH, LLC	2644 Kirkwood Hwy	NEWARK	DE	19711-7252	(302) 575-9429
Haidar, Moussa	517 E Trenton	EDINBURG	TX	78539-2931	(956) 316-4466
Sunshine Restaurant Merger Sub, LLC	5463 Gateway Village Circle #105	ORLANDO	FL	32812-4008	(407) 438-3394
Vaid Howell Pancakes Inc.	4731 Route 9	HOWELL	NJ	07731-4020	(732) 961-1000
Pomona 3468 Inc.	50 Rio Rancho Road	POMONA	CA	91766-5639	(909) 622-4500
NMS Southpark Dining, LLC	338 Southpark Circle, Suite D	COLONIAL HEIGHTS	VA	23834-3914	8668843495
Family Dining, Inc.	7371 Assateague Drive	JESSUP	MD	20794-3201	8668960630
Manchester Pancakes, Inc.	191 Deming Street	MANCHESTER	CT	06042-1731	(860) 644-1713
RMLS HOP ILLINOIS LLC	6606 Northwest Highway	CRYSTAL LAKE	IL	60014-7964	(815) 356-6404
ACG 3415, L.P.	18709 Limestone Commercial Drive	PFLUGERVILLE	TX	78660-4501	(512) 990-3470
Sunshine Restaurant Merger Sub, LLC	2112 N Flamingo Rd	PEMBROKE PINES	FL	33028-3501	(954) 251-1831
Hotcakes - Indio, Inc.	42150 Jackson St., Bldg. D	INDIO	CA	92203-9789	(760) 262-7025
Harvest Gambrells, Inc	889 MD Route 3 N, Suite 100	GAMBRILLS	MD	21054-1620	8668947171
3470 LOS LUNAS, INC.	1580 Main Street NW	LOS LUNAS	NM	87031-7083	(505) 866-9280
Brea 3480 Inc.	297 S Randolph Avenue	BREA	CA	92821-5733	(714) 990-4467
Monroe Operating Group, Inc.	334 Berlin Cross Keys Road	WILLIAMSTOWN	NJ	08094-3473	(856) 318-7590
RZ Excellent Pancake LLC	101 S 69th St	UPPER DARBY	PA	19082-3212	(610) 352-4467
Mesk Investment 2129, LLC	3150 NW Bucklin Hill Road	SILVERDALE	WA	98383-9024	(360) 698-4793
Pancake Holding Company, LLC	2406 Williams Street	CAPE GIRARDEAU	MO	63703-5752	(573) 803-3138
River Road Restaurants, LLC	105 Pavilion Parkway	NEWPORT	KY	41071-2891	(859) 360-0527
RMLS HOP ILLINOIS LLC	730 N Janes Ave	BOLINGBROOK	IL	60440-1241	(630) 972-9682
ACG 3416, LP	2234 N Main St	CLEBURNE	TX	76033-5012	(817) 556-0136
Sunshine Restaurant Merger Sub, LLC	15620 Panama City Beach Parkway, Unit 100	PANAMA CITY BEACH	FL	32413-5412	(850) 236-8200
3500, LLC	6005 Constitution Ave.	COLORADO SPRINGS	CO	80915-1225	(719) 574-7777
Sunshine Restaurant Merger Sub, LLC	324 Liberty Street	THOMASVILLE	GA	31757-4822	(229) 236-4467
3514, LLC	108 Latigo Lane	Cañon City	CO	81212-8101	(719) 275-2111
Chenega IH, LLC	5946 N. Sheldon Road	CANTON	MI	48187-3154	(734) 254-9846
Rainbow Cakes, Inc.	3928 Rainbow Blvd	KANSAS CITY	KS	66103-2961	(913) 948-6222
Brooklyn Hop 3, LLC	2244 Church Avenue	BROOKLYN	NY	11226-4195	(718) 287-4467
Eagles Landing Investments, LLC	421 Pooler Parkway, Ste 200	POOLER	GA	31322-5102	(912) 737-2916
Tenhop, LLC	1655 Highway 51 South, Suite A	COVINGTON	TN	38019-3241	(901) 296-5340
Sunshine Restaurant Merger Sub, LLC	7344 W Colonial Drive	ORLANDO	FL	32818-6503	(407) 734-5714
Rochester Pancakes, Inc.	160 Washington St	ROCHESTER	NH	03839-5510	(603) 948-1238
Southington Pancakes, Inc.	885 Queen Street	SOUTHINGTON	CT	06489-1507	(860) 276-0487
ACG 3418, LP	4770 Vista Wood Blvd.	DALLAS	TX	75232-1360	(214) 376-3841
Peak Restaurant Group, LLC	2487 South 800 West	WOODS CROSS	UT	84087-1724	(801) 298-1900
Romulus Restaurants, L.L.C.	3877 South Arizona Avenue	CHANDLER	AZ	85248-2701	(480) 568-8994
Ruby XIV, LLC	5048 Veterans Blvd	METAIRIE	LA	70006-5150	(504) 304-5173
RMLS HOP OKC, LLC	1068 E. State Hwy 152	MUSTANG	OK	73064-5118	(405) 730-8883
Mara Mara, Inc.	1133 W Oaklawn Rd	PLEASANTON	TX	78064-3957	(830) 480-5008

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Brooklyn HOP 4 LLC	253 Livingston Street	BROOKLYN	NY	11201-5838	(718) 222-4467
3519, Inc	389 S. Wadsworth Blvd	LAKEWOOD	CO	80226-3108	(720) 974-0757
ACG 3419, LP	7061 S. Desert Blvd.	CANUTILLO	TX	79835-8556	(915) 877-9980
Sunshine Restaurant Merger Sub, LLC	4671 Park Blvd	PINELLAS PARK	FL	33781-3531	(727) 546-4582
Romulus Restaurants, L.L.C.	705 S Rural Avenue, Suite 101	TEMPE	AZ	85281-2045	(480) 303-6585
ACG 3507, LP	21312 Kuykendahl Rd	SPRING	TX	77379-3307	(281) 288-9037
Udala, LLC	729 N Charles St	WARRENSBURG	MO	64093-1211	660-362-0400
RMLS Hop Ohio, L.L.C.	2040 Stringtown Rd	GROVE CITY	OH	43123-3993	(614) 801-0443
Sampler, LLC	8222 E 103rd St South	TULSA	OK	74133-7081	(918) 970-4776
Auburn Pancake, LLC	649 Turner Street	AUBURN	ME	04210-5295	1-833-920-1669
Seabrook Pancakes, Inc.	570 Lafayette Road, Unit 301	SEABROOK	NH	03874-6258	(603) 474-0512
Rada Rada Inc	5821 Worth Parkway	SAN ANTONIO	TX	78257-9534	(210) 561-7873
Eagle's Landing Restaurants, LLC	771 Daniel Ellis Drive	CHARLESTON	SC	29412-3035	(854) 222-3812
Cake Meridian 3517 LLC	220 N. Frontage Rd	MERIDIAN	MS	39301-6141	(601) 2865511
3485 LLC	6200 College Drive	SUFFOLK	VA	23435-3696	757-967-0777
Harvest Holly Springs LLC	7304 GB Alford Hwy	HOLLY SPRINGS	NC	27540-7692	(919) 552-8570
Northridge 2015 Inc.	9012 Tampa Avenue	NORTHRIDGE	CA	91324-3523	(818) 280-6605
Chenega IH, LLC	1240 Dixie Highway	MONROE	MI	48162-5201	(734) 639-2074
DARAALC, INC.	3300 E. Main St.	ALICE	TX	78332-7319	(361) 661-1123
Monroe Pancake House, Inc.	290 Larkin Dr. Ste 106	MONROE	NY	10950-4948	(845) 395-9229
Lansdowne Pancakes, Inc.	3531 Washington Blvd., Ste. 301	HALETHORPE	MD	21227-1673	(443) 701-4317
Country Road 3060, Inc.	475 Oakland Street, Ste. 104	MORGANTOWN	WV	26505-3983	(304) 292-4301
South Side Restaurant, LLC	4870 S. Washington Street	WICHITA	KS	67216-1000	(316) 522-2118
Harvest Pasadena, Inc.	8112 Ritchie Highway	PASADENA	MD	21122-6916	8668947486
RMLS HOP ILLINOIS LLC	1700 E. Higgins Rd.	SCHAUMBURG	IL	60173-5114	(847) 278-7494
AFM 3530, LLC	502 Brandilynn Blvd	CEDAR FALLS	IA	50613-7451	(319) 266-6688
ACG 3508, L.P.	5252 S. State Highway 360	GRAND PRAIRIE	TX	75052-8307	(972) 352-2987
Hotcakes Saturn Boulevard, Inc.	615 Saturn Blvd.	SAN DIEGO	CA	92154-4732	(619) 359-8383
Lake Forest 3531 Inc.	23592 Rockfield Blvd.	LAKE FOREST	CA	92630-1751	(949) 588-6890
Harvest 3406 Inc	108 Pauline Dr.	YORK	PA	17402-4624	8668910195
ACG 3509, L.P.	22610 Bellaire Blvd.	RICHMOND	TX	77406-5877	(281) 232-7020
Sunshine Restaurant Merger Sub, LLC	11793 International Drive	ORLANDO	FL	32821-7393	407-490-2016
FOH Operations, LLC	1410 SE Washington Blvd., Ste. B	BARTLESVILLE	OK	74006-4533	(918) 331-9700
ELR 3540, LLC	2040 Bells Highway	WALTERBORO	SC	29488-6815	(843) 898-6072
Scott's Hot Cakes, LLC	8040 Peach St.	ERIE	PA	16509-4733	(814) 520-5303
CRMG East Providence, Inc.	75 Highland Avenue, Unit C	EAST PROVIDENCE	RI	02914-1246	4014354467
YUCCA 3543 Inc.	57044 29 Palms Hwy.	YUCCA VALLEY	CA	92284-2932	(760) 228-2900
Mile & Half Foods LLC	2025 Main St.	ALAMOSA	CO	81101-2322	(719) 589-3750
Vineland IHOP L.L.C.	2216 W. Landis Ave.	VINELAND	NJ	08360-3431	(856) 696-3800
Sunshine Restaurant Merger Sub, LLC	100 Ambersweet Way	DAVENPORT	FL	33897-8430	(863) 353-1416
Trihop 177th Street, LLC	4168 Broadway	New York	NY	10033-3772	(212) 927-3777
Sunshine Restaurant Merger Sub, LLC	516 N. State Road 7	Royal Palm Beach	FL	33411-3508	(561) 660-6321
Owings Mills Pancakes, Inc.	10917 Boulevard Circle	OWINGS MILLS	MD	21117-7817	(410) 685-0413
Highland Hospitality, LLC	5815 Highland Shoppes Drive	CHARLOTTE	NC	28269	1-833-920-2372

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Pancakes 3547, Inc.	100 North Sunrise Ave.	ROSEVILLE	CA	95661-2905	(916) 771-4748
Pancake Holding Company, LLC	1345 E. Main St.	CARBONDALE	IL	62901-3116	(618) 490-1061
Chenega IH, LLC	980 Hospitality Way	ABERDEEN	MD	21001-1779	(443) 327-8277
Hotcakes Rancho Bernardo, Inc.	16759 Bernardo Center Dr.	SAN DIEGO	CA	92128-2509	(858) 375-5788
Chenega IH, LLC	3227 Miller Road	FLINT	MI	48507-4826	(810) 285-8462
Pancake Holding Company, LLC	2607 Blue Heron Dr.	Marion	IL	62959-4987	(618) 364-0879
Einabus, LLC	2011 Missouri Blvd.	JEFFERSON CITY	MO	65109-4790	(573) 321-5776
ACG 3511, L.P.	24515 Katy Freeway, Ste. # 900	KATY	TX	77494-1311	(281) 392-0041
Pancakes 3552, Inc.	981 Blossom Hill Rd.	SAN JOSE	CA	95123-1102	(510) 430-3543
Harvest 3407 Inc	4002 Union Deposit Rd	HARRISBURG	PA	17109-5906	8668867683
RMLS HOP INDIANA, L.L.C.	938 Indianapolis Blvd.	HAMMOND	IN	46320-1005	(219) 473-1683
Lancaster 3551 Inc.	1650 W Ave. K	Lancaster	CA	93534-5930	(661) 723-2206
3512A LLC	1609 Westover Terrace	GREENSBORO	NC	27408-7105	336-763-5634
San Jose Pancakes, Inc.	1012 Miller Ave	San Jose	CA	95129-2939	(408) 863-0289
Pancakes 3546, Inc.	2716 W. March Lane	STOCKTON	CA	95219-6571	(209) 475-9793
Pancakes of Coney Island LLC	1019 Surf Ave	BROOKLYN	NY	11224-2810	(718) 676-7220
3581 Inc	221 W. 104th Ave.	NORTHGLENN	CO	80234-4103	(303) 252-0942
Augusta Pancake LLC	110 Community Drive	AUGUSTA	ME	04330-8009	(833) 920-1675
Opportunity Pancakes LLC	2935 Hempstead Turnpike	LEVITTOWN	NY	11756-1330	(516) 597-5490
3577 LLC	520 Carl Bethlehem Road	BETHLEHEM	GA	30620-2104	678-900-1568
Framingham Pancakes, Inc.	17 Edgell Road	FRAMINGHAM	MA	01701-4833	(508) 270-2694
Liberal Restaurant LLC	2704 Centennial Blvd.	LIBERAL	KS	67901-4920	(620) 626-9769
River Road Restaurants, LLC	2380 Norman Lane Suite 110	Lexington	KY	40503-3011	(859) 277-7029
Twenty One Thirty Seven, Inc.	7146 Ritchie Hwy	GLEN BURNIE	MD	21061-2904	(800) 603-8012
Harvest Kent Island, Inc.	300 Abruzzi Dr	Chester	MD	21619-2395	8668947139
Burin, LLC	1735 N. Bishop Ave	ROLLA	MO	65401-2251	(573) 343-4442
RMLS HOP ILLINOIS LLC	100 South Mannheim Road	HILLSIDE	IL	60162-1800	(708) 401-5675
3572, Inc.	2190 Walker Lake Rd	ONTARIO	OH	44903-6521	(419) 747-1126
3574 LLC	3090 N. Chestnut St	COLORADO SPRINGS	CO	80907-5010	(719) 632-2404
ACG 3586, L.P.	2592 W. FM 544	WYLIE	TX	75098-4936	(972) 429-0551
3579 Corporation	10 Simpson Road	FREDERICKSBURG	VA	22406-1024	(540) 993-4445
Sunshine Restaurant Merger Sub, LLC	11350 Bloomingdale Avenue	Riverview	FL	33578-3708	(813) 436-0185
Mesk Investment 3607 LLC	1101 NE Highway 99W	McMinnville	OR	97128-2718	(503) 883-9695
Paramount 3582 Inc.	16230 Paramount Blvd	Paramount	CA	90723-5400	(310) 933-8513
2145 Restaurant Group, LLC	6456 Chippewa St.	St. Louis	MO	63109-2106	(314) 833-4467
Issa Enterprises I LLC	3204 N. Maize Rd	Wichita	KS	67205-7390	(316) 928-2280
Concordville Operating Group, Inc.	200 Town Centre Dr	Glen Mills	PA	19342-3345	(484) 840-8430
RMLS HOP OKC, LLC	551 NW US Highway 24	Topeka	KS	66617-1949	(785) 354-9049
Moreno Valley 3610 Inc.	16080 Perris Blvd	Moreno Valley	CA	92551-4618	(951) 242-0144
Romulus Restaurants, L.L.C.	9976 W. Happy Valley Rd	Peoria	AZ	85383-4105	(623) 362-8002
LARRY MC LLC	3311 Broadway Ave	Quincy	IL	62301-3713	(217) 222-4467
Wichita Dove Restaurant, LLC	1906 N. Rock Rd	Derby	KS	67037-3715	(316) 260-1868
ACG 3598, L.P.	9220 Highway 6	MISSOURI CITY	TX	77459-4994	(713) 392-3661
Dine In Group, LLC	270 Cooley St	Springfield	MA	01128-1112	(413) 342-4002

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Opportunity Pancakes LLC	100 West Old Country Road	Hicksville	NY	11801-4032	(516) 719-0860
Zafar Delano Restaurant, Inc.	710 Woollomes Ave	Delano	CA	93215-9591	(661) 778-0835
NMS2 Dining Inc	8825 Centre Park Dr	Columbia	MD	21045-2165	8668867740
Romulus Restaurants, L.L.C.	2654 E. Route 66	Flagstaff	AZ	86004-4305	(928) 527-3154
Mesk Investment 3571 LLC	22583 NE Glisan St	Wood Village	OR	97060-3787	(503) 665-2598
JHG Fruitport, LLC	5220 Harvey Street	Muskegon	MI	49444-6712	(231) 903-6317
VSE Honolulu Airport, LLC	3269 Koapaka Street	Honolulu	HI	96819	(808) 492-1321
Country Road 3061, Inc.	103 Crooked Run Lane	Marietta	OH	45750-7964	(740) 374-4314
Eldersburg Pancakes, Inc.	1316 Londontown Blvd	Eldersburg	MD	21784-6409	(410) 828-1479
Peak Third Party Restaurant Group, LLC	635 East 400 South	SALT LAKE CITY	UT	84102-2803	(385) 419-9060
Exton Operating Group, Inc.	471 John Young Way	Exton	PA	19341-2548	(484) 872-8384
Eagles Landing Investments, LLC	1248 Knox Ave	North Augusta	SC	29841-4055	(803) 426-1355
ACG 3618, L.P.	5050 State Hwy 114	NORTHLAKE	TX	76262-1437	(940) 367-0159
ACG 3599, L.P.	6737 Reading Road	ROSENBERG	TX	77471-2970	(281) 750-2691
NMS Dining, Inc.	5525A Baltimore National Pike	Catonsville	MD	21228-1513	1-833-920-1680
Romulus Restaurants, L.L.C.	1963 W. Valencia Road	Tucson	AZ	85746-6633	(520) 807-5795
ACG 3602, L.P.	1705 N I-35	BELLMEAD	TX	76705-2534	(254) 420-8388
3584 Inc	13650 E. Colfax Ave.	Aurora	CO	80011-6970	(303) 341-7125
Harvest Olney, Inc.	18147 Village Center Dr	Olney	MD	20832-1414	8668910878
Sunshine Restaurant Merger Sub, LLC	2850 Ridge Way	Lake Wales	FL	33859-6807	(863) 676-6748
Harvest 3614 Inc	770 Kidder Street	Wilkes-Barre	PA	18702-6911	8668944646
Sunshine Restaurant Merger Sub, LLC	212 Palm Coast Parkway NE	Palm Coast	FL	32137-4738	(386) 264-6834
Cedar Knolls Pancake House LLC	102 E. Hanover Avenue	Cedar Knolls	NJ	07927-2069	(973) 998-6258
Peak Third Party Restaurant Group, LLC	742 South 1270 West	Payson	UT	84651-2626	(385) 895-6791
Chenega IH, LLC	1213 North West Road	Jackson	MI	49202-2048	(517) 917-0808
3620 Corporation	16361 Gateway Lane	King George	VA	22485-0002	(540) 413-1482
3631 Food Services Corp.	1490 Old Country Road	Riverhead	NY	11901-2040	(631) 591-2727
Santa Ana 3628 Inc.	2407 S. Bristol St	Santa Ana	CA	92707-5150	(714) 617-5337
Saco Pancake, LLC	515 Maine St	Saco	ME	04072-1564	1-833-928-0985
3656 HOP LLC	302 South Rockwood Dr	Cabot	AR	72023-2881	(501) 941-3300
Mesk Investment 3639 LLC	925 Frontier Circle East Suite 200	Lake Stevens	WA	98258-2423	(425) 595-5352
Sunshine Restaurant Merger Sub, LLC	3250 Hodges Blvd.	Jacksonville	FL	32224-1231	(904) 240-0180
BLUE RESTAURANTS, LLC	1135 NE Coronado Dr	Blue Springs	MO	64014-2944	(816) 598-8747
Harvest Ocean City, Inc.	11328 Samuel Bowen Blvd	Berlin	MD	21811-2466	8668910864
Romulus Restaurants, L.L.C.	1743 E. Camelback Rd	Phoenix	AZ	85016-4015	(602) 279-8990
The Munirs Company II	101 Curtner Ave. #60	San Jose	CA	95125-1060	(669) 230-3104
AFM 3619, LLC	5045 Bentley Drive	West Des Moines	IA	50265-6997	(515) 267-1675
3589 LLC	2095 East Main St	Spartanburg	SC	29307-1430	864-754-4134
River Rama, Inc.	849 E. Commerce St., Ste. 657	San Antonio	TX	78205-3939	(210) 444-1201
Chenega IH, LLC	1290 Arsenal St	Watertown	NY	13601-2182	(315) 681-4081
NMS3, Inc.	600 E. Pratt St	Baltimore	MD	21202-3354	1-833-920-1668
CRMG Lincoln, Inc.	622 George Washington Highway	Lincoln	RI	02865-4273	4013331593
Middleton 3669 Inc.	2229 Deming Way	Middleton	WI	53562-5510	(608) 824-2020
ACG 3650, L.P.	7317 Gaston Ave	DALLAS	TX	75214-4131	(972) 520-5449

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Eagles Landing Investments, LLC	808 W. Oglethorpe Hwy	Hinesville	GA	31313-4401	(912) 255-5968
Merriam Restaurant LLC	5870 Antioch Rd	Merriam	KS	66202-2017	(913) 766-6615
Inglewood 2017 Inc.	4410 Century Blvd	Inglewood	CA	90304-1518	(310) 844-7196
Ashoori, Farshad Dan	6440 O Street	Lincoln	NE	68510-2331	(402) 904-6605
Nashville Pancake Stax, Inc.	520 Pleasant Grove Rd	Mount Juliet	TN	37122-3785	(615) 288-4388
Milford Pancakes, Inc.	17 Medway Road	Milford	MA	01757-2902	(508) 244-4904
Ruby XV, LLC	3511 S. Carrollton Ave	New Orleans	LA	70118-4507	(504) 267-7409
Country Road 3663, Inc.	1006 E. East State Street	Athens	OH	45701-2158	(740) 447-9020
Palmdale 3670 Inc.	38045 47th St E Suite I	Palmdale	CA	93552-3108	(661) 794-2119
Romulus Restaurants, L.L.C.	20429 N. John Wayne Parkway	Maricopa	AZ	85138-6408	(520) 233-2056
Romulus Restaurants, L.L.C.	4201 W. Bell Road	PHOENIX	AZ	85053-2710	(602) 298-9274
Phillipsburg Operating Group, Inc.	1313 US Highway 22 W	Phillipsburg	NJ	08865-4109	(908) 388-1994
ACG 3649, L.P.	3200 North Interstate 35	DENTON	TX	76201-5153	(940) 390-7051
CADENS LLC	150 SE Alice's Road	Waukee	IA	50263-1010	(515) 518-3449
Younisco LLC	5076 Lakeland Drive	Flowood	MS	39232-8900	(769) 524-4190
ACG 3648, L.P.	165 Hargraves Drive, Suite N100	Dripping Springs	TX	78737-4817	(512) 902-1174
VAID 3655 INC	1431 US Route 1	North Brunswick	NJ	08902-2132	(732) 354-4477
ACG 3623, L.P.	12340 Northwest Freeway	HOUSTON	TX	77092-3112	(832) 258-6874
ACG 3651, L.P.	4434 State Highway 6 South	COLLEGE STATION	TX	77845-4427	(979) 402-7726
Mesk Investment 3653 LLC	16814 SW Edy Road	Sherwood	OR	97140-8366	(503) 825-9368
Peak Third Party Restaurant Group, LLC	1194 Draper Pkwy.	DRAPER	UT	84020-7015	(801) 548-1566
Sunshine Restaurant Merger Sub, LLC	588 South Alafaya Trail #60	Alafaya	FL	32828-8139	(407) 454-9931
Braintree Pancakes, Inc.	755 Granite Street	Braintree	MA	02184	(781) 519-4391
Sunshine Restaurant Merger Sub, LLC	869 SW 107 Avenue	Miami	FL	33174-1619	(305) 925-0576
Sunshine Restaurant Merger Sub, LLC	8201 North Wickham Road	Melbourne	FL	32940-2145	(321) 426-9655
E.J.S. Pancake House LLC	2027 Route 35	Wall Township	NJ	07731-3647	(732) 449-4250
Maya Maya, Inc.	9911 W Interstate 10	San Antonio	TX	78230-2237	(210) 437-1271
Sunshine Restaurant Merger Sub, LLC	1120 W. Orange Blossom Trail	Apopka	FL	32712-3326	(407) 565-2388
Dove Restaurant, LLC	8400 W 151st Street	Overland Park	KS	66223-2108	(913) 608-5255
Bona 3661, Inc.	6475 Glenway Avenue	Cincinnati	OH	45248-5200	(513) 620-8579
Sunshine Restaurant Merger Sub, LLC	5129 Highway 90	Pace	FL	32571-1013	(850) 463-3176
Dulles Pancakes, Inc.	24290 Liberty Harvest Court	Sterling	VA	20166-2295	(703) 327-0456
3668 LLC	3167 W. Colorado Avenue	Colorado Springs	CO	80904-2040	(719) 635-9770
Sandhill Hospitality, LLC	10840 US 15-501 Highway	Southern Pines	NC	28387-6243	1-833-926-3207
Mesk Investment 3635, LLC	1383 Center Dr	Medford	OR	97501-7902	(458) 226-2511
ACG 3681, L.P.	4600 W. Bailey Boswell Rd.	Fort Worth	TX	76179-4320	(817) 269-2999
Nemo Restaurants LLC	14001 W. Hwy 74	Indian Trail	NC	28079-9657	(704) 234-8963
3637 Corporation	494 Elden Street	Herndon	VA	20170-4542	(703) 657-2199
RMLS HOP INDIANA, L.L.C.	410 S College Mall Road	Bloomington	IN	47401-6310	(812) 339-8760
Flippin' Hospitality Group, LLC	11473 Tara Blvd	Hampton	GA	30228-1687	(678) 519-1441
3688 Food Services Corp.	201 Airport Plaza Blvd	Farmingdale	NY	11735-3934	(631) 393-6750
BONA 3703, INC.	6930 Miller Lane	Dayton	OH	45414-2657	(937) 387-9106
River Road Restaurants, LLC	3070 Highland Pointe Dr.	Owensboro	KY	42303	(270) 240-1444
1004 MAIN ST., LLC	1004 Main Street	Brownsville	TX	78526-3659	(956) 435-9768

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Sunshine Restaurant Merger Sub, LLC	3322 W. US Highway 90	Lake City	FL	32025	(386) 269-3196
RMLS HOP INDIANA, L.L.C.	1850 US Highway 41	Schererville	IN	46375-1602	(219) 322-6961
Las Vegas 3684 Inc.	1809 S Las Vegas Blvd	Las Vegas	NV	89104-1329	(702)640-0182
Chenega IH, LLC	3132 Rochester Road	Troy	MI	48083-5421	(248) 250-6199
Cannon International, Inc.	1341 N Expy	Griffin	GA	30223-9009	(770) 412-7007
Sunshine Restaurant Merger Sub, LLC	40489 US Highway 19	Tarpon Springs	FL	34689	(727) 947-4012
Sunshine Restaurant Merger Sub, LLC	855 Palm Bay Road NE	West Melbourne	FL	32904	(321) 216-2089
AVF INC.	1406 Sam Nunn Blvd	Perry	GA	31069	478-224-0356
ACG 3682, L.P.	7710 North FM 620 Rd.	Austin	TX	78726	(512)772-2719
RMLS HOP INDIANA, L.L.C.	2726 Emerson Dr	Elkhart	IN	46514-5644	(574) 206-8237
3724, Inc.	17887 Bagley Rd	Middleburg Heights	OH	44130	440-625-0030
Vaid 3721 Inc	610 Route 33	East Windsor	NJ	08520	(609) 443-1211
ACG 3676, L.P.	23746 Eastex Freeway	Kingwood	TX	77339	(713)568-6261
Opportunity Pancakes LLC	21133 26th Ave	Bayside	NY	11360	718-316-6058
NMS Bowie Dining, LLC	16451 Excalibur Road	Bowie	MD	20716	1-833-920-1690
ACG 3702, LP	700 N. Tarrant Parkway	Keller	TX	76248	682-333-0201
Mesk Investment 3700 LLC	19709 S Highway 213	Oregon City	OR	97045	5038504892
NMS Willow Lawn, LLC	1601 Willow Lawn Dr	Richmond	VA	23230	8668944623
Urban City Foods LLC	915 Broad St.	Newark	NJ	07102	973-732-2530
Chenega IH, LLC	4211 Route 31	Clay	NY	13041	(315) 944 - 3008
Omaha 5338 Inc.	2801 Pine Lake Road	Lincoln	NE	68516	402-904-4910
Sahara 1613 Inc.	7305 South Rainbow Suite 100	Las Vegas	NV	89113	725-204-9115
NMS Carmia Dining, LLC	1101 Carmia Way	Richmond	VA	23235	8668910844
Fairburn Cakes, LLC	8028 Senoia Road	Fairburn	GA	30213	470-278-2990
Sunshine Restaurant Merger Sub, LLC	20133 Cortez Blvd	Brooksville	FL	34601	(352) 421-3188
US Restaurants Inc	243-247 East 149th Street	Bronx	NY	10451	718 713 2912
Bona 3666, Inc.	300 Cross Roads Blvd.	Cold Spring	KY	41076-2171	859-908-0292
ACG 3734, LP	1375 US Highway 380	Frisco	TX	75033	
MESK Investment 3708 LLC	24060 104th Ave SE	Kent	WA	98031	253-480-7142
Sunshine Restaurant Merger Sub, LLC	12978 South US Highway 301	Riverview	FL	33578	(813) 440-6358
Opportunity Pancakes LLC	2161 31st St	Astoria	NY	11105	718-971-1644
Octopus Inc.	4661 Bauer Farm Dr.	Lawrence	KS	66049	785-424-7097
Kayamada, Inc.	203 N. Loop 1604	San Antonio	TX	78232	2109673017
North Hollywood 3723 Inc.	6343 Laurel Canyon Blvd	North Hollywood	CA	91606	8187324622
Mesk Investment 3730 LLC	3215 W 11th Ave	Eugene	OR	97402	(458) 240-2406
3769 LLC	167 Steven B Tanger Blvd	Commerce	GA	30529	762-244-4903
Bona 3576, Inc.	7609 Old Troy Pike	HUBER HEIGHTS	OH	45424	(937) 660-8200
First Hills, LLC	7007 South Memorial Drive	Tulsa	OK	74133	9189575314
CAKE NKC MO LLC	2909 Burlington St	North Kanas City	MO	64116	1-833-925-1328
1102 N. Ed Carey, LLC	1102 N ED CAREY DR	HARLINGEN	TX	78550	9562917113
3794 HOP, LLC	3451 East US 412 Highway	Siloam Springs	AR	72761	479-309-8790
Harvest California LLC	45138 First Colony Blvd	California	MD	20619	3018634735
Ruby XVI, L.L.C.	3117 Loyola Drive	Kenner	LA	70065	(504) 712-0274
Makamada, Inc.	17242 Autry Pond Road	San Antonio	TX	78247	210-507-2253

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Sunshine Restaurant Merger Sub, LLC	6239 Davis Hwy	Pensacola	FL	32504	
MESK Investment 3634 LLC	17507 Canyon Pkwy. E.	Tacoma	WA	98446	253-844-4237
Fast Casual Restaurants Inc.	134-60 Springfield Blvd	Queens	NY	11413	(347) 676-5020
Opportunity Pancakes LLC	37-56 Junction Blvd	Jackson Heights	NY	11372	(718) 806-1840
Cake 3779 LLC	632 N Canal Blvd	Thibodaux	LA	70301	
Beita, LLC	2248 North Webb Road	Grand Island	NE	68803	308-675-3662
Munir, Mohammad	1401 E Monte Vista Ave	VACAVILLE	CA	95688-3015	(707) 471-5233
5404 LLC	6550 E Lloyd Expy	Evansville	IN	47715	812-471-0510
Sunshine Restaurant Merger Sub, LLC	778 Beal Parkway, Suite 100	Ft. Walton	FL	32547	
Maya Family Restaurants, LLC	645 Fairview Rd	Simpsonville	SC	29680	(864) 757-9681
New Berlin 3804 Inc.	15505 Rockridge Road	NEW BERLIN	WI	53151	4142605388
Danbury Bailey Operations, LLC	32 Newtown Rd	Danbury	CT	06810	203 456-3471
Sunshine Restaurant Merger Sub, LLC	35 South Homestead Blvd	Homestead	FL	33030	305-390-8650
Hollister Pancakes, Inc.	7127 Hollister Ave	Goleta	CA	93117	805-562-0056
Roomi's Eatery LLC	61 Kane Street	West Hartford	CT	06119	860-231-0100
3758 Inc.	613 E Aurora Rd	Macedonia	OH	44056	2348084409
White Dove, Inc.	3151 N Rock Road	Wichita	KS	67226	
Surraiya Dynasty, Inc.	1315 West Pacheco Blvd	Los Banos	CA	98635	2096972008
NMS Glen Allen Dining, LLC	10151 Brook Road	Glen Allen	VA	23059	8668910807
SunCakes NC, LLC	714 W US 74 Hwy	Rockingham	NC	28379	910-921-6041
HNH Pancakes, Inc.	201 Davis Street	San Leandro	CA	94571	5103588599
First Check, LLC	3111 South 129th Avenue	Tulsa	OK	74134	
ACG 3713, L.P.	4200 South Freeway	Fort Worth	TX	76115	(682)382-3666
Sunshine Restaurant Merger Sub, LLC	1300 East Copans Road	Pompano Beach	FL	33060	954-453-6048
3705, LLC	1344 Republic Drive	Colorado Springs	CO	80921	719-593-1223
Rakadaya Inc	342 Singing Oaks	Spring Branch	TX	78070	830-714-5112
Sunshine Restaurant Merger Sub, LLC	2630 West Broward Blvd Unit 301	Ft. Lauderdale	FL	33312	(954) 656-3648
SunCakes TN, LLC	1175 Volunteer Pkwy	Bristol	TN	37620	423-793-7362
NMS Middletown Dining, LLC	496 Middletown Warwick Road	Middletown	DE	19709	8668960113
3801 Food Services Corp.	700 E Patchogue Yaphank Rd.	Medford	NY	11763	631-775-7555
King Star Enterprises, Inc.	150 Cranbrook Rd	Cockeysville	MD	21030	4106667034
Cerritos 3802 Inc.	12741 Cerritos Towne Center	Cerritos	CA	90703	(562) 297-0790
Yakamada, Inc.	3946 S IH-35 Frontage Road	San Marcos	TX	78666	5126676524
3803 Inc.	12101 East Dartmouth Avenue	Aurora	CO	80014	720-756-2990
NMS Northwood Dining, LLC	1527 Havenwood Road	Baltimore	MD	21218	8668947176
Fond du Lac 3830, Inc.	841 W Johnson Street	Fond du Lac	WI	54935	(920) 547-4400
SunCakes NC, LLC	11 Plaza Parkway	Lexington	NC	27292	743-901-5908
Beaver Dam 3829 Inc.	1738 N Spring St	Beaver Dam	WI	53916	608-807-5666
Haidar Conway, LLC	3503 N Conway	Mission	TX	78572	
VB Stacks, LLC	2951 Avenue U	Brooklyn	NY	11229	718-719-2630
SunCakes NC, LLC	1026 Glenway Drive	Statesville	NC	28625	980-391-4470
Cake Topeka LLC	3001 SW Topeka Blvd	Topeka	KS	66611	785-329-5001
Gardena 3827 Inc.	1638 W Redondo Beach Blvd	Gardena	CA	90247	424-295-7780
Rialto 3850 Inc.	1683 S Riverside Ave	Rialto	CA	92376	909-906-9450

IHOP - LIST OF FRANCHISEES AS OF FISCAL YEAR 2023

Vaid 10th Inc.	1009 Saint Georges Avenue	Colonia	NJ	07067	732-218-5346
Brookfield 3839 Inc.	1005 S Moorland Rd	Brookfield	WI	53005	262-350-7777
Sunshine Restaurant Merger Sub, LLC	7940 Pine Forest Road	Pensacola	FL	32526	850-888-0082
RAMADAKA, Inc.	915 E. Rector Street	San Antonio	TX	78216	210-999-5010
Romulus Restaurants, L.L.C.	4040 E 22nd Street	Tucson	AZ	85711	520-822-8054
Khan, Shazia	136 5th St	Eureka	CA	95501	(707)798-1567
Shawano 3860 Inc.	1398 E Green Bay St.	Shawano	WI	54166	715-544-7878
Simi Valley 3840 Inc	698 E Los Angeles Ave	Simi Valley	CA	93065	(818) 206-3266
MESK Investment 3835, LLC	2323 S Union Ave	Tacoma	WA	98405	

LIST OF COMPANY-OWNED OUTLETS

EXHIBIT A-1

No company owned outlets as of December 31, 2023.

**LIST OF FRANCHISEES WHO HAVE
CEASED TO DO BUSINESS**

**IHOP - LIST OF FRANCHISEES WHO HAVE CEASED TO DO BUSINESS
AS OF FISCAL YEAR 2023**

Restaurant Legal Entity	Address	City	State/Province/Region	Zip Code	Phone Number
3668 LLC	3167 W. Colorado Avenue	Colorado Springs	CO	80904-2040	(719) 635-9770
4492 LLC	870 N Main Street	ALPHARETTA	GA	30004-2332	(678) 5875890
MBG & Associates, LLC	61 Weaver Blvd., Suite C	WEAVERVILLE	NC	28787-9804	(828) 645-3800
ACG 3007, L.P.	12750 North Freeway	FORT WORTH	TX	76177-3002	(817) 431-6300
ACG 3682, L.P.	7710 North FM 620 Rd.	Austin	TX	78726	(512)772-2719
PRP 3091, LLC	100 Gateway Blvd.	ROCK SPRINGS	WY	82901-5742	(307) 362-9999
Sunshine Restaurant Merger Sub, LLC	3501 E Busch Blvd	TAMPA	FL	33612-2309	(813) 443-2178
King Star Enterprises, Inc.	10001 York Rd	COCKEYSVILLE	MD	21030-3303	(410) 666-7034
Chenega IH, LLC	2550 South Road	POUGHKEEPSIE	NY	12601-5468	(845) 462-1792
SunCakes TN, LLC	1203 Murfreesboro Road, Ste 190	FRANKLIN	TN	37064-3028	(615) 282-0090
LARRY MC LLC	3311 Broadway Ave	Quincy	IL	62301-3713	(217) 222-4467
Sunshine Restaurant Merger Sub, LLC	1776 North Military Trail	WEST PALM BEACH	FL	33409-4714	(561) 689-1196
Ithaka International Inc.	4971 Bill Gardner Parkway	LOCUST GROVE	GA	30248-2910	(678) 432-3111
Octopus Inc.	4661 Bauer Farm Dr.	Lawrence	KS	66049	785-424-7097
SunCakes NC, LLC	9940 Pineville-Matthews Rd	PINEVILLE	NC	28134-7551	980-580-0530
Chatsworth Pancakes, Inc.	21103 Devonshire St	CHATSWORTH	CA	91311-2317	(818) 700-8398
Hotcakes No. 28, Inc.	3637 Avocado Blvd.	LA MESA	CA	91941-7337	(619) 670-1209
Ardmore PA Pancakes House Inc.	130 W Lancaster Ave	ARDMORE	PA	19003-1305	(610) 642-2555
ACG 1476, L.P.	1101 S Mo Pac Expy	AUSTIN	TX	78746-5779	(512) 327-9284
SunCakes VA, LLC	1540 General Booth Blvd	VIRGINIA BEACH	VA	23454-5103	(757) 901-0658
Sahara 1613 Inc.	9480 W Sahara Ave	LAS VEGAS	NV	89117-5357	(702) 341-9009
Silver King Enterprises, Inc.	2315 Michael Dr	NEWBURY PARK	CA	91320-3233	(805) 499-5840

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the system.

FRANCHISE AGREEMENT

EXHIBIT B

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this “**Agreement**”) is made and entered into as of this _____ day of _____, 20__ (the “**Effective Date**”) by and between IHOP FRANCHISOR LLC (“**Franchisor**”) and _____, a _____ [corporation/limited liability company/limited partnership] (“**Franchisee**”) with reference to the following facts:

A. Franchisor or its predecessors have developed and Franchisor and its Affiliates are continuing to develop certain Systems for operating IHOP Restaurants under the names “IHOP,” “The International House of Pancakes” and “International House of Pancakes Restaurant” which feature the sale of pancakes and various other food products, and which, conducted in accordance with the provisions of this Agreement and the Operations Bulletins, are designed to enable such businesses to compete more effectively in their respective marketplaces;

B. Franchisor now owns or licenses and hereafter will develop, license or purchase valuable Trademarks used in connection with the operation of IHOP Restaurants; and

C. Franchisee desires to obtain a franchise to use the Systems and the Trademarks associated therewith in connection with the operation of one Franchised Restaurant at a specific Franchised Location, and Franchisor is willing to grant such franchise upon the terms and subject to the conditions set forth below. Franchisee has executed this Agreement pursuant to the following (check one):

- ☐ Area Development Agreement, dated _____
- ☐ Multi-Store Development Agreement, dated _____
- ☐ Novation Program
- ☐ Single Store Development Program
- ☐ Purchase Program
- ☐ Renewal or extension of an existing franchise
- ☐ Assignment of an existing franchise
- ☐ Other: _____

WHEREFORE, IT IS AGREED:

I
GRANT OF FRANCHISE

1.01 Use of Systems.

Franchisor hereby grants to Franchisee and Franchisee hereby accepts a franchise to operate one Franchised Restaurant at the Franchised Location during the Term in accordance with the provisions of this Agreement and any ancillary documents pertaining hereto.

1.02 Certain Definitions.

“**Advertising Expenditure Fee**” shall have the meaning given that term in Section 7.01(a).

“**Advertising Region**” shall have the meaning given that term in Section 7.03(a).

“**Affiliate**” when used herein in connection with Franchisor or Franchisee, includes each Business Entity which directly, or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Franchisor or Franchisee, as applicable. Without limiting the foregoing, the term “**Franchisee-Affiliate**” includes any Business Entity more than 49% of whose Stock, membership interests, Partnership Rights, or other equity ownership interests (collectively “**Equity**”) or voting control, is held by person(s) or Business Entities who, jointly or severally, hold more than 49% of the Equity or voting control of Franchisee.

“**Alternative Distribution Channels**” means and includes any site, Venue or location, including grocery stores, supermarkets and convenience stores (including those which may be located within the Franchised Area), whether wholesale or retail, and including, without limitation, mail order catalogs, direct mail advertising, internet marketing or other distribution methods.

“**Applicable Law**” means and includes all applicable common law and all applicable statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority, which governs the construction or operation of the Franchised Restaurant, including all building codes and local zoning provisions, and all labor, disability, food and drug laws and regulations, as in effect on the Effective Date, and as may be amended from time to time.

“**Area Development Agreement**” shall have the meaning given that term in Section 5.01(f).

“**Assign**” and “**Assignment**” shall have the meaning given that term in Section 11.02(a),

“**Business Entity**” means any limited liability company or Partnership, trust, association, corporation or other entity which is not an individual.

“**Continuing Royalty**” shall have the meaning given that term in Section 6.01.

“**Courier**” shall have the meaning given that term in Section 16.12.

“**CSCS**” shall mean Centralized Supply Chain Services, a co-operative formed in 2009 for the purpose of negotiating contracts of supply and distribution on behalf of IHOP and Applebee’s franchisees who are members.

“**Deferred Initial Fee**” shall have the meaning given that term in Section 5.01(b).

“**Delayed Development Fee**” shall have the meaning given that term in Section 4.02(c).

“**Designated Representative**” shall have the meaning given that term in Section 16.12.

“**Development Fee**” shall have the meaning given that term in Section 5.01(d).

“**Force Majeure**” means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which Franchisee could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisee by any lender, landlord, contractor, or other person shall be an event of Force Majeure hereunder, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. For the avoidance of doubt, Franchisee’s financial inability to perform or Franchisee’s insolvency shall not be an event of Force Majeure hereunder.

“Franchise Disclosure Document” shall have the meaning given that term in Section 3.04(a).

“Franchised Area” shall mean that geographic area which is either described in, or outlined on a map attached hereto as, **Exhibit A**.

“Franchised Location” shall have the meaning given that term in Section 2.01.

“Franchised Restaurant” means the IHOP Restaurant franchised pursuant to this Agreement.

“GAAP” shall have the meaning given that term in Section 6.02(d).

“General Renewal Term” shall have the meaning given that term in Section 3.03(a).

“Governmental Authority” means and includes all federal, state, county, municipal or local governmental or quasi-governmental agencies, commissions and authorities.

“Gross Sales,” as used in this Agreement, shall mean the total revenues derived by Franchisee in and from the Franchised Restaurant, whether for cash sales of food and other merchandise or otherwise, or charge sales thereof, or revenues from any source arising out of the operation of the Franchised Restaurant, deducting therefrom: (a) all refunds and allowances, if any; (b) any sales or excise taxes which are separately stated and which Franchisee collects from customers and pays to any federal, state or local taxing authority; (c) any amounts deposited in any vending machines or pay telephones which are located in or about the Franchised Restaurant, if such vending machines and/or pay telephones are leased and not owned by Franchisee, in which case Gross Sales shall include only the commissions Franchisee receives therefrom; and (d) delivery fees imposed in connection with dispatch services provided by Mobo Systems, Inc.

“IHOP Restaurant” means a restaurant operated under Franchisor’s Trademarks and in accordance with Franchisor’s Systems and specializing in the sale of pancakes and other authorized menu items.

“Initial Franchise Fee” shall have the meaning given that term in Section 5.01.

“Initial Term” shall have the meaning given that term in Section 3.01.

“Initial Training” shall have the meaning given that term in Section 9.01(a).

“Intranet” shall have the meaning given that term in Section 7.04(c).

“Leasing Affiliate” means the Affiliate of Franchisor which is Franchisee’s sublessor for the Franchised Location, if applicable.

“Local Advertising Fee” shall have the meaning given that term in Section 7.01.

“Location Fee” shall have the meaning given that term in Section 5.01(c).

“Majority Owner” means any owner which, directly or indirectly, owns 51% or more of the Stock of Franchisee.

“Master Lease,” if applicable, means the lease for the Franchised Location under which Franchisor or its Leasing Affiliate is the lessee, and pursuant to which Franchisor or its Leasing Affiliate has subleased the Franchised Location to Franchisee.

“**Material Breach**” shall have the meaning given that term in Section 12.01.

4.02(d). “**Multi-Store Development Agreement**” shall have the meaning given that term in Section

4.02(a). “**Multi-Store Development Program**” shall have the meaning given that term in Section

“**National Advertising Fee**” shall have the meaning given that term in Section 7.01.

“**National Advertising Fund**” shall have the meaning given that term in Section 7.02(a).

“**New Master Lease**” shall have the meaning given that term in Section 3.07(a).

“**Non-Traditional Venue**” means any site, venue or location within another primary business or in conjunction with other businesses or at institutional settings such as schools, colleges and universities, military and other governmental facilities, hospitals, airports, highway rest stops, toll roads, hotels, motels, arenas, travel plazas, office or in-plant food facilities, supermarkets, grocery stores or convenience stores, casinos, stadiums, shopping malls and any other site, venue or location operated by a master concessionaire or contract food service provider.

“**Notice of Intent to Assign**” shall have the meaning given that term in Section 11.03(a)(i).

“**Novation Program**” means Franchisor’s program pursuant to which Franchisee has substituted this Agreement for a preexisting franchise agreement.

“**Operations Bulletins**” shall mean Franchisor’s operations manual, and all bulletins, notices, and supplements thereto, and all ancillary manuals, specifications and materials, as the same may be amended and revised from time to time in Franchisor’s sole discretion.

“**Other IHOP Concepts**” means restaurants which: (a) feature self-serve or counter service and not full table service; (b) have a different or more limited menu than that offered at an IHOP Restaurant, even though that menu may include pancakes and certain other authorized menu items authorized at IHOP Restaurants; and (c) operate under a principal name and mark different from or in addition to “IHOP” or “International House of Pancakes” but which may include “IHOP” or “International House of Pancakes” together with an additional prefix or suffix, such as and including “IHOP Express” or “flip’d by IHOP”.

“**Owner**” shall mean a shareholder, general partner, limited partner, member, or other owner of the Business Entity.

“**Partnership**” shall mean and include any general partnership and limited partnership.

“**Partnership Rights**” shall mean the voting power, property, profits or losses, or partnership interests of a Partnership, or any of them.

“**Patriot Act**” shall have the meaning given that term in Section 10.10.

“**Purchase Program**” means Franchisor’s program pursuant to which Franchisee assumes the ownership, operation and management of an IHOP Restaurant which was developed and/or operated by Franchisor or its Affiliate prior to the execution hereof.

“Regional Advertising Cooperatives” shall have the meaning given that term in Section 7.03(a).

“Renewal Agreement” shall have the meaning given that term in Section 3.03(a).

“Renewal Fee” shall have the meaning given that term in Section 3.3(a).

“Renewal Notice” shall have the meaning given that term in Section 3.04(a).

“Renewal Right” shall have the meaning given that term in Section 3.02(a).

“Renewal Term” shall mean the Special Renewal Term or the General Renewal Term, as the context requires.

“Required Products” shall have the meaning given that term in Section 10.02(a).

“Single Store Development Program” means Franchisor’s program pursuant to which Franchisee leases or purchases the Franchised Location and either converts an existing restaurant into an IHOP Restaurant or develops, constructs and equips an IHOP Restaurant at the Franchised Location in accordance with Franchisor’s current standards and specifications.

“Special Renewal Term” shall have the meaning given that term in Section 3.02(a).

“Stock” shall mean all corporate shares (whether common, preferred or otherwise) in the case of a corporation, all membership interests in the case of a limited liability company, a partner’s Partnership Rights in a Partnership, and in all cases all voting rights in the Business Entity.

“Systems” means the systems, products, methods, techniques and other Trade Secrets designated by Franchisor for Franchisee’s use in connection with the Franchised Restaurant.

“Table Allowances” shall mean all rebates, allowances, discounts and other monetary compensation received by Franchisor or its Affiliate on account of the purchase of food items, supplies or services by all franchisees in consideration for the open display by all franchisees of a supplier’s product, trademark or logo. Table Allowances shall not include any allowances granted on account of purchases by less than all Franchisees.

“Term” means and includes the Initial Term of this Agreement, and any and all extensions and renewals thereof.

“Then-Current” when used in connection with a franchise disclosure document, franchise agreement, sublease, equipment lease or other agreement means the form then currently being provided to prospective franchisees of Franchisor in the state in which the Franchised Location is situated, or if not then being so provided, then such form selected by Franchisor in its sole discretion which previously has been delivered to and, in the case of a franchise agreement, executed by a franchisee of Franchisor.

“Trademarked Products” shall have the meaning given that term in Section 10.02(c).

“Trademarks” means those trademarks, service marks, trade names, logotypes, insignia, labels, designs and other commercial symbols, which Franchisor may from time to time authorize or direct Franchisee to use in connection with the operation of the Franchised Restaurant, and which may include the names “IHOP,” “The International House of Pancakes” and “International House of Pancakes Restaurant,” and the goodwill annexed thereto.

“**Trade Secrets**” means Franchisor’s Systems and secret formulae, processes, ingredients, and methods of operation, including any information concerning the business, assets, liabilities, operations, affairs, customers, products, plans or prospects of Franchisor or its Affiliate(s) which has not been made available to the public, and all studies, reports, records or other documents or materials which contain, or are prepared on the basis of, any such non-public information.

“**Transfer Fee**” shall have the meaning given that term in Section 11.03(a)(iii).

“**Venue**” means any site, venue or location other than a Non-Traditional Venue.

“**Weekly Reporting Period**” shall mean Monday through Sunday, or such other seven consecutive day period designated by Franchisor from time to time.

II FRANCHISED LOCATION AND FRANCHISED AREA

2.01 Franchised Location.

(a) Franchisor hereby grants and Franchisee hereby accepts a franchise to operate one Franchised Restaurant at the following location (the “**Franchised Location**”):

(b) Franchisee acknowledges and agrees that selection of the Franchised Location is Franchisee’s sole responsibility, and that if Franchisor shall have, in its sole and absolute discretion, provided any assistance to Franchisee in evaluating or selecting the Franchised Location, such assistance shall not be construed as a warranty, guaranty or other assurance of any kind that such Franchised Location will necessarily be a successful or profitable site.

2.02 Franchised Area.

So long as Franchisee faithfully performs and observes each and all of the obligations and conditions to be performed and observed by Franchisee under or in connection with this Agreement, Franchisor, during the Term, shall not own, operate, franchise or license any IHOP Restaurant which is located within the Franchised Area. Notwithstanding any voluntary policy which Franchisor may from time to time establish regarding the spacing of IHOP Restaurants pursuant to which it may announce its intention to forebear from locating IHOP Restaurants within certain areas surrounding the Franchised Area, Franchisee acknowledges and agrees that Franchisor, or its Affiliates, expressly reserves the exclusive and unrestricted right, in its sole and absolute discretion, now and in the future, directly and indirectly: (a) to own, operate, franchise and license both within and outside of the Franchised Area restaurants and other business concepts operating under names other than “International House of Pancakes,” or “IHOP,” including Other IHOP Concepts, regardless of their proximity to the Franchised Restaurant, and whether or not such other restaurants or other business concepts offer products which are the same or similar to those which are or may be offered by the Franchised Restaurant; (b) to own, operate, franchise and license both within and outside of the Franchised Area IHOP Restaurants at Non-Traditional Venues; and (c) to produce, franchise, license, distribute and market products (whether or not under the Trademarks), including pre-packaged food, snacks and beverage products; books; clothing, souvenirs and novelty items, at or through any and all Alternative Distribution Channels (regardless of its proximity to the Franchised Restaurant), whether or not under the “International House of Pancakes” or “IHOP” names or the Trademarks. Notwithstanding anything to the contrary in this Section 2.02, Franchisor shall not own, operate, franchise or license any IHOP Restaurant at a Non-Traditional

Venue in any travel plaza, truck stop or convenience store that: (i) has a full standard menu as prescribed by the Operations Bulletins, (ii) has full table side service, and (iii) is located within 5 miles of the Franchised Restaurant. Nothing herein grants any exclusive rights as to the customers who may be served by Franchisee, Franchisor or its Affiliates, or by any other franchisee.

III TERM AND RENEWAL

3.01 Initial Term.

(a) Subject to earlier termination pursuant to the provisions of this Agreement and the conditions set forth in Section 3.05, the “**Initial Term**” of this Agreement shall commence upon the Effective Date and shall expire (check applicable provision):

☐ ___ years after the date the Franchised Restaurant opens for business, or

☐ on _____.

(b) Notwithstanding anything to the contrary herein, the Term (and the term of any Renewal Agreement (as defined in Section 3.03) executed pursuant to Section 3.02 and/or 3.03) shall automatically terminate: (i) upon the earlier expiration or termination of, as applicable, Franchisor’s or the Leasing Affiliate’s Master Lease, if any, or any lease or sublease, as applicable, for the Franchised Location; or (ii) upon the occurrence of any event which prevents or prohibits Franchisee from occupying the Franchised Location or Franchised Restaurant; provided however, that Franchisee shall not do anything which will cause such Master Lease, lease or sublease to be terminated or otherwise amended or modified without the prior written consent of Franchisor or the Leasing Affiliate, as applicable, which consent may be granted or withheld for any reason in its sole and absolute discretion.

3.02 Special Renewal Term.

(a) If: (i) the Initial Term set forth in Section 3.01 is less than ten years; (ii) Franchisor, the Leasing Affiliate, or Franchisee, as applicable, shall have accepted any renewal, extension or New Master Lease for the Franchised Location, thereby extending the Master Lease beyond the Initial Term; (iii) Franchisee shall have agreed to pay a Deferred Initial Fee as set forth in Section 5.01(b); and (iv) Franchisee shall have satisfied in all respects the requirements and conditions set forth in Sections 3.04 through 3.06, Franchisor shall provide Franchisee with the right, but not the obligation (“**Renewal Right**”), to execute a Renewal Agreement for a period (the “**Special Renewal Term**”) which shall commence at the end of the Initial Term and shall terminate (subject to earlier termination as provided in Section 3.01(b)) one day prior to the expiration of the New Master Lease (but in no event for a period which when combined with the Initial Term is more than 25 years).

(b) This Section 3.02 shall not apply: (i) if this Agreement has been executed as a renewal or extension of a preexisting franchise agreement; (ii) if Franchisee has executed this Agreement in connection with its purchase of an existing franchisee’s business and the existing franchisee’s franchise agreement does not expressly grant a Special Renewal Term; or (iii) if “other” is checked in Recital C to this Agreement.

3.03 General Renewal Term.

(a) If: (i) Franchisee shall have satisfied in all respects the requirements and conditions set forth in Sections 3.04 through 3.06; and (ii) Franchisee shall pay a renewal fee of \$10,000 (the “**Renewal Fee**”), Franchisee shall be granted a Renewal Right upon the expiration of the Initial Term (or the Special Renewal Term, if applicable), to enter into a new franchise agreement in the Then-Current form of franchise

agreement (the “**Renewal Agreement**”) the term of which shall commence upon the expiration of the Initial Term (or the Special Renewal Term, if applicable) and shall continue for a period (the “**General Renewal Term**”) of ten years (subject to earlier termination as provided in Section 3.01(b)).

(b) This Section 3.03 shall apply if this Agreement has been executed for a “Special Renewal Term” pursuant to Section 3.02 of Franchisee’s preexisting franchise agreement, but shall not apply: (i) if this Agreement has otherwise been executed as a renewal or extension of a preexisting franchise agreement (e.g., for an “option term” pursuant to Section 3.03 of Franchisee’s preexisting franchise agreement, or if such preexisting franchise agreement did not otherwise expressly grant Franchisee any further right to renew); (ii) if Franchisee has executed this Agreement in connection with its purchase of an existing franchisee’s business and the existing franchisee’s franchise agreement does not expressly grant a right to renew or to enter into a Renewal Agreement; or (iii) if “other” is checked in Recital C to this Agreement.

3.04 Form and Manner of Renewal.

Franchisee shall exercise its Renewal Right, if at all, strictly in the following manner:

(a) At least 18 months but not more than 24 months before the expiration of the Initial Term of this Agreement, Franchisee shall notify Franchisor in writing (“**Renewal Notice**”) that it intends to exercise its Renewal Right and shall request a copy of Franchisor’s Then-Current franchise disclosure document (the “**Franchise Disclosure Document**”), immediately upon receipt of which Franchisee shall sign and return to Franchisor the acknowledgment of receipt attached to the Franchise Disclosure Document, and no sooner than 14 days nor more than 21 days after Franchisee receives the Franchise Disclosure Document, if applicable, and execution copies of the Renewal Agreement, Franchisee shall execute the copies of the Renewal Agreement and return to Franchisor.

(b) If Franchisee subleases the Franchised Location from Franchisor or its Leasing Affiliate, Franchisee shall execute and return to Franchisor or its Leasing Affiliate, as applicable, the Then-Current form of sublease or amendment to sublease which Franchisor or the Leasing Affiliate, as applicable, shall prepare and deliver to Franchisee in accordance with Section 3.07(b), within 21 days after delivery of the same to Franchisee by Franchisor or the Leasing Affiliate.

(c) If Franchisee shall have exercised its Renewal Right in accordance with Section 3.04(a) and (b) and satisfied all of the conditions contained in Section 3.06, Franchisor shall execute the Renewal Agreement executed by Franchisee and at the expiration of the Initial Term deliver one fully executed copy thereof to Franchisee.

(d) If Franchisee fails to perform any of the acts, or deliver any of the documents required pursuant to the provisions of Section 3.04 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise its Renewal Right and shall automatically cause Franchisee’s Renewal Right to lapse and expire, and this Agreement shall terminate at the end of the Initial Term.

3.05 Modification of Renewal Franchise Agreement.

Notwithstanding anything to the contrary herein, the Renewal Agreement, if executed by parties hereto, shall differ, and be modified, from Franchisor’s Then-Current form of franchise agreement in the following respects:

(a) Franchisee shall be required to pay the Renewal Fee as set forth in Section 3.03(a) for the General Renewal Term; provided however, that if Franchisor has deferred the Initial Franchise Fee, in whole or in part, pursuant to Section 5.01(b), Franchisee, with respect to the Special Renewal Term, prior to

execution of the Renewal Agreement, shall have paid the Deferred Initial Fee and/or executed and delivered to Franchisor the promissory note, in accordance with Section 5.01(b).

(b) Franchisee's Continuing Royalty will not exceed the rate set forth in Section 6.01.

(c) The Term shall be deemed modified consistent with Section 3.03 (and Section 3.02, if applicable) and either: (i) all references to a Renewal Term contained in the Renewal Agreement shall be deleted and Franchisee shall have no further right or option to renew or to execute any further Renewal Agreement, or (ii) if this Agreement has been executed for a Special Renewal Term, Franchisee shall be provided with one additional Renewal Right after the Special Renewal Term, as described in Sections 3.02 and 3.03.

(d) Franchisee acknowledges and agrees that Franchisor's Then-Current form of franchise agreement may contain terms substantially different than those contained in this Agreement, which may include, without limitation, a different Franchised Area, and a National Advertising Fee and Local Advertising Fee exceeding the rates set forth in Section 7.01, depending on the rates set forth in the Then-Current franchise agreement.

3.06 General Conditions Precedent to Renewal.

Franchisee's right to enter into a Renewal Agreement, in accordance with the provisions of Section 3.03 (or Section 3.02, if applicable) is conditioned upon Franchisee's fulfillment of each and all of the following conditions precedent:

(a) At the time Franchisee delivers its Renewal Notice to Franchisor and at all times from such notification to the time of the commencement of the term of the Renewal Agreement, Franchisee shall have fully performed all of its obligations under this Agreement and under all other agreements which may then be in effect between Franchisee and Franchisor or its Affiliate, including any sublease, equipment lease, and promissory note, and each Franchisee-Affiliate shall have fully performed all of its obligations under each and every agreement between such Franchisee-Affiliate and Franchisor or its Affiliate.

(b) At the time Franchisee notifies Franchisor of its election to renew, and at the commencement of the Renewal Agreement, Franchisee shall have not received four or more notices of default during any 24-month period during the Initial Term of this Agreement, whether or not such defaults were cured.

(c) If Franchisor has deferred the Initial Franchise Fee, in whole or in part, pursuant to Section 5.01(b), with respect to the Special Renewal Term, if applicable, Franchisee shall have paid the Deferred Initial Fee and/or executed and delivered to Franchisor a promissory note providing for the payment of the Deferred Initial Fee, in accordance with Section 5.01(b), or Franchisee shall pay the Renewal Fee pursuant to Section 3.03(a) with respect to the General Renewal Term.

(d) Concurrently with Franchisee's delivery of its Renewal Notice, Franchisee shall have provided written evidence and assurance satisfactory to Franchisor of Franchisee's financial ability to refurbish and remodel the Franchised Restaurant pursuant to Section 4.03(b), and prior to the expiration of the Initial Term, Franchisee, at its sole expense, shall have completed refurbishing and remodeling the Franchised Restaurant, pursuant to Section 4.03(b), shall have repaired the Franchised Restaurant so that it is in first class condition and repair pursuant to Section 4.03(a), and shall have otherwise brought it into conformity with Franchisor's specifications and standards, as respects building design, furniture, fixtures, signs, equipment and color schemes, as are then applicable for new franchises being granted by Franchisor for the operation of IHOP Restaurants. If Franchisee fails to fully remodel the Franchised Restaurant prior to the commencement of the

Renewal Term, the Renewal Right shall lapse and this Agreement shall automatically terminate without notice to Franchisee unless the time for completion of the remodel has been extended by Franchisor in writing.

(e) Franchisee shall have secured the right to continue to occupy the Franchised Location after the expiration of the Initial Term and throughout the Renewal Term by having renewed or extended its lease or sublease, or executed a new or amended lease or sublease (at Franchisor's election, on the Then-Current form of agreement, if the Franchised Location is leased or subleased from Franchisor or its Affiliate) and Franchisee shall have delivered to Franchisor a fully executed copy of the lease, extension, or amendment, as applicable (including all exhibits, schedules, addendums, and amendments thereto), in the form approved by Franchisor, no later than the expiration of the Initial Term.

(f) At the time Franchisee delivers its Renewal Notice to Franchisor and at all times from and after such notification to the time of the commencement of the term of the Renewal Agreement, Franchisee shall meet the Then-Current standards set by Franchisor for issuing new franchises to existing franchisees.

3.07 No Duty by Franchisor to Renew Master Lease.

(a) Franchisee acknowledges that its right to enter into a Renewal Agreement, and the continuation of the Term, shall be subject to the continuation of Franchisee's right to occupy the Franchised Location. If the Franchised Location is leased or subleased by Franchisee from a third party, it shall be Franchisee's sole responsibility to maintain its lease or sublease for the Franchised Location in full force and effect. If Franchisee subleases the Franchised Location from Franchisor or its Leasing Affiliate, neither Franchisor nor its Leasing Affiliate shall be obligated to exercise any renewal right or option available to it under the Master Lease, or otherwise, and any decision to exercise any option to renew or extend the Master Lease may be exercised in its sole and absolute discretion. If Franchisor or such Leasing Affiliate shall decide not to renew or exercise any such option to renew, it may in its sole discretion (if and to the extent permitted to do so under its Master Lease) assign any such renewal right or option to Franchisee who may exercise it in its own name and behalf; provided however, that Franchisor shall not be required to continue, assume, or undertake, any continuing liability with respect to the lease for the Franchised Location, whether as assignor, signatory or guarantor, and it shall be Franchisee's exclusive responsibility to provide such guarantees, security or other financial assurances as may be acceptable to the lessor. Any such option (if exercised) or renewal, extension or new Master Lease (if accepted by Franchisor or the Leasing Affiliate, as applicable) shall be referred to herein as the "**New Master Lease.**"

(b) Should Franchisor or the Leasing Affiliate, as applicable, as a condition to or in consideration for the New Master Lease, be required to or otherwise agree to increases in base rental, percentage rental, taxes and/or "other expenses" in excess of those previously required of Franchisee as lessee, under the Master Lease, Franchisor or the Leasing Affiliate, as applicable, shall have the right to increase in a like dollar amount, any, all, or any combination of the base rental, percentage rental, taxes and/or "other expenses," respectively, to be paid by Franchisee to Franchisor or the Leasing Affiliate pursuant to the sublease or amendment to sublease to be executed by Franchisee under Sections 3.04(b) and 3.06(e), respectively. Any such increase(s) in Franchisee's base rental, percentage rental, taxes and/or "other expenses" shall be equal in dollar amount to the increase(s) therein required of Franchisor or the Leasing Affiliate, as applicable, as lessee in connection with the New Master Lease. By way of illustration, if the original Master Lease called for a minimum monthly rental of \$1,000.00, and the New Master Lease called for a minimum monthly rental of \$2,000.00, with no change in the amount of percentage rental, Franchisee's sublease minimum rental would increase by \$1,000.00 per month due and payable on a weekly basis. "Other expenses" may include a onetime payment to Franchisor's or the Leasing Affiliate's master landlord in consideration for the New Master Lease, new or increased administrative fees or common area maintenance charges, and/or capital expenditures or expenses for remodeling, refurbishment, expansion, renovation, repair or decoration of the interior, exterior or surrounding areas of the Franchised Location. Any such obligations shall be in addition to those required under Section 3.06(d); in the event of any conflict between work to be performed under Section 3.06(d) on the

one hand, and this Section 3.07(b), on the other hand, the resolution thereof shall be determined by Franchisor or the Leasing Affiliate, as applicable, in its sole and absolute discretion.

3.08 Notice of Expiration Required by Law.

If Applicable Law requires that Franchisor give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a week-to-week basis until Franchisor has given the requisite notice required by such Applicable Law. Notwithstanding anything to the contrary herein, if Franchisor is not offering new franchises or is otherwise not lawfully able to offer Franchisee its Then-Current form of franchise agreement at the time Franchisee elects to renew, Franchisor may, at its option, agree to renew this Agreement on its current terms, or extend the Term until it is lawfully able to offer its Then-Current form of franchise agreement.

IV RESTAURANT CONSTRUCTION AND REFURBISHING

4.01 Standard Plans and Specifications.

(a) If the Franchised Restaurant has not been constructed as of the Effective Date, Franchisor or its Affiliate shall furnish to Franchisee, at no additional charge to Franchisee, Franchisor's standard plans and specifications for the erection of an IHOP Restaurant and for equipment and signs, but excluding site plans. Franchisee shall, at its sole cost and expense, prepare site plans, and make such modifications to Franchisor's standard plans and specifications, as may be required to construct the Franchised Restaurant and the entire Franchised Location in conformity with Applicable Law. Franchisee shall not make or allow any change or addition to be made in or to the plans or specifications furnished by Franchisor or its Affiliate without Franchisor's or its Affiliate's, as applicable, prior written consent and approval, which consent and approval shall not be unreasonably withheld. If requested by Franchisor, upon completion of the construction, and prior to opening, Franchisee shall cause its architect to provide to Franchisor a certification that the building was built in accordance with plans previously submitted and approved by Franchisor and that the plans as submitted to Franchisor comply with all Applicable Laws and codes. It is Franchisee's responsibility to ensure that the building complies with all Applicable Laws and codes.

(b) If the Franchised Restaurant is to be converted to an IHOP Restaurant by Franchisee, Franchisor or its Affiliate will furnish to Franchisee, at no cost to Franchisee, Franchisor's standard plans and specifications for the construction of an IHOP Restaurant and for equipment and signs, and/or remodel specifications for the conversion of a restaurant. Franchisee shall, at its sole cost and expense, adapt the standard plans to the particular site in conformity with Franchisor's standard plans, prepare site plans and submit the same to Franchisor or its Affiliate for its written approval. Any further modifications to the plans or deviations from the provided plans and specifications are subject to the prior written approval of Franchisor or its Affiliate, as applicable. If requested by Franchisor, upon completion of the construction, and prior to opening, Franchisee shall cause its architect to provide to Franchisor a certification that the building was converted in accordance with plans previously submitted and approved by Franchisor and that the plans as submitted to Franchisor comply with all Applicable Laws and codes. It is Franchisee's responsibility to ensure that the building complies with all Applicable Laws and codes.

4.02 Construction.

(a) If this Agreement has been signed under the Single Store Development Program or Franchisor's multi-store development program (the "**Multi-Store Development Program**"), Franchisee shall, at its sole cost and expense, acquire the Franchised Location through purchase or lease, and promptly either erect, or cause to be erected, or convert the building, as applicable, to an IHOP Restaurant at the Franchised Location which conforms to the plans and specifications furnished to Franchisee, pursuant to Section 4.01(a)

or (b) as applicable. Franchisee shall use its best efforts to promptly complete construction or conversion, as applicable, and have all fixtures, furnishings, machinery and equipment installed, parking areas completed, inventory delivered, business and other permits obtained, personnel employed and all other necessary things attended to so that the Franchised Restaurant shall be open for business to the public no later than _____ or as otherwise determined by Franchisor in writing in its sole discretion.

(b) If this Agreement has been signed under the Single Store Development Program or the Multi-Store Development Program, Franchisee shall provide Franchisor with comprehensive information regarding all phases of the development process of the Franchised Location as Franchisor may require, and weekly progress reports during construction, in a format designated by Franchisor. Such information shall include, without limitation, the name, telephone number, and address of the architect, civil engineer, surveyor, general contractor, and environmental consultant, and the primary contact for each, copies of all permits, and digital photographs, and shall be submitted to Franchisor via hard copy, electronically including subscribing to a web based construction tracking service, or by such other means as Franchisor may designate.

(c) If this Agreement has been signed under the Single Store Development Program, notwithstanding anything to the contrary contained in Section 4.02(a), Franchisee may, at its option, forestall the termination of this Agreement by Franchisor caused by Franchisee's failure to open the Franchised Restaurant by the date set forth in Section 4.02(a), provided Franchisee has broken ground and commenced construction by the date set forth in Section 4.02(a), by providing Franchisor with written notice of Franchisee's request for additional time, specifying the amount of additional time requested, which in no event shall exceed 60 days, and by paying to Franchisor the sum of \$350.00 per day ("**Delayed Development Fee**") in advance with such written notice, for each day (in whole or in part) for which the extension of time is requested; provided however, if Franchisee shall have failed to open the Franchised Restaurant within 60 days after the date set forth in Section 4.02(a), or to pay the Delayed Development Fee for the extended period, then such failure shall constitute a Material Breach of this Agreement pursuant to Section 12.01.

(d) If this Agreement has been signed under the Multi-Store Development Program, notwithstanding anything to the contrary contained in Section 4.02(a), Franchisee may, at its option, forestall the termination of this Agreement by Franchisor caused by Franchisee's failure to open the Franchised Restaurant by the date set forth in Section 4.02(a), provided Franchisee has broken ground and commenced construction by the date set forth in Section 4.02(a), by providing Franchisor with written notice of Franchisee's request for additional time, specifying the amount of additional time requested, which in no event shall exceed 60 days, and by paying to Franchisor the Delayed Development Fee in advance with such written notice, for each day (in whole or in part) for which the extension of time is requested; provided however, if Franchisee shall have failed to open the Franchised Restaurant within 60 days after the date set forth in Section 4.02(a), or to pay the Delayed Development Fee for the extended period, then such failure shall constitute a Material Breach of this Agreement pursuant to Section 12.01. Payment of the Delayed Development Fee hereunder shall constitute payment of the Delayed Development Fee as set forth in Section 2.1.2 of the multi-store development agreement (the "**Multi-Store Development Agreement**") between the parties hereto or their Affiliate(s), as applicable.

4.03 Maintaining and Refurbishing of Franchised Restaurant.

(a) Franchisee shall at all times during the Term maintain at its sole expense the interior and exterior of the Franchised Restaurant and the entire Franchised Location, including the parking lot and the point-of-sale system, in first class condition and repair, and in compliance with all Applicable Laws and the Operations Bulletins, except to the extent Franchisor may otherwise expressly agree in writing.

(b) Except as otherwise provided herein, every five years during the entire Term hereof, at Franchisee's sole cost and expense, Franchisee shall refurbish, remodel and improve the Franchised Restaurant in accordance with Franchisor's Then-Current standards as set forth in the Operations Bulletins or

as otherwise promulgated by Franchisor and provided to Franchisee. Franchisee shall commence the first such refurbishing, remodeling and improving [check one] [] on _____, or [] on the anniversary date occurring seven years from the Effective Date. Each subsequent refurbishing, remodeling and improving shall commence five years from the date on which the last such refurbishing, remodeling and improving was required to be commenced in accordance with the above, subject to exceptions approved in writing by Franchisor in its sole discretion. Franchisee shall complete any such refurbishing, remodeling and improving as expeditiously as possible, but in any event within 30 days after commencing same. This refurbishment and remodel requirement is in addition to and does not include the maintenance obligations set forth in Section 4.03(a). To the extent that Franchisor requires Franchisee to make additional changes to the refurbishing, remodeling and improving of the Franchised Restaurant in order to comply with Franchisor's Then-Current standards as set forth in the Operations Bulletins or as otherwise promulgated by Franchisor and provided to Franchisee, Franchisee shall promptly address such changes to Franchisor's satisfaction.

(c) Franchisor or its Affiliate may, on one or more occasions, by written notice to Franchisee, waive or defer for such period of time as Franchisor may deem appropriate, Franchisee's obligation to refurbish, remodel and improve the Franchised Restaurant.

4.04 Lease Requirements and Franchisor's Succession Rights.

(a) If Franchisee leases the Franchised Location or the Franchised Restaurant from a third party, the lease shall expressly provide, by lease addendum in a form prescribed by Franchisor, unless Franchisor modifies or waives these requirements in writing, that: (i) in the event of any breach or claim by the landlord thereunder of any breach by Franchisee, such landlord shall be obligated to notify Franchisor in writing at least 30 days prior to the termination of such lease, whereupon Franchisor or an Affiliate shall have the right, but not the obligation, to cure such breach and succeed to Franchisee's rights thereunder; (ii) in the event of the termination of this Agreement as a result of Franchisee's breach hereof, and upon Franchisor's or such Affiliate's written election to Franchisee to be made within ten days after the date of such termination, Franchisor or its Affiliate shall have the right to succeed to Franchisee's rights under the lease; and (iii) if Franchisor does not elect the foregoing right to succeed to Franchisee's rights under the lease, landlord shall permit Franchisor to have reasonable access to the leased premises for the purpose of de-identifying the Franchised Restaurant such that it will no longer be recognized as an IHOP Restaurant. If Franchisor or such Affiliate elects to succeed to Franchisee's rights under the lease, as described in this Section 4.04(a), Franchisee shall assign to Franchisor or such Affiliate all of its right, title and interest in and to such lease, whereupon the landlord thereunder shall attorn to Franchisor or such Affiliate as the tenant thereunder. Franchisee shall execute and deliver to Franchisor or such Affiliate such assignment and take such further action as Franchisor or such Affiliate, as applicable, in its sole and absolute discretion, may deem necessary or advisable to effect such assignment, within ten days after written demand by Franchisor or such Affiliate to do so, and upon Franchisee's failure to do so, Franchisor or such Affiliate shall be, and hereby is, appointed Franchisee's attorney in fact to do so. This power of attorney granted by Franchisee to Franchisor or such Affiliate is a special power of attorney coupled with an interest and is irrevocable and shall survive the death or disability of Franchisee. Any sum expended by Franchisor or such Affiliate to cure Franchisee's breach of the lease shall be deemed additional sums due Franchisor or its Affiliate hereunder and Franchisee shall pay such amount to Franchisor or its Affiliate upon demand. The covenants of Franchisee contained in this Section 4.04(a) shall survive the termination of this Agreement.

(b) Franchisee shall deliver to Franchisor a fully executed copy of the lease for the Franchised Location (including all exhibits, schedules, addendums, and amendments thereto) promptly after execution thereof by Franchisee and the landlord in the form previously approved by Franchisor, which shall be no later than the opening date of the Franchised Restaurant. Franchisee shall duly and timely perform all of the terms, conditions, covenants and obligations imposed upon Franchisee under the lease for the Franchised Location.

4.05 Damage and Destruction; Condemnation.

(a) In the event of damage or destruction to the Franchised Restaurant, or any portion thereof, at any time during the Term, this Agreement shall continue in full force and effect. Franchisee shall proceed as soon as possible but no later than 30 days after the date of the occurrence of any damage or destruction, to repair, replace and restore the Franchised Restaurant to its condition prior to such damage or destruction. If Franchisee is proceeding diligently and through no fault of Franchisee, Franchisee is unable to commence the repair, replacement and/or restoration within the 30-day period, Franchisor shall allow Franchisee such additional reasonable period of time as Franchisor deems reasonably necessary to commence same. Such construction shall be completed and the Franchised Restaurant shall reopen for business not later than 12 months following the date of such damage or destruction. If Franchisee is proceeding diligently and through no fault of Franchisee, Franchisee is unable to complete the construction and reopen for business within 12 months following the date of damage or destruction, Franchisor shall allow Franchisee such additional reasonable period of time as Franchisor deems reasonably necessary to complete same and reopen for business. Franchisee shall have available to it the proceeds, if any, from the policy or policies of insurance maintained by Franchisee pursuant to Section 10.4 and the Operations Bulletins to pay for such repair, replacement and restoration of the Franchised Restaurant, subject to the provisions of the Master Lease, if applicable. In the event the proceeds from such insurance are insufficient or not available to pay for any repair, replacement or restoration of the Franchised Restaurant, Franchisee shall, at its sole cost and expense, complete the repair, replacement and restoration of the Franchised Restaurant, and provide to Franchisor, within 15 days of a request by Franchisor, such written assurances as Franchisor may require, in its sole and absolute discretion, that Franchisee will pay for the cost of such repair, replacement and restoration. In the event Franchisee shall fail to provide Franchisor with satisfactory assurances that Franchisee shall pay for the total cost of any repair, replacement or restoration of the Franchised Restaurant, Franchisor may, in its sole and absolute discretion, in writing delivered to Franchisee within 90 days after such damage or destruction, terminate this Agreement as of the date of such damage or destruction.

(b) In the event that any portion of the Franchised Location or interest therein is taken by any Governmental Authority under power of eminent domain or a sale by landlord or Franchisor or its Affiliate, if Franchisor or its Affiliate is the landlord of the Franchised Location, to or as directed by any authority having the power of eminent domain either under the threat of condemnation or while condemnation proceedings are pending, then subject to the provisions of the Master Lease and Sublease with Franchisor or its Affiliate, if applicable, and unless the purpose of this Agreement is frustrated by such taking or sale of a portion of the Franchised Location, Franchisee shall repair and restore the Franchised Location at Franchisee's cost and expense.

(c) If Franchisee is required to repair or restore the Franchised Restaurant pursuant to Section 4.05(a) or (b), Franchisee shall make every effort to have the repaired or reconstructed Franchised Restaurant reflect the Then-Current image, design and specifications of new IHOP Restaurants.

V

INITIAL FRANCHISE FEE

5.01 "Initial Franchise Fee" shall mean (check as applicable):

[] (a) If this Agreement has been signed under the Purchase Program, Franchisee shall pay to Franchisor the sum of \$ _____, as the Initial Franchise Fee; due and payable \$ _____ upon the execution of this Agreement, and the balance, if any, in _____ equal weekly installments with interest on the unpaid balance at the rate of _____% per annum (or the maximum rate allowed by law, whichever is lower), evidenced by a promissory note on the form prescribed by Franchisor. The first payment on the balance shall be due on the second Wednesday following the date the Franchised Restaurant opens for business with subsequent payments due on each succeeding Wednesday until paid in full.

☐ (b) If the Initial Term under the Purchase Program set forth in Section 3.01(a) is less than ten years, and Franchisee is entitled to a Special Renewal Term pursuant to Section 3.02, Franchisee shall also pay, as a condition precedent to Franchisee's right to enter into a Renewal Agreement pursuant to Section 3.02, and in addition to the Initial Franchise Fee due and payable pursuant to Section 5.01(a), a deferred initial fee (the "**Deferred Initial Fee**") equal to \$_____ for each year of the first Renewal Term (not to exceed a total of \$_____); which Deferred Initial Fee shall be due and payable \$_____ at the time Franchisee executes its Renewal Agreement pursuant to Sections 3.02 and 3.04, and the balance, if any, in _____ equal consecutive weekly installments with interest on the unpaid balance at the rate of _____% per annum (or the maximum rate allowed by law, whichever is lower), evidenced by a promissory note on the form prescribed by Franchisor.

☐ (c) If Franchisee is executing this Agreement pursuant to the Single Store Development Program under which Franchisee paid a location fee (the "**Location Fee**"), Franchisee shall pay to Franchisor the sum of \$50,000.00 as the Initial Franchise Fee, less the Location Fee of \$15,000.00 paid for the Franchised Location, due and payable upon execution of this Agreement.

☐ (d) If Franchisee is executing this Agreement pursuant to the terms of the Multi-Store Development Agreement pursuant to which Franchisee paid a development fee (the "**Development Fee**"), Franchisee shall pay to Franchisor the sum of \$40,000.00 as the Initial Franchise Fee, less the Development Fee of \$20,000.00 paid for the Franchised Location, due and payable upon execution of this Agreement.

☐ (e) If this Agreement has been signed under the Novation Program, or in connection with the renewal or assignment of a preexisting franchise agreement for the Franchised Location, there shall be no Initial Franchise Fee payable pursuant to the execution of this Agreement, but any balance which remains unpaid in respect of the franchise fee previously incurred by Franchisee (or its assignor, if applicable) shall remain due and payable on the terms previously agreed, as shall the general account balance and other obligations then owed to Franchisor by Franchisee (or its assignor, if applicable).

☐ (f) If Franchisee is executing this Agreement pursuant to the terms of an area development agreement (the "**Area Development Agreement**") for a Franchised Location within the Exclusive Territory defined therein, there shall be no additional Initial Franchise Fee payable pursuant to the execution of this Agreement, but any balance which remains unpaid in respect of the franchise fee previously incurred by Franchisee pursuant to the Area Development Agreement shall remain due and payable on the terms previously agreed, as shall Franchisee's other obligations to Franchisor.

☐ (g) If "other" is checked in Recital C to this Agreement, Franchisee shall pay to Franchisor the sum of \$50,000 as the Initial Franchise Fee, due and payable upon execution of this Agreement.

☐ (h) If Franchisee is executing this Agreement as a renewal or extension of an existing franchise for a General Renewal Term, Franchisee shall pay to Franchisor the sum of \$10,000 as a "Renewal Fee", due and payable upon execution of this Agreement.

5.02 Any time a fee is due pursuant to Section 5.01 but Franchisor has not received such fee within 5 business days after the Effective Date, Franchisee authorizes Franchisor, at Franchisor's election and without obligation to do so, to electronically debit such fee from any of Franchisee's accounts enrolled in Franchisor's electronic funds transfer program. Should, for any reason whatsoever, the funds in any such account be insufficient to pay in full the amount due, Franchisee shall remain liable for such shortfall and, immediately upon demand, remit to Franchisor the full amount of any such deficiency.

VI
CONTINUING ROYALTY, DEFINITION OF
GROSS SALES AND RECORD KEEPING

6.01 Continuing Royalty.

Each week during the Term, Franchisee shall pay to Franchisor a continuing royalty (“**Continuing Royalty**”) in an amount equal to:

- [] (a) 4.5% of Franchisee’s Gross Sales during the preceding Weekly Reporting Period, or
- [] (b) The percentage of Franchisee’s Gross Sales set forth in the schedule attached hereto, for the first _____ Weekly Reporting Periods following the Effective Date, and thereafter 4.5% of Franchisee’s Gross Sales for the balance of the Term.

6.02 Payments and Reporting.

(a) The Continuing Royalty payment for each Weekly Reporting Period shall be due on the Wednesday following the Weekly Reporting Period in which such Gross Sales were earned, and shall be accompanied, where applicable, by any installment payments due pursuant to Section 5.01.

(b) Franchisee’s weekly Continuing Royalty payments shall be accompanied by a statement in such form and detail as Franchisor shall from time to time prescribe, showing how such Continuing Royalty was computed for such Weekly Reporting Period, and accompanied by all electronic point-of-sale system tapes of the Franchised Restaurant for the same period.

(c) On a monthly basis, Franchisee shall submit to Franchisor a copy of Franchisee’s monthly sales tax reports.

(d) Within 30 days after the expiration of each calendar quarter (or other three-month period designated by Franchisor), Franchisee shall furnish Franchisor with a profit and loss statement of the Franchised Restaurant for such previous quarter and within 90 days after the end of each calendar year, Franchisee shall furnish Franchisor with a profit and loss statement and balance sheet of the Franchised Restaurant for the previous calendar year. All such financial statements shall be prepared in accordance with Generally Accepted Accounting Principles (“**GAAP**”) consistently applied from applicable period to period and shall be certified by Franchisee, or by Franchisee’s Chief Executive Officer or Chief Financial Officer, if Franchisee is a Business Entity, as being true and correct, and as being prepared in accordance with GAAP consistently applied from applicable period to period. All such financial statements shall also comply with any specific requirements as Franchisor may from time to time designate. Franchisee hereby irrevocably consents to the inspection of such financial statements by Franchisor or its Affiliate and to Franchisor’s use of such financial statements, at Franchisor’s election, in the Franchise Disclosure Document. Franchisee shall submit all such financial statements to Franchisor by such means, including electronically, as Franchisor may designate from time to time.

(e) If Franchisee should at any time cause an audit of Franchisee’s business to be made by a public accountant, Franchisee shall furnish Franchisor with a copy of such audit, without any cost or expense to Franchisor.

(f) Franchisee shall allow Franchisor and its Affiliate access to, and upon request shall provide copies of, Franchisee’s state, federal and local income tax returns and Franchisee hereby waives any privilege pertaining thereto.

(g) Upon request of Franchisor, Franchisee must participate in Franchisor's Then-Current electronic funds transfer program authorizing Franchisor to receive payments from Franchisee by pre-authorized bank draft, wire transfer, automated clearinghouse transfer, or otherwise, as Franchisor specifies from time to time in Franchisor's sole and absolute discretion, in accordance with procedures that may be set forth in the Operations Bulletins.

6.03 Records.

(a) Franchisee shall record all sales in such form and manner, and using such equipment, as prescribed in the Operations Bulletins. Franchisee shall cause all such sales to be registered upon an electronic point-of-sale system, of such type and having such features as specified by Franchisor, and which may require a lock-in running total. At any time upon Franchisor's request, Franchisee shall provide to Franchisor or its authorized representatives access, and if applicable a key to permit reading of, the running total of the point-of-sale system. Any electronic point-of-sale system must at all times meet each and all of Franchisor's standard specifications and requirements then in effect for same.

(b) Franchisee shall keep and preserve for a period of not less than 36 months after the end of each calendar year or any longer period as may be required by Applicable Law, such business records as may be prescribed by Franchisor, including point-of-sale system reports, standardized numbered guest checks, sales tax or other tax returns, bank books, duplicate deposit slips, and other evidence of Gross Sales and business transactions in accordance with Franchisor's requirements promulgated from time to time. In addition to the rights granted to Franchisor under Section 10.07, Franchisor and its Affiliate shall have the right, at any time and from time to time, to enter the Franchised Restaurant and other business offices to inspect (including the right to inspect point-of-sale systems, and other equipment, as applicable, and to take readings of all documenters, pre-checkers and point-of-sale systems), audit, verify sales and make or request copies of books of account, bank statements, documents, records, tax returns, papers and files of Franchisee relating to Gross Sales and business transacted and, upon request by Franchisor, Franchisee shall make any such materials available for inspection by Franchisor and its Affiliate at the Franchised Restaurant or at Franchisee's other business offices as specified by Franchisor. Such audit and/or sales verification may include the on-site presence of one or more personnel of Franchisor or its Affiliate for seven full consecutive days. If Franchisor should cause an audit to be made and the Gross Sales business transacted and payments due to Franchisee as shown by Franchisee's statements should be found to be understated or unpaid by any amount, Franchisee shall immediately pay to Franchisor or its Affiliate, if applicable, the additional amount payable as shown by such audit, plus interest thereon at the highest rate of interest allowed by law, and if they are found to be understated by 2% or more, or if records are not produced as requested by Franchisor, Franchisee shall also immediately pay to Franchisor the cost of such audit and any subsequent audit and/or sales verification that may be performed due to Franchisee's prior failure to produce records; otherwise, the cost of the audit shall be paid by Franchisor.

(c) Upon request by Franchisor, Franchisee shall electronically link its Franchised Restaurant to Franchisor or its Affiliate, and allow Franchisor and/or its Affiliate, to poll the Franchised Restaurant on a daily or other basis at such times and in such manner as established by Franchisor or its Affiliate, with or without notice, through the computerized point-of-sale system and to retrieve such transaction information including sales, sales mix, usage, and other operations data as Franchisor and/or its Affiliate deems appropriate. Franchisee shall, at its sole cost and expense, obtain and maintain such means of making such information available electronically, such as the internet via a broadband connection, or if not available, a separate dedicated telephone line and modem or such other alternative electronic means of gathering this information, at Franchisee's cost and expense, as Franchisor or its Affiliate may specify from time to time.

VII ADVERTISING

7.01 Advertising Expenditures.

(a) In addition to all other payments provided for herein, each week during the Term, Franchisee shall pay to Franchisor an advertising expenditure fee (“**Advertising Expenditure Fee**”) in an amount which will not exceed 3.5% of the Gross Sales of the Franchised Restaurant, due and payable on the Wednesday following the Weekly Reporting Period in which such Gross Sales were earned (simultaneously with Franchisee’s Continuing Royalty payment for the same period). This amount represents the total maximum amount will be due and payable for the National Advertising Fee and the Local Advertising Fee, and shall be allocated between the National Advertising Fee and the Local Advertising Fee as determined on an annual basis by Franchisor in its sole discretion.

(b) As of the date of this Agreement, the Advertising Expenditure Fee shall be allocated as follows:

(i) “**National Advertising Fee**”: 3.5% of Franchisee’s Gross Sales; and

(ii) “**Local Advertising Fee**”: 0% of Franchisee’s Gross Sales.

(c) Franchisor may, from time to time, on an annual basis, change the allocation of the Advertising Expenditure Fee between the National Advertising Fee and the Local Advertising Fee.

7.02 National Advertising Fee.

(a) National Advertising Fees paid by Franchisee shall be administratively segregated on Franchisor’s or its Affiliate’s books and records (the “**National Advertising Fund**”), together with the aggregate of:

(i) National Advertising Fee payments made by all franchisees of IHOP Restaurants;

(ii) Payments equal to the National Advertising Fee (in the amount paid by franchisees pursuant to Franchisor’s allocation pursuant to Section 7.01(c)) for IHOP Restaurants operated by Franchisor and its Affiliates; and

(iii) All Table Allowances received by Franchisor or its Affiliates.

(b) From sums available in the National Advertising Fund, Franchisor shall develop advertising, public relations, and promotional campaigns and materials designed to promote and enhance the image, identity or patronage of all IHOP Restaurants. In addition, should sufficient sums be available in the National Advertising Fund, Franchisor may, but is not obligated to, make expenditures from the National Advertising Fund for the purpose of paying for advertising, public relations and promotional campaigns designed to promote and enhance the image, identity or patronage of all IHOP Restaurants. Permissible expenditures and activities may include, but are not limited to, conducting marketing studies, purchasing computer software and hardware to facilitate customer and marketing analysis or advertising generally, conducting focus groups or other consumer insight activities, employment of advertising agencies and the production and purchase of advertising art, commercials, musical jingles, print advertisements, point-of-sale materials, media advertising, outdoor advertising art, and direct mail pamphlets and literature. It is expressly agreed that in all phases and aspects of such activities, including cost, development, type, format and style, quantity, timing, placement, choice of media or agency, and all other matters relating to such advertising, public relations and promotional activities, the decision of Franchisor shall be final. Nothing herein shall be construed to require Franchisor to allocate or expend National Advertising Fund contributions so as to benefit

any particular franchisee or group of franchisees on a pro rata or proportional basis or otherwise. The National Advertising Fund shall not be a trust fund and shall be commingled with Franchisor's other funds. Franchisee shall not engage in any such activities, nor shall it erect or display any sign or notice of any kind without the prior written consent of Franchisor, whose decisions shall be final.

(c) Such advertising, public relations, and promotional services shall be provided and administered as follows:

(i) Franchisor shall consult with franchisees at regularly scheduled meetings concerning the type, content, frequency, development and nature of proposed national advertising programs, and shall give due consideration to the views of franchisees. The proposed advertising programs and allocation of advertising expenditures from the National Advertising Fund shall be finally determined by Franchisor, in its sole discretion.

(ii) Franchisor shall disburse funds from the National Advertising Fund for the purpose of paying for its actual administrative expenses with respect to the National Advertising Fund, its reimbursement of direct costs incurred by its Affiliate in providing administrative services respecting the National Advertising Fund, including, without limitation, the actual, general and administrative expenses of Franchisor's internal Marketing Department, consultants and third party agencies, but excluding any costs relating to Franchisor's Franchise Sales Program. To the extent Franchisor's Affiliate provides administrative services for the direct benefit of the National Advertising Fund and incurs expenses as a result thereof, such expenses will be reimbursed from the National Advertising Fund. Additionally, Franchisor shall disburse funds from the National Advertising Fund for the purpose of paying for the other expenses hereinabove set forth in Section 7.01(c).

(iii) Within a reasonable time after the expiration of each of Franchisor's fiscal years, Franchisor shall furnish franchisees summary information with respect to the receipts and expenditures of monies by and from the National Advertising Fund, which shall contain the following information:

(1) The opening balance in the National Advertising Fund at the beginning of such fiscal year;

(2) The total amount of fees paid into the National Advertising Fund by all franchisees during such fiscal year;

(3) The total amount of Table Allowances received by Franchisor and its Affiliates during such fiscal year;

(4) A reasonably itemized summary breakdown and description of all disbursements from the National Advertising Fund during such preceding fiscal year, sufficient to indicate separately each of the various classes of expenditures made from such Fund and the amount of the expenditures made for each class thereof; and

(5) The net balance, if any, remaining in the National Advertising Fund at the close of such fiscal year.

If Franchisor's National Advertising Fund expenditures in any one fiscal year shall exceed the total amount contributed to the National Advertising Fund during such fiscal year, Franchisor shall have the right to be reimbursed to the extent of the excess of those amounts subsequently contributed to the National Advertising Fund. If the contributions to the National Advertising Fund exceed the expenditures from such Fund in any fiscal year, such excess will be retained in the National Advertising Fund for future advertising.

7.03 Local Advertising Fee.

(a) Franchisor shall, from time to time, develop regional advertising cooperatives (“**Regional Advertising Cooperatives**”) designed to promote and enhance the value of all IHOP Restaurants in each region. Franchisor may establish and modify from time to time guidelines and procedures which shall govern the conduct and operation of the Regional Advertising Cooperatives. The geographical description of each region (the “**Advertising Region**”) shall be designated by Franchisor in its sole subjective judgment, exercised in good faith. The Franchised Restaurant and all IHOP Restaurants operated by Franchisor and its Affiliates located in the Advertising Region shall participate in the Regional Advertising Cooperative and contribute thereto on an equal basis with all other franchisees that are obligated to, or if applicable, voluntarily elect to, participate in such Regional Advertising Cooperative.

(b) From the Local Advertising Fee, but only to the extent that such fee actually has been paid by Franchisee to Franchisor during Franchisor’s fiscal year then in progress, Franchisor shall reimburse Franchisee or credit Franchisee’s account with Franchisor, amounts equal to: (i) Franchisee’s Franchisor-approved local advertising expenses incurred during such fiscal year (after deducting any expenses that Franchisor has previously paid or is or may be required to pay on account of advertising run by, for, or on behalf of Franchisee); and (ii) contributions made by Franchisee during such fiscal year (whether through payment to Franchisor or directly to a third party) to the Regional Advertising Cooperative, if any, of which Franchisee is a member, for advertising of the Franchised Restaurant; provided however, that the combined amount of Franchisor’s such reimbursements for any of its fiscal years pursuant to 7.03(b)(i) and 7.03(b)(ii) shall in no event exceed the Local Advertising Fee actually paid by Franchisee during such fiscal year, and such right of reimbursement shall be subject to the condition that Franchisee furnish Franchisor with appropriate verification, satisfactory to Franchisor, of such advertising expenditures and that the advertising resulting therefrom has been placed and paid for either by Franchisee or the Regional Advertising Cooperative of which Franchisee is a member and that no liability to any party exists or may exist with respect to such advertising.

7.04 General Advertising Requirements.

(a) Franchisee shall conduct all local advertising and promotion in accordance with such policies and provisions with respect to format, content, media, geographic coverage and other criteria as are from time to time contained in the Operations Bulletins, or as otherwise directed by Franchisor, and shall not use or publish any advertising material which does not conform to such policies and provisions or as to which Franchisee shall not have received Franchisor’s prior written approval; provided however, that if Franchisor shall not object to any proposed advertisement submitted by Franchisee for approval within 20 days after Franchisor’s receipt thereof, such advertisement shall be deemed approved subject to Franchisor’s right to subsequently withdraw its approval.

(b) Franchisee may not develop, create, generate, own, license, lease or use in any manner any computer medium or electronic medium (including any internet home page, website, social media site, including those utilizing mobile technology, bulletin board, newsgroup or other internet-related medium) which in any way uses or displays the Trademarks, in whole or part, and Franchisee shall not cause or allow the Trademarks, or any of them, to be used or displayed in whole or part, as an internet domain name, or on or in connection with any internet home page, website, social media site, including those utilizing mobile technology bulletin board, newsgroup or other internet-related activity without Franchisor’s express prior written consent, and then only in such manner and in accordance with such procedures, policies, standards and specifications as Franchisor may establish.

(c) Franchisor may (but is not required to) develop an intranet network (the “**Intranet**”) through which Franchisor and its franchisees (including Franchisee) may communicate by e-mail or similar electronic means and through which Franchisor may disseminate updates to the Systems and other confidential

information. If Franchisor develops the Intranet, Franchisee agrees to use the facilities of the Intranet in strict compliance with the Systems, and with such procedures, policies, standards and specifications as Franchisor may establish from time to time (including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements). If Franchisor shall develop the Intranet, Franchisor shall have no obligation to maintain the Intranet, and may discontinue its use at any time without liability to Franchisee.

7.05 As long as the Advertising Expenditure Fee shall be 3.5% of Gross Sales and 100% of the Advertising Expenditure Fee shall be contributed to the National Advertising Fund, Franchisor shall have no obligation to reimburse or pay for any local advertising expenses incurred by Franchisee or by the Regional Advertising Cooperative on Franchisee's behalf.

VIII TRADEMARKS AND TRADE SECRETS

8.01 License to Use Trademarks.

(a) Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, the right, during the Term, upon the terms and conditions contained herein, to use and display the Trademarks, but only in connection with the retail sale at the Franchised Restaurant of those items contained on the standard menu of IHOP Restaurants as prescribed by the Operations Bulletins.

(b) Nothing herein shall give Franchisee any right, title or interest in or to the Trademarks, except a mere privilege and license, during the Term, to display and use the same according to the foregoing limitations and upon the terms, covenants and conditions contained herein.

8.02 Acts in Derogation of Franchisor's Trademarks.

(a) Franchisee agrees that, as between Franchisor and Franchisee, the Trademarks of Franchisor are the sole and exclusive property of Franchisor and Franchisee now asserts no claim and will hereafter assert no claim to any goodwill, reputation or ownership thereof by virtue of Franchisee's licensed use thereof. Franchisee agrees that it will not do or permit any act or thing to be done in derogation of any of Franchisor's rights in connection with the same, either during the Term or thereafter, and that it will use same only for the uses and in the manner licensed hereunder and as herein provided.

(b) Except to the limited extent expressly licensed hereunder, Franchisee shall not use, or permit the use, as part of its name, the phrases "IHOP," "International House of Pancakes," "House of Pancakes," or any phrase or combination of words confusingly similar thereto.

8.03 Prohibition against Disputing Franchisor's Rights.

Franchisee agrees that it will not, during or after the Term, in any way, dispute or impugn the validity of the Trademarks licensed hereunder, or the rights of Franchisor thereto, or the right of Franchisor, its Affiliates, or other franchisees of Franchisor to use the same both during the Term and thereafter.

8.04 Use of Franchisor's Name.

Franchisee agrees that the Franchised Restaurant shall be named "IHOP," "International House of Pancakes" or "International House of Pancakes Restaurant," or such other similar name, as specified by Franchisor or any combination thereof as may be approved by Franchisor in its sole discretion, without any suffix or prefix attached thereto and all signs, advertising and slogans will only bear the name "IHOP," "International House of Pancakes," or "International House of Pancakes Restaurant," or such other Trademarks as Franchisor may hereafter specify in the Operations Bulletins. Franchisee shall maintain a plaque of reasonable and suitable size and design, as approved by Franchisor, behind the host station on the interior of the premises, identifying the Franchised Restaurant as owned and operated by an independent franchisee of Franchisor or such other language as Franchisor shall designate from time to time, and shall use Franchisee's correct name on all invoices, orders, vouchers, checks, letterheads, and other similar materials, identifying the Franchised Restaurant as being a franchise of Franchisor which is independently owned and operated by Franchisee.

8.05 Trademark Protection.

In the event that any third-party makes any claim, by suit or otherwise, against Franchisee because of Franchisee's use in accordance with this Agreement of the Trademarks, Franchisee shall immediately notify Franchisor in writing. After receipt of such notice, Franchisor shall promptly take such action as may be necessary to protect and defend Franchisee against any such claim, suit or demand, and Franchisor shall protect, indemnify and save Franchisee harmless from any loss, costs or expenses arising out of or relating to any such claim, demand or suit. Franchisee shall have no right to settle, compromise, or litigate any such claim except in strict compliance with any specific directives provided by Franchisor relating to such specific claim. Franchisor shall have the right to defend, compromise or settle any such claim at Franchisor's sole cost and expense, using attorneys, advisors, experts and consultants of its own choosing, and Franchisee shall cooperate fully with Franchisor in connection with the defense of any such claim.

8.06 Prosecution of Infringers.

If Franchisee shall receive notice or is informed or learns that any third party, which it believes to be unauthorized to use the Trademarks, is using the Trademarks or any variant thereof, Franchisee shall promptly notify Franchisor of the facts relating to such alleged infringing use. Thereupon, Franchisor shall determine whether or not it wishes to take any action against such third person on account of such alleged infringement of the Trademarks. Franchisee shall have no right to make any demand against any such alleged infringer of the Trademarks or to prosecute or require Franchisor to prosecute any claim of any kind or nature whatsoever against such alleged infringer of the Trademarks for or on account of such infringement.

8.07 Modification of Trademarks.

From time to time, in the Operations Bulletins, Franchisor may add to, delete or modify any or all of the Trademarks. Franchisee shall accept, use, or cease using, as may be applicable, the Trademarks, including any such modified or additional trade names, trademarks, service marks, logotypes and commercial symbols, in accordance with the procedures, policies, rules and regulations contained in the Operations Bulletins, as though they were specifically set forth in this Agreement.

8.08 License to Use Trade Secrets.

(a) Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, the right, during the Term, upon the terms and conditions contained herein, to use the Trade Secrets, but only in connection with the retail sale at the Franchised Restaurant of those items contained on the standard menu of IHOP Restaurants as prescribed by the Operations Bulletins.

(b) Franchisor will disclose certain of the Trade Secrets to Franchisee in the Operating Bulletins, confidential correspondence, or other confidential communications, and through Franchisor's training program and other guidance and management assistance, and in performing Franchisor's other obligations and exercising Franchisor's rights under this Agreement. Franchisee acknowledges that the Trade Secrets now and hereafter provided or revealed pursuant to this Agreement are revealed in confidence and Franchisee expressly agrees to keep and respect the confidence so reposed.

(c) Franchisee shall acquire no interest in the Trade Secrets other than the right to use them in developing and operating the Franchised Restaurant during the Term. Franchisee's duplication or use of the Trade Secrets in any other endeavor or business shall constitute an unfair method of competition. Franchisee shall: (i) not use the Trade Secrets in any business or other endeavor other than in connection with the Franchised Restaurant; (ii) maintain absolute confidentiality of the Trade Secrets during and after the Term; (iii) make no unauthorized copy of any portion of the Trade Secrets, including the Operating Bulletins, confidential correspondence, or other confidential communications, whether written or oral; and (iv) operate and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use and disclosure of the Trade Secrets, including restrictions on disclosure to Owners and others who may have access to the Operations Bulletins, or any of the Trade Secrets, and, at Franchisor's request, Franchisee shall cause such persons to execute confidentiality agreements on a form prescribed by Franchisor. Promptly upon Franchisor's request, Franchisee shall deliver executed copies of such agreements to Franchisor.

(d) Nothing herein contained shall be construed so as to require Franchisor to divulge any Trade Secret or other of its secret processes, formulae or ingredients. Franchisor expressly reserves all rights with respect to Franchisor's and its Affiliates' goods, products, Trademarks, Trade Secrets, except for the limited license expressly granted to Franchisee herein.

8.09 Obligations upon Termination or Expiration.

Upon the expiration or termination of this Agreement for any reason, Franchisee shall deliver and surrender up to Franchisor or its Affiliate any and all manuals, the Operations Bulletins, instruction sheets, forms, marks, devices, training materials, confidential communications, Trademarks, and the possession of any physical objects bearing or containing any of the Trademarks, and shall not thereafter use any of the same or any of the Trademarks or Trade Secrets; provided (and only if Franchisor has not exercised and will not exercise its option to purchase in accordance with Section 12.06), Franchisor or its Affiliate may, at its option purchase from Franchisee at a price equal to Franchisee's book value, consisting of Franchisee's cost therefor less depreciation computed in accordance with GAAP, all signs, paper goods, dishes, and other items of personal property purchased by Franchisee in the ordinary course of its business which are, in Franchisor's or its Affiliate's reasonable judgment, in good, usable condition and which bear any of the Trademarks of Franchisor. Further, to de-identify the Franchised Restaurant, Franchisee agrees that, within 30 days after the closing date of the Franchised Restaurant (which shall be pre-approved in writing by Franchisor), at its sole cost and expense, Franchisee will remove or replace any and all items that contain the Trademarks or any other symbols or images that are typically associated with the operation of an IHOP restaurant and will (a) repaint the Franchised Restaurant in a different color scheme which is satisfactory to Franchisor, (b) remove all window decals, exterior signage, pictures, awnings and other canvases, (c) return all Franchisor's manuals, wall charts, videos and other training related materials and documents, and (d) return all Franchisor's property (including, without limitation, any phone lines). Franchisor has the right to inspect the premises for compliance with the de-identification requirements set forth in this Section 8.09. Franchisee will reimburse Franchisor for the cost of any additional re-inspections due to Franchisee's failure to comply with such de-identification requirements, including reasonable travel expenses. In addition to the foregoing, Franchisee shall take any and all other actions determined by Franchisor in its sole discretion to be required to de-identify the Franchised Restaurant as an IHOP restaurant.

IX
FURTHER OBLIGATIONS OF FRANCHISOR

9.01 Initial Training.

If Franchisee, or in the case of a Franchisee which is a Business Entity, its Designated Representative, has not previously undergone training conducted by Franchisor for the operation of an IHOP Restaurant, Franchisor, itself or through its Affiliate, shall:

(a) Furnish six weeks of training in the operation of an IHOP Restaurant to Franchisee (or its Designated Representative if Franchisee is a Business Entity), and, upon Franchisee's request, to the manager of the Franchised Restaurant (the "**Initial Training**"). Such training shall be given at an IHOP Restaurant or a training center designated from time to time by Franchisor. Franchisee (or its Designated Representative if Franchisee is a Business Entity) shall pursue and complete such training to Franchisor's sole subjective satisfaction unless waived by Franchisor in its sole subjective judgment, exercised in good faith, by reason of such person's prior training and experience, in which case the proposed manager of the Franchised Restaurant shall be required to pursue and complete such training (unless waived by Franchisor). If the manager of the Franchised Restaurant is replaced by a new manager, such new manager must attend the Initial Training and complete same to Franchisor's sole subjective satisfaction (unless waived by Franchisor). Franchisor will provide the Initial Training to up to two persons during the first year following the Effective Date at no additional cost. If Franchisor provides training to more than two persons, or if Franchisee requests training for its manager more than one year following the Effective Date, Franchisee must pay Franchisor's Then-Current training fee for such training.

(b) If Franchisee has executed this Agreement in connection with a sale or transfer of the Franchised Restaurant to Franchisee from a preexisting franchisee, and Franchisee or its assignor has paid the Then-Current training fee as contemplated by Section 11.03(a)(iii), which is \$5,000 as of the date of this Agreement, Franchisor shall, in addition to the Initial Training, and at no additional charge to Franchisee, permit up to two of Franchisee's employees or Owners to attend one of Franchisor's regularly scheduled training classes conducted during the one year period following the Effective Date, subject to space availability and Franchisor's reasonable scheduling requirements (including that Franchisor's new franchisees shall have scheduling priority over additional training to Franchisee pursuant to this Section 9.01(b)).

(c) At Franchisor's election, furnish management seminars from time to time for the benefit of its franchisees, on an optional or mandatory basis. Franchisor shall have the right to require Franchisee, its Designated Representative (if applicable), or the manager employed by Franchisee for the Franchised Restaurant, to attend at least one management seminar per year if Franchisor deems attendance to be essential. Such management seminars shall be given at an IHOP Restaurant, a training center, or such other place designated from time to time by Franchisor. Franchisor shall not impose any attendance fee or tuition for mandatory seminars, but may charge a reasonable fee or tuition for optional seminars.

(d) Notwithstanding the fact that Franchisor shall provide the Initial Training and certain other management seminars at no additional charge, Franchisee shall bear all costs and expenses incurred by Franchisee, its Designated Representative, and its managers and other attendees in connection with attendance at all training programs and seminars, including transportation costs, meals, lodging and other living expenses. Neither Franchisor nor any of its Affiliates will pay any compensation for any services performed by any trainee during any training.

9.02 Other Services.

Franchisor or its Affiliates shall furnish Franchisee with:

(a) If this Agreement has been executed pursuant to the Single Store Development Program, Multi-Store Development Program or Purchase Program, on-location assistance for such period of time as Franchisor shall deem necessary, but not exceeding 30 days allocated at Franchisor's sole and absolute discretion between the time immediately prior to and after the opening of the Franchised Restaurant by Franchisee.

(b) If this Agreement has been executed pursuant to the Single Store Development Program, Multi-Store Development Program or Purchase Program, promotional assistance at the time of the opening of the Franchised Restaurant by Franchisee.

(c) Periodic supervision and assistance from field representatives who shall visit the Franchised Restaurant from time to time.

(d) Ongoing availability at its home office for consultation and guidance with respect to the operation and management of the Franchised Restaurant.

(e) In addition to the foregoing, additional assistance from the staff of Franchisor or its Affiliate: (i) upon Franchisee's request and subject to staff availability or (ii) if Franchisee does not have an approved manager, Franchisor shall have the right to provide same at a cost to be paid by Franchisee at the then prevailing price per person per day, as shall be specified from time to time in the Operations Bulletins, plus reasonable transportation and living expenses.

(f) If this Agreement has been executed pursuant to the Single Store Development Program or Multi-Store Development Program, and if Franchisor determines, in its sole discretion, that Franchisee will need training support and/or operational assistance to open the Franchised Restaurant, a training team will provide training support and/or operations assistance for a period of up to three weeks, allocated at Franchisor's sole and absolute discretion generally between one week prior to opening and up to two weeks after opening. Franchisee agrees to pay to Franchisor a training support fee of up to \$55,000. The amount of the fee will be based upon the number of trainers deemed necessary by Franchisor, which is determined by Franchisor in its sole discretion. The scheduling of the training team will generally be done 30 days prior to the anticipated opening date of the Franchised Restaurant, based on the schedule provided by Franchisee. If training must be rescheduled for any reason other than an act of God, Franchisee shall pay to Franchisor any increase in costs that are incurred by Franchisor due to the scheduling changes, which costs may include but are not limited to increases in airfare, car rental, and training material shipping and storage. Franchisor estimates this cost to be between \$500 and \$6,000 per person. Franchisee shall pay these charges to Franchisor within 30 days after billing therefor.

X

OTHER OBLIGATIONS OF FRANCHISEE

10.01 Sales and Service of Food Products.

Franchisee shall sell, serve and dispense only those items and products as shall be designated by Franchisor in the Operations Bulletins. In connection therewith, the parties agree that Franchisor or its Affiliate may, from time to time, recommend or suggest those prices to be charged by Franchisee for each menu item sold or offered at IHOP Restaurants; and, for purposes of economy and cost-saving to those Franchisees who elect to follow such recommendations, may cause the production of pre-priced menus which Franchisor or its Affiliate shall offer for sale to Franchisee. Such recommended or suggested prices are not binding in any respect upon Franchisee, and Franchisee is and shall be at all times, free to charge prices entirely of its own choosing, regardless of whether the same do or do not conform to the recommended or suggested prices. Franchisee shall not be required to use or purchase any pre-priced menus, and shall be entirely free to

procure menus with prices of its own choosing; provided however, that such menus shall, in all respects except as to prices, strictly comply with the specifications therefor contained in the Operations Bulletins.

10.02 Required Purchases of Proprietary Products.

(a) Franchisee shall purchase only from Franchisor or its Affiliate (if offered directly to Franchisees by Franchisor) or from Franchisor approved distributors who have purchased such products from Franchisor or its Affiliate, all of its requirements for buttermilk pancake mix, egg batter, Harvest Grain 'N Nut pancake mix, Corn Cake pancake mix, Belgian waffle mix and such other future products as may then be required by Franchisor, all of which may embody secret formulas owned by Franchisor (collectively, the **"Required Products"**).

(b) For purposes of ensuring consistency and uniformity of product, Franchisee shall purchase only from Franchisor or its Affiliate (if offered directly to Franchisees by Franchisor or its Affiliate) or from Franchisor-designated suppliers, all of its requirements for coffee. Further, Franchisee shall purchase only such blends of coffee as Franchisor shall from time to time designate.

(c) Except as provided in Sections 10.02(a) and (b), Franchisee shall purchase for use in the operation of the Franchised Restaurant certain products which bear the Trademarks that may include, as provided in the Operations Bulletins, dishware, silverware, napkins, placemats, coasters and other items (collectively, the **"Trademarked Products"**). All such required Trademarked Products shall comply with the specifications set forth in the Operations Bulletins. Franchisee may purchase Trademarked Products from Franchisor or its Affiliate, if made available by Franchisor or its Affiliate, suppliers designated by Franchisor or its Affiliate, or suppliers chosen by Franchisee as provided in Section 10.03, provided such suppliers execute a royalty-free trademark license in a form reasonably satisfactory to Franchisor.

(d) Without Franchisor's prior written consent, Franchisee may not use, offer, sell, or give away, except at the Franchised Restaurant, any Required Products, Trademarked Products, or other goods or services which utilize Franchisor's Trade Secrets in whole or in part, including its recipes, or any goods, services, materials, equipment, supplies, or inventory (including food, beverages, condiments, and smallwares) purchased by Franchisee or any Affiliate of Franchisee (or any Owner, officer, director, manager of either) from or through any supplier pursuant to any pricing or purchasing terms negotiated or arranged by IHOP or its Affiliates or by any approved purchasing co-operative such as CSCS, for or on behalf of itself or its franchisees. In addition, Franchisee shall not at any time purchase greater quantities of such products than necessary to meet its reasonably anticipated requirements to operate the Franchised Restaurant.

10.03 Compliance with Franchisor's Specifications.

(a) All food products, services, supplies, equipment, materials, and menus, permitted or required to be used in the operation of the Franchised Restaurant shall be in full compliance with the specifications set forth in the Operations Bulletins and, except only those items referred to in Sections 10.02(a) and (b), shall be purchased and procured by Franchisee from Franchisor or its Affiliate (if offered by Franchisor or its Affiliate), from approved suppliers or distributors designated by Franchisor or its Affiliate, or from suppliers or distributors selected by Franchisee and not disapproved in writing by Franchisor or its Affiliate.

(b) In the event that Franchisee should desire to procure any food product other than those described in Sections 10.02(a) and (b), service, supplies, equipment, or material from any supplier or distributor other than Franchisor, its Affiliate, or a supplier or distributor designated by Franchisor or its Affiliate, Franchisor or its Affiliate shall, upon request of Franchisee, furnish to Franchisee specifications, by established brand name wherever possible, for all such items. Franchisee shall deliver written notice to Franchisor or its Affiliate of its desire to do so, which notice shall identify the name and address of such supplier or distributor and the items desired to be purchased from such supplier or distributor. Franchisor shall have the right to

inspect the supplier's or distributor's facilities, conduct tests on products, require full production runs, and to require that samples from the supplier or distributor be delivered, at Franchisor's option, either to Franchisor or to an independent, certified laboratory designed by Franchisor for testing. Franchisee, or the supplier or distributor, shall pay the costs of any such test. Franchisor may withhold approval of any supplier or distributor proposed by Franchisee if, among other grounds, such suppliers or distributors shall fail to demonstrate, to the reasonable satisfaction of Franchisor or its Affiliate: (i) the ability to supply a product meeting Franchisor's specifications; (ii) reliability with respect to the quality of product or service; or (iii) willingness and agreement to permit Franchisor or its Affiliate to make periodic inspections, reasonable in respect of frequency, time and manner of inspection, to assure continued conformity to specifications. Franchisee may not purchase any products from a proposed supplier or distributor until and unless Franchisor has provided written approval thereof to Franchisee. Franchisor or its Affiliate shall be entitled to disapprove or to subsequently withdraw its approval of any food product, supplier or distributor selected by Franchisee only upon the ground that such food product, supplier or distributor has failed to meet one or more of the requirements hereinabove set forth. Once Franchisee has delivered a notice of its desire to purchase the specified items from any such supplier or distributor, and Franchisor has given Franchisee its approval thereof, it shall be entitled to purchase same from such supplier or distributor until it shall have received a timely statement of disapproval or withdrawal of approval from Franchisor or its Affiliate.

(c) In some instances, Franchisor's specifications may be such that only a single supplier or a limited number of suppliers can meet such specifications. With respect to such products, Franchisee shall purchase such products only from the source or sources designated by Franchisor or its Affiliate.

(d) Franchisee shall participate in any of Franchisor's gift card programs.

10.04 Insurance.

(a) Subject to any other additional requirements set forth in the Master Lease, sublease or equipment lease, Franchisee shall procure and maintain at Franchisee's expense during the Term policies of insurance meeting minimum standards, coverages, and limits and insuring Franchisee against the insurable risks prescribed in the Operations Bulletins. All such policies of insurance shall name Franchisor including its parent and its designated subsidiaries and affiliates, and respective officers, directors, members, managers, employees, agent, successors and assigns of Franchisor, if applicable, and such other parties as it may designate as additional insureds, as their interests may appear, and shall provide that Franchisor, its Affiliates, if applicable, and other parties shall receive at least ten days' prior written notification of any cancellation, termination, amendment or modification thereof.

(b) Franchisee shall provide Franchisor, its Affiliates, if applicable, and any other parties designated by Franchisor with certificates of insurance evidencing the required coverage at least ten days prior to the date on which the Franchised Restaurant opens for business to the public, ten days prior to the date on which any insurance policy is scheduled to expire, and at such other times as Franchisor may reasonably require.

(c) If Franchisee fails or refuses to procure and maintain insurance conforming to the requirements prescribed by the Operations Bulletins, or fails or refuses to provide Franchisor or any other party designated by Franchisor with a certificate of such insurance, Franchisor may but shall not be obligated to procure, through agents and insurance companies of its own choosing, such insurance as is necessary to meet such requirements; provided however, such insurance need not name Franchisee as an insured or additional insured thereunder. Payments for such insurance shall be borne by Franchisee. Nothing herein shall be construed or deemed to impose any duty or obligation on Franchisor to procure such insurance or as an undertaking or representation by Franchisor that such insurance as may be procured by Franchisee or by Franchisor for Franchisee will insure Franchisee against any or all insurable risks of loss which may or can

arise out of, or in connection with the Franchised Restaurant. Franchisee may obtain such other or additional insurance as Franchisee deems proper in connection with the operation of its business.

10.05 Compliance with Applicable Laws and Operations Bulletins.

Franchisee shall operate the Franchised Restaurant in strict compliance with all Applicable Laws and with the standard procedures, policies, rules and regulations established by Franchisor and incorporated herein, or in the Operations Bulletins. Such standard procedures, policies, rules and regulations established by Franchisor may be revised from time to time as circumstances warrant, and Franchisee shall strictly comply with all such procedures as they may exist from time to time as though they were specifically set forth in this Agreement and when incorporated in the Operations Bulletins the same shall be deemed incorporated herein by reference. By way of illustration and without limitation, such standard procedures, policies, rules and regulations may or will specify accounting records and information, payment procedures, specifications for required supplies and purchases, including Trademarked Products, hours of operation, advertising and promotion, cooperative programs, specifications regarding required insurance, minimum standards and qualifications for employees, design and color of uniforms, menu items, methods of production and food presentation, including the size and serving thereof, standards of sanitation, maintenance and repair requirements, specifications of furniture, fixtures and equipment, flue cleaning, and fire prevention service, appearance and cleanliness of the premises, accounting and inventory methods and controls, forms and reports, and in general will govern all matters that, in Franchisor's judgment, require standardization and uniformity in all IHOP Restaurants. Franchisor or its Affiliate will furnish Franchisee with the current Operations Bulletins upon the execution of this Agreement. The Operations Bulletins and all notices, amendments and supplements relating thereto shall at all times remain the property of Franchisor or its Affiliate. Franchisee shall not reproduce any portion of the Operations Bulletins by any means, shall at all times maintain same in a secure place at the Franchised Location and, upon termination or expiration of this Agreement shall deliver the Operations Bulletins to Franchisor or its Affiliate. Without limiting the generality of the foregoing, Franchisor may establish emergency procedures pursuant to which it may require Franchisee to temporarily close the Franchised Restaurant to the public, in which event Franchisor shall not be liable to Franchisee for any losses or costs, including consequential damages or lost profits occasioned thereby.

10.06 Taxes.

Franchisee shall pay in full any and all city, county, state and federal taxes arising in connection with or levied or assessed by any Governmental Authority in connection with all or any part of this Agreement, or the operation of the Franchised Restaurant, or all or any of the merchandise and assets being sold hereunder, promptly when due, and prior to any delinquency.

10.07 Inspection by Franchisor.

Franchisee expressly authorizes Franchisor, or its representatives, or those of its Affiliate, to enter the Franchised Restaurant at any time it is open for business, without notice, to inspect the premises, fixtures, furnishings and equipment therein, and to examine and inspect the operations in all respects to determine compliance with this Agreement and with Franchisor's standard operating procedures, policies, rules and regulations.

10.08 Participation in Operation of Franchised Restaurant.

Franchisee shall actively participate in the day-to-day operation of the Franchised Restaurant and devote such of its time as is reasonably necessary for the efficient operation of the Franchised Restaurant and the performance of its obligations under this Agreement, all ancillary documents relating hereto and all other agreements which may then be in effect between Franchisor and/or its Affiliate and Franchisee, or Franchisee may employ a manager to operate the Franchised Restaurant, who has previously satisfactorily

completed training conducted by Franchisor for the operation of an IHOP Restaurant, subject to the prior approval of Franchisor, unless waived by Franchisor in its sole subjective judgment, exercised in good faith, by reason of such person's prior training and experience. Franchisee shall not divorce himself or herself from the active conduct of the operation of the Franchised Restaurant. Franchisee shall be entitled to engage in other, noncompetitive business activities (as defined in Section 14.01) so long as same do not unreasonably interfere with the conduct of the operation of the Franchised Restaurant.

The Majority Owner of any Business Entity shall be, as applicable, the president of Franchisee if it is a corporation, the manager if it is a limited liability company, the general partner if it is a Partnership, and the comparable position if it is any other form of Business Entity, unless otherwise consented to by Franchisor in its sole, subjective judgment. Franchisor will review any proposed deviations from these approved structures provided Franchisee agrees to reimburse Franchisor for all legal fees and costs it may incur in this review process.

Franchisee is entering into this Agreement for its own account, and not with the intent to transfer the same (except as permitted pursuant to Section 11.03(b)), or to offer, sell, or negotiate the sale of franchises or licenses to any third party, or otherwise subfranchise, sublicense, subcontract (including execution of any management agreement), share, divide or partition this Agreement and nothing in this Agreement will be construed as granting Franchisee the right to do so. Without limiting the generality of the foregoing, Franchisee shall not: (1) delegate, contract for or otherwise permit a third party to perform or assume responsibility for any part of the operation of the Franchised Restaurant, including in connection with a management contract, purchase or other similar agreement; or (2) require or accept any payment or other consideration from any person for the right to manage or work in the Franchised Restaurant. Further, except with the prior written consent of Franchisor and otherwise in compliance with the provisions of Section 11, no employee or independent contractor may be an Owner of Franchisee if Franchisee is a Business Entity or otherwise have an interest in this Agreement or the Franchised Restaurant.

10.09 Personal Computer.

Upon request by Franchisor or its Affiliate, Franchisee shall, at its own cost and expense, obtain and maintain a personal computer as Franchisor or its Affiliate may specify from time to time.

10.10 Business and Ethical Practices.

As of the date of this Agreement, Franchisee and each of its Owners shall be and, during the Term shall remain, in full compliance with all Applicable Laws in each jurisdiction in which Franchisee or such Owners, as applicable, conducts business that prohibits unfair, fraudulent or corrupt business practices in the performance of its obligations under this Agreement and related activities, including but not limited to the following prohibitions:

(a) Neither Franchisee nor any of the Owners shall make any expenditure other than for lawful purposes or directly or indirectly offering, giving, promising to give or authorizing the payment or the gift of any money, or anything of value, to any person or Business Entity, while knowing or having reason to know that all or a portion of such money or thing of value will be given or promised, directly or indirectly, to any government official, official of an international organization, officer or employee of a foreign government or anyone acting in an official capacity for a foreign government, for the purpose of: (i) influencing any action, inaction or decision of such official in a manner contrary to his or her position or creating an improper advantage; or (ii) inducing such official to influence any government or instrumentality thereof to effect or influence any act or decision of such government or instrumentality.

(b) No government official, official of an international organization, political party or official thereof, or candidate is an Owner or has any investment interest in the revenues or profit of Franchisee.

(c) Neither Franchisee nor any of its Owners conducts any activity, or has failed to conduct any activity, if such action or inaction constitutes a money laundering crime, including any money laundering crime prohibited under the International Money Laundering Abatement and Anti-Terrorist Financing Act (the “**Patriot Act**”) and any amendments or successors thereto.

(d) Neither Franchisee nor any of its Owners nor any employee of any of them is named as a “Specially Designated Nationals” or “Blocked Persons” as designated by the U.S. Department of the Treasury’s Office of Foreign Assets Control. Currently, this list is published under the internet website address “www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx”. Franchisee is neither directly nor indirectly owned nor controlled by the government of any country that is subject to a United States embargo. Nor does Franchisee or any of its Owners act directly or indirectly on behalf of the government of any country that is subject to a United States embargo. Franchisee agrees that it will notify Franchisor in writing immediately of the occurrence of any event, which renders the foregoing representations and warranties of this paragraph incorrect.

Franchisee and its Owners represent that they understand and have been advised by legal counsel on the requirements of the Applicable Laws referred to above, including the United States Foreign Corrupt Practices Act (currently located at www.usdoj.gov/criminal/fraud/fcpa.html), any local foreign corrupt practices laws and the Patriot Act (currently located at www.epic.org/privacy/terrorism/hr3162.html), and hereby acknowledge the importance to Franchisor, Franchisor’s IHOP Restaurant system and the parties’ relationship of their respective compliance with the requirements of this Section 10.10, including any applicable auditing requirements and any requirement to report or provide access to information to Franchisor or any government, that is made part of any Applicable Law. Franchisee shall take all reasonable steps to require its consultants, agents and employees to comply with such laws prior to engaging or employing any such persons.

**INITIALS: (Franchisee Name)
 (Name & Title)**

Franchisee represents to Franchisor that it has taken all necessary and proper action required by the laws of the Franchised Area and has the right to execute this Agreement and perform under all of its terms.

10.11 Franchisee’s Representations and Warranties.

(a) Franchisee represents and warrants that the persons signing this Agreement on behalf of Franchisee have full authority to enter into this Agreement and the other agreements contemplated by the parties and that the execution of this Agreement or such other agreements by Franchisee does not and will not conflict with or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any other third party to which Franchisee or any person with an ownership interest in Franchisee is a party.

(b) If Franchisee is a Business Entity, Franchisee makes the following representations and warranties: (i) it is duly organized and validly existing under the laws of the state of its formation and is in good standing in such state; (ii) it is qualified to do business in the state in which the Franchised Restaurant is located and is in good standing in such state; and (iii) execution of this Agreement and the development and operation of the Franchised Restaurant is permitted by its governing documents.

(c) If Franchisee is an individual, or a partnership comprised solely of individuals, Franchisee makes the following additional representations and warranties: (i) each individual has executed this Agreement; and (ii) each individual shall be jointly and severally bound by, and personally liable for the timely

and complete performance and a breach of, each and every provision of this Agreement.

(d) Franchisee represents and warrants that (x) the Entity Information Sheet attached as Exhibit 1 hereto accurately indicates the beneficial and direct ownership of all Stock of Franchisee, each owner of Stock of Franchisee, and each other entity specified thereon and (y) each person and entity indicated on Exhibit 1 as an authorized signatory and officer of Franchisee or other entity specified therein is in fact an authorized signatory and duly elected officer of such entity and has been duly authorized to execute and deliver this Agreement and all other agreements and instruments that may arise in connection with the Franchised Restaurant or this Agreement. Franchisor shall be entitled to rely on such representations and warranties on an ongoing basis throughout the term of this Agreement and Franchisee shall promptly update Franchisor as to any changes in the information provided on Exhibit 1.

XI ASSIGNMENT

11.01 Assignment by Franchisor.

Franchisor shall have the right to assign this Agreement and all of its rights and privileges hereunder to any other person or Business Entity; provided that, in respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall expressly assume and agree to perform such obligations. Without limiting the foregoing, Franchisor may: (i) assign any and all of its rights and obligations under this Agreement to an Affiliate; (ii) sell its assets, its Trademarks, or Franchisor's IHOP Restaurant system outright to a third party; (iii) engage in a public offering of its securities; (iv) engage in a private placement of some or all of its securities; (v) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; or (vi) merge, acquire other business entities or be acquired by another Business Entity. Franchisor shall be permitted to perform such actions without liability or obligation to Franchisee who expressly and specifically waives any claims, demands, or damages arising from or related to any or all of the above actions (or variations thereof).

11.02 Assignment by Franchisee.

(a) During the Term, Franchisee shall have the right to assign, transfer or sell its interest in this Agreement, upon the terms and conditions provided herein, and subject to the provisions contained in Sections 11.03 and 11.04. The terms "**Assign**" and "**Assignment**" shall include, if Franchisee is a Business Entity, each of the following: (i) the sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of more than 49% in the aggregate, whether in one or more transactions, of the Stock of Franchisee or the Franchised Restaurant, by operation of law or otherwise or any other event(s) or transaction(s) which, directly or indirectly, effectively changes management control of Franchisee; (ii) the issuance of any securities by Franchisee which itself or in combination with any other transaction(s) results in the Owners existing as of the Effective Date owning less than 51% of the outstanding Stock, membership interests or voting power of Franchisee as constituted as of the Effective Date; (iii) if Franchisee is a Partnership, the withdrawal, death or legal incapacity of a general partner or limited partner owning 51% or more of the Partnership Rights of the Partnership, or the admission of any additional general partner or the transfer or assignment by any general partner of any of its Partnership Rights in the Partnership; (iv) the death or legal incapacity of any direct or indirect Majority Owner; (v) the sale, assignment, transfer, conveyance, gift, issuance of securities or any other event or transaction, whether in one or more transactions, by any direct or indirect Majority Owner as of the Effective Date which results in such Majority Owner owning, directly or indirectly, less than 51% of the Stock in Franchisee; and (vi) any merger, Stock redemption, consolidation, reorganization, recapitalization or other transfer of control of Franchisee, however effected. Notwithstanding the foregoing, Franchisee shall not have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement or any of the rights of Franchisee hereunder, or in the operation of the Franchised Restaurant by any other person, in any manner whatsoever, without the express prior written

permission of Franchisor, which permission may be withheld for any reason whatsoever in Franchisor's sole subjective judgment. In all events, Franchisor shall have the right, but not the obligation, to furnish any prospective assignee with copies of all financial statements which have been furnished by Franchisee to Franchisor in accordance with this Agreement during the three year period prior to the date for which approval of the proposed Assignment is sought. Franchisor's approval of such proposed transaction shall not, however, be deemed a representation or guarantee by Franchisor that the terms and conditions of the proposed transaction are economically sound or that, if the transaction is consummated, the proposed assignee will be capable of successfully conducting the Franchised Restaurant and no inference to such effect shall be made from such approval. Notwithstanding anything to the contrary herein, in the event of the death or legal incapacity of Franchisee or, if Franchisee is a Business Entity, the Owner holding 50% or more of the Stock or voting power of Franchisee, the transfer of Franchisee's or such Owner's interest in this agreement to its heirs, personal representatives or conservators, as applicable, shall not give rise to Franchisor's right of first refusal hereunder, although such right shall apply as to any proposed Assignment by such heirs, personal representatives or conservators. Franchisee shall provide prior written notice to Franchisor of any proposed change in ownership of Franchisee as in effect on the Effective Date. If such proposed change in ownership would result in one or more new Owners, Franchisee shall obtain Franchisor's prior written consent, not to be unreasonably withheld, regardless of whether or not such change constitutes an Assignment. The withholding of such consent by Franchisor shall be reasonable if, by way of illustration and not by limitation, any such proposed new Owner and/or his or her spouse, as applicable, fail(s) or refuse(s) to execute a guaranty in a form satisfactory to Franchisor.

(b) In the event Franchisee has executed this Agreement pursuant to the Multi-Store Development Agreement, then notwithstanding anything to the contrary herein, during the term of the Multi-Store Development Agreement, this Agreement may not be transferred or assigned without a simultaneous assignment to the same proposed assignee of all then existing franchise agreements executed pursuant to the Multi-Store Development Agreement (and all of the assets of the IHOP Restaurants developed and under development pursuant thereto) and of the Multi-Store Development Agreement (or any successor area development agreement(s) executed for the Development Area (as such term is defined in the Multi-Store Development Agreement), in whole or in part), unless otherwise determined by Franchisor in its sole discretion.

11.03 Conditions to Assignment by Franchisee.

(a) Any Assignment by Franchisee shall be subject to the following conditions:

(i) Except in the case of Franchisee's death or legal incapacity, Franchisee shall serve upon Franchisor prior written notice of the proposed Assignment, setting forth all of its terms and conditions and all available information concerning the proposed assignee (the "**Notice of Intent to Assign**").

(ii) Franchisee shall obtain Franchisor's written consent, not to be unreasonably withheld, of the proposed Assignment. The withholding of such consent by Franchisor shall be reasonable if, by way of illustration and not by limitation, the proposed assignee: (1) is not financially responsible and economically or otherwise capable of performing the obligations of Franchisee hereunder; (2) does not meet the Then-Current standards set by Franchisor with respect to its new franchisees and/or its existing franchisees who desire to acquire additional franchises, as applicable; (3) fails to complete Franchisor's Initial Training program in accordance with Franchisor's Then-Current standards; (4) fails to designate a single individual acceptable to Franchisor, with whom Franchisor may primarily communicate; (5) fails, upon Franchisor's request, to sign Franchisor's form of franchise agreement then being offered to prospective franchisees (except that: (x) the proposed assignee shall not be obligated to pay any Initial Franchise Fee other than its assumption of any existing promissory note executed by its assignor which shall not have been paid in full; (y) the Term and any remaining Renewal Rights thereunder shall be the same as set forth in this Agreement; and (z) the proposed assignee's National Advertising Fee and Local Advertising Fee may exceed the rates set forth in

Section 7.01 hereof, but the proposed assignee's Continuing Royalty shall not exceed the rate set forth in Section 6.01); or (6) if any of the proposed assignee's Owners and/or spouses, as applicable, fail or refuse to execute a guaranty in a form satisfactory to Franchisor.

(iii) Franchisee, or Franchisee's heirs, personal representatives or conservators in the case of Franchisee's death or incapacity, shall pay Franchisor the transfer fee specified from time to time in the Operations Bulletins, which shall be non-refundable (the "**Transfer Fee**"). As of the date of this Agreement, the Transfer Fee consists of a \$7,500 transfer fee and a \$5,000 training fee. One-half of the Transfer Fee shall be paid at the time Franchisee serves written notice upon Franchisor of the proposed Assignment, and the balance shall be paid by no later than the effective date of the proposed Assignment. Franchisor may waive all or part of the training fee to the extent that Franchisor determines in its sole subjective judgment that the proposed assignee does not require training.

(iv) As of the effective date of any such Assignment, Franchisee shall be in compliance with all of its obligations owing to Franchisor or any of its Affiliates whether pursuant to this Agreement, or any other agreements with Franchisor or its Affiliate, and shall pay in full all outstanding amounts owed to Franchisor and its Affiliates, and the remaining balance, if any, of the Initial Franchise Fee, unless waived by Franchisor.

(v) As a condition precedent to Franchisor's written consent, Franchisor itself, or through its Affiliate, shall have the right, at its sole discretion, to conduct an audit and/or sales verification prior to the proposed Assignment.

(vi) Unless Franchisor otherwise consents, if the proposed assignee is a Business Entity, one person approved by Franchisor shall at all times own directly or indirectly, 51% or more of the Stock of the proposed assignee.

(vii) Franchisee shall execute and deliver to Franchisor a general release, on a form prescribed by Franchisor of any and all known and unknown claims against Franchisor and its Affiliates and their officers, directors, agents, shareholders and employees, with respect to this Franchised Restaurant.

(b) In the event Franchisee has executed this Agreement pursuant to a development agreement in connection with the Multi-Store Development Program or the Single Store Development Program, Franchisee shall have the right, without paying a Transfer Fee and without complying with the provisions of Section 11.04, to simultaneously Assign this Agreement to a Business Entity formed by Franchisee for the purpose of owning and operating the Franchised Restaurant, after first complying with the following conditions:

(i) Franchisee shall, together with such proposed Business Entity, be jointly and severally liable for all existing or subsequent breaches of this Agreement and any other agreement between Franchisee and Franchisor or its Affiliate, and for all obligations accrued or accruing thereunder. Franchisee, his or her spouse, as applicable, and all other Owners and their spouses, as applicable, shall sign a guaranty in the form prescribed by Franchisor. Franchisee shall waive notice or demand in the event of default, and will be bound by any modifications or supplemental agreements entered into between the assignee Business Entity and Franchisor and/or its Affiliate, as hereinafter set forth;

(ii) The assignee Business Entity shall provide Franchisor with all charter or other documents, and execute an acceptance of such assignment, in the form prescribed by Franchisor which shall contain covenants agreeing to be bound by all of the terms and conditions herein contained;

(iii) Franchisee shall be possessed of and retain at all times, legal and beneficial ownership of not less than 51% of all the outstanding Stock of the assignee (including the voting power of such Stock), unless otherwise agreed to in writing by Franchisor in its sole discretion;

(iv) All of the Stock certificates or other evidence of ownership issued by assignee Business Entity shall have endorsed upon them the following legend: "The transfer of this Stock is subject to the terms and conditions of a Franchise Agreement, relating to an IHOP Restaurant, dated _____, 20__," and the date of this Agreement shall be inserted into such statement; and

(v) When incorporation or organization of the Business Entity shall have been completed, Franchisee shall advise Franchisor and thereafter keep Franchisor advised of the names, addresses and titles of the officers, directors, and resident agent of the proposed Business Entity assignee, the names and addresses of the Owners and the number of shares, membership interests, or Partnership Rights, as applicable, issued to each, and the address of the principal office of such proposed Business Entity assignee.

(vi) No Assignment pursuant to this Section 11.03(b) shall be deemed to be effective unless and until Franchisee shall have complied with all of the provisions hereunder.

11.04 Franchisor's Right of First Refusal.

(a) Except with respect to an Assignment to a Business Entity as provided for in Section 11.03(b), or an Assignment to Franchisee's heirs, personal representatives or conservators in the case of Franchisee's death or legal incapacity, within 30 days after Franchisor's receipt of the Notice of Intent to Assign as set forth in Section 11.03(a)(i), (or if Franchisor shall request additional information, within 30 days after receipt of such additional information), Franchisor may, at its option, accept the proposed Assignment to itself or its nominee, upon the terms and conditions specified in the Notice of Intent to Assign.

(b) Should Franchisor not exercise its option and Franchisee fails to consummate the proposed Assignment within 90 days upon the same terms and with the same assignee as disclosed in the Notice of Intent to Assign to Franchisor, Franchisor's right of first refusal shall revive.

11.05 Offers of Securities.

Securities, Partnership Rights or other ownership interests in Franchisee may not be offered to the public under the Securities Act of 1933, as amended, nor may they be registered under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation. Such interest may be offered by private offering or otherwise only with the prior written consent of Franchisor, which consent shall not be unreasonably withheld. All materials required for any such private offering by federal or state law shall be submitted to Franchisor for a limited review as discussed below prior to being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for such review prior to their use. No such offering by Franchisee shall imply that Franchisor is participating in an underwriting, issuance or offering of securities of Franchisee or Franchisor, and Franchisor's review of any offering materials shall be limited solely to the subject of the relationship between Franchisee and Franchisor and its Affiliates. Franchisor may, at its option, require Franchisee's offering materials to contain a written statement prescribed by Franchisor concerning the limitations described in the preceding sentence. Franchisee, its Owners and the other participants in the offering must fully defend and indemnify Franchisor, and its Affiliates, their respective officers, directors, manager(s) (if a limited liability company), shareholders, members, partners, agents, representatives, independent contractors, servants and employees of each of them, from and against any and all losses, costs and liability in connection with the offering and shall execute any additional documentation required by Franchisor to further evidence this indemnity. For each proposed offering, Franchisee shall pay to Franchisor, in addition to the Transfer Fee, such amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering including without limitation, legal and accounting fees. Franchisee shall give Franchisor written notice at least 30 days prior to the date of commencement of any offering or other transaction covered by this Section.

11.06 Delegation by Franchisor.

Franchisor shall have the right to delegate to one or more of its Affiliates some or all of Franchisor's duties to Franchisee under this Agreement; provided however, Franchisor shall remain fully responsible to Franchisee for the full and faithful performance of all its obligations to Franchisee hereunder.

XII DEFAULT BY FRANCHISEE

12.01 Right of Termination after Notice of Default.

Except as otherwise expressly provided for in this Agreement, including under Section 12.02, Franchisee shall have ten days (or five days in the case of non-payment of money) after Franchisor's written notice of a Material Breach within which to remedy such Material Breach, and to provide evidence of such remedy to Franchisor. If any such Material Breach is not cured within that time period, or such longer time period as Applicable Law may require or as Franchisor may specify in the notice of default, this Agreement and all rights granted by it shall thereupon automatically terminate at Franchisor's election without further notice or opportunity to cure. If any such Material Breach, except those relating to the nonpayment of money, by its nature cannot be cured within such ten-day period, and Franchisee shall immediately commence and diligently continue to cure such Material Breach, Franchisor shall upon Franchisee's written request given prior to the expiration of such ten-day cure period, allow Franchisee such additional reasonable period of time as Franchisor deems reasonably necessary to cure such Material Breach. As used herein, the phrase "**Material Breach**" shall include:

(a) Failure of Franchisee (or its Affiliate) to pay in full promptly when due any or all payment obligations arising under this Agreement or any of the agreements listed in Section 16.03, including,

without limitation, payments due under any development agreement, including payments under Franchisor's development impact assistance program, if applicable (together with this Agreement, "**the agreements**"); and

(b) Failure of Franchisee to comply with any other material obligation of Franchisee under the agreements, including a failure to comply with the Operations Bulletins as described in Section 10.05.

12.02 Termination without Notice.

Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure such default, effective immediately, without prior notice to Franchisee, upon the occurrence of any or all of the following events, each of which shall be deemed an incurable breach of this Agreement:

(a) If an audit or investigation conducted by Franchisor discloses that Franchisee has knowingly maintained false books or records, or submitted false reports to Franchisor, or knowingly understated its Gross Sales or withheld the reporting of any of its Gross Sales;

(b) Franchisee's material misrepresentation to Franchisor with respect to any information provided in connection with its application to become an IHOP franchisee, including any relevant credit information;

(c) If Franchisee shall attempt or purport to Assign this Agreement, without the prior written consent of Franchisor, or if an Assignment of this Agreement by Franchisee shall occur by operation of law, or by reason of judicial process;

(d) If Franchisee shall attempt to assign any of the Trademarks, or the goodwill connected thereto, or if Franchisee shall use, or permit the use of any of the Trademarks, or the goodwill connected thereto in derogation of Franchisor's rights pursuant to this Agreement, or if Franchisee shall use or permit the use of any of the Trademarks, or the goodwill annexed thereto in a manner, or at locations not authorized by Franchisor pursuant to the terms of this Agreement, or takes any action which reflects materially and unfavorably upon the operation and reputation of the Franchised Restaurant, or the "IHOP" chain generally and/or if Franchisee engages in the unauthorized use, disclosure, or duplication of the Trade Secrets, excluding independent acts of employees or others if Franchisee shall have exercised its best efforts to prevent such disclosures or use;

(e) If Franchisee, or any of its Owners, is convicted of or pleads guilty or nolo contendere to a felony or any other criminal misconduct which is relevant to the operation of the Franchised Restaurant, or that is reasonably likely, in the sole opinion of Franchisor, to adversely affect Franchisor's reputation, Franchisor's IHOP Restaurant system, the Trademarks or the goodwill associated therewith, or Franchisor's interest therein;

(f) If in Franchisor's reasonable judgment, Franchisee's continued operation of the Franchised Restaurant will result in an imminent danger to public health or safety;

(g) If Franchisee fails, for a period of 20 days after notification of noncompliance, to comply with any Applicable Law governing the operation of the Franchised Restaurant;

(h) If Franchisee is a party to a sublease with Franchisor or its Leasing Affiliate, the attachment of any involuntary lien in the sum of \$10,000 or more upon any of the business assets or property of Franchisee which lien is not removed, or for which Franchisee does not post bond sufficient to satisfy such lien within 30 days after notification of such lien;

(i) If this Agreement has been signed under the Single Store Development Program, and Franchisee fails to open the Franchised Restaurant by the date specified in Section 4.02 (a) (unless Franchisee has complied with Section 4.02(c));

(j) Any default or breach by Franchisee under any mortgage, deed of trust, lease or sublease, including any sublease with Franchisor or its Leasing Affiliate, covering the premises in which the Franchised Restaurant is located, which results in Franchisee being unable to continue operations at the Franchised Restaurant;

(k) If Franchisee shall “abandon” the Franchised Restaurant without Franchisor’s prior written consent. For purposes of this Agreement, “**abandon**” means Franchisee’s failure, at any time during the Term: (i) to keep the Franchised Restaurant open and operating for business during ordinary business hours for a period of three consecutive days, except as provided in the Operations Bulletins, or (ii) to keep the Franchised Restaurant open and operating for any period after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Franchised Restaurant, unless such failure to operate is due to Force Majeure event (subject to the requirements of Section 12.04) or such closure is caused by action by any Governmental Authority;

(l) Franchisee’s insolvency (as revealed by its records or otherwise); or if Franchisee files a voluntary petition and is adjudicated a bankrupt; or if an involuntary petition is filed against it and such petition is not dismissed within 30 days; or if it shall make an assignment for the benefit of creditors; or if a receiver or trustee in bankruptcy or similar officer, temporary or permanent, be appointed to take charge of Franchisee’s affairs or any of its property; or if dissolution be commenced by or against Franchisee or if any judgment against Franchisee remains unsatisfied or unbonded of record for 15 days;

(m) Upon the death or permanent disability of Franchisee, if Franchisee is an individual, or, if Franchisee is a Business Entity, the Majority Owner, unless the executor, administrator, conservator, or other personal representative of such person or Franchisee shall, promptly following such death or disability: (i) notify Franchisor of any death or disability; (ii) if Franchisee is an individual, notify Franchisor of the desire of an heir of Franchisee to continue as Franchisee hereunder; (iii) if Franchisee is an individual, or if such deceased or permanently disabled Majority Owner is the Chief Executive Officer or Director of Operations, within 60 days from the date of death or disability, appoint a designated successor reasonably acceptable to Franchisor to continue to oversee the proper ongoing development and operation of Franchisee and the Franchised Restaurant; and (iv) otherwise reasonably satisfy Franchisor that Franchisee’s (if Franchisee is an individual) or the Majority Owner’s (if Franchisee is a Business Entity) heir(s) meet all of the standards and qualifications for a transferee Franchisee, or Majority Owner, as the case may be, or agrees to transfer promptly (and in any event within 12 months) following such death or disability, his or her Equity in Franchisee to a third party who satisfies such standards and qualifications, and subject to Franchisor’s right to approval of such transfer and Franchisor’s right of first refusal; and

(n) Franchisee receives three or more written notices of default (whether concerning the same or different obligations) in any 12-month period during the Term, whether or not corrected after notice, which repeated course of conduct shall itself be grounds for termination of this Agreement without further notice or opportunity to cure.

12.03 Cross Default.

Except for a default or termination of any area development agreement, single store development agreement, multi-store development agreement or other development agreement offered by Franchisor, consisting solely of Franchisee’s failure to meet the development schedule thereunder, any material breach or default by Franchisee under the terms and conditions of any lease, or any other agreement between

Franchisor (or its Affiliate), on the one hand, and Franchisee (or its Affiliate), on the other, or any default by Franchisee of its obligations to any Regional Advertising Cooperative of which it is a member, shall be deemed to be a Material Breach of this Agreement. Notwithstanding the foregoing, Franchisor shall not declare a default under this Section 12.03 as to any agreement, which, if standing alone, would not be subject to default absent this cross-default provision, until an additional 60 days past the date of cure date specified in the noticed default and then, only if, such default remains uncured. The foregoing is not intended to amend, modify or limit the cross-default provisions in any such other agreement, if any.

12.04 Special Requirements for Asserted Force Majeure.

If Franchisee claims an event of Force Majeure, Franchisee shall provide written notice to Franchisor as soon as practicable, but in no event more than 30 days from the occurrence of the event. The notice must: (i) state that Franchisee believes that an event of Force Majeure has occurred and expressly include the words “Force Majeure”; (ii) describe the circumstances of the Force Majeure event with particularity; and (iii) describe how the Force Majeure event has impacted Franchisee’s performance under this Agreement. Franchisee must also provide all other information as may be requested by Franchisor, in its reasonable discretion, and periodic updates on Franchisee’s progress and diligence in responding to and overcoming the Force Majeure event. Thereafter, Franchisee must notify Franchisor immediately upon cessation of Force Majeure event. If Franchisee fails to notify Franchisor of any alleged Force Majeure event within seven days, or fails to provide updates at reasonable intervals during the continuance of the alleged Force Majeure event, Franchisee shall be deemed to have waived the right to claim Force Majeure.

12.05 Conformity with Laws.

If any valid law or regulation by a Governmental Authority with jurisdiction over this Agreement shall limit Franchisor’s rights of termination or require a longer or different notice than that specified in this Article XII, this Agreement shall be deemed amended to conform with the minimum notice periods or restrictions upon termination required by such law or regulation. Franchisor shall not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing or dispute relating to this Agreement or the termination thereof.

12.06 Franchisor’s Rights Upon Termination.

(a) If the Franchised Restaurant is located on premises (the “**Restaurant Premises**”) owned by Franchisee, in the event of termination of this Agreement pursuant to Section 12.01 or Section 12.02, Franchisor shall have, for 30 days after the termination is effective, an option, exercisable upon written notice to Franchisee within such 30-day period, to elect to (i) purchase the Restaurant Premises from Franchisee for the fair market value of the land and buildings, furnishings, and equipment owned by Franchisee or one or more of its Affiliates located therein or (ii) lease the Restaurant Premises from Franchisee pursuant to Section 12.06(e).

(b) If Franchisor and Franchisee cannot agree on the purchase price or other terms of purchase within 30 days following Franchisor’s exercise of its option pursuant to Section 12.06(a), the price or disputed terms of purchase shall be determined as follows: (i) Franchisor to select an appraiser (“**Franchisor’s Appraiser**”) who performs an appraisal (“**Franchisor’s Appraiser’s Appraisal**”), (ii) if Franchisee disagrees with Franchisor’s Appraiser’s Appraisal, then Franchisee to select an appraiser (“**Franchisee’s Appraiser**”) who performs an appraisal (“**Franchisee’s Appraiser’s Appraisal**”), and (iii) if Franchisor disagrees with Franchisee’s Appraiser’s Appraisal, then Franchisor’s Appraiser and Franchisee’s Appraiser to collectively select a third appraiser (“**Third Appraiser**”) who performs an appraisal (“**Third Appraiser’s Appraisal**”). The purchase price shall be the average of the Third Appraiser’s Appraisal and the other appraisal that is closest to the Third Appraiser’s Appraisal. The fair market value shall be determined based on parameters to be agreed upon at the time of the appraisal. In the event of such an appraisal, each

party shall bear its own legal and other costs (including the appraisal fees of its selected appraiser) and shall split equally the appraisal fees of the Third Appraiser. The appraisers' determination of the price and other disputed terms of purchase shall be final and binding.

(c) If Franchisor elects to exercise its option to purchase upon termination of this Agreement, the purchase price shall be paid within 30 days of the determination of the purchase price and other terms of purchase.

(d) If the Restaurant Premises are leased by Franchisee from a third party, such lease must allow Franchisee to assign the lease to Franchisor. Upon termination of this Agreement pursuant to Section 12.01 or Section 12.02, Franchisor or its Affiliate shall have the right to succeed to Franchisee's rights under the lease upon Franchisor's or such Affiliate's written election to Franchisee to be made within ten days after the date of such termination, and shall have such other rights and obligations in connection with such election as are described in Section 4.04 and in any lease addendum executed in connection with the Franchised Restaurant. If Franchisor or its Affiliate exercises that right, it has an additional right, to be exercised within 30 days after taking possession of the Restaurant Premises, to purchase all of Franchisee's equipment, signs, decor items, furnishings, supplies, and other products and materials at their then-fair market value to the extent that such equipment, signs, decor items, furnishings, supplies and other products and materials are owned by Franchisee or one or more of its Affiliates. If Franchisor and Franchisee cannot agree on the price, the price will be determined in the manner set forth in connection with Franchisee-owned Restaurant Premises. If Franchisor elects not to purchase the items mentioned above, Franchisee shall, at Franchisee's own expense and under Franchisor's supervision, remove those items from the Restaurant Premises within 10 days after such final election, or 10 days after expiration of the option period, whichever is earlier. If Franchisee fails to remove all such property from the Restaurant Premises within such period, Franchisor shall be entitled to do so, or to authorize a third-party to do so, all at Franchisee's sole cost and expense.

(e) With respect to Restaurant Premises owned by Franchisee, in the event of termination of this Agreement pursuant to Section 12.01 or Section 12.02, Franchisor shall have, for 30 days after the termination is effective, an option, exercisable upon written notice to Franchisee within such 30-day period, to elect to lease the Restaurant Premises from Franchisee, pursuant to a lease which provides for rental at a fair market rate not to exceed 10% of Gross Sales. Such lease shall provide for a lease term of at least 10 years with two five-year options to renew. If Franchisor and Franchisee cannot agree on the rent or other rental terms within 30 days following Franchisor's exercise of its option pursuant to this Section 12.06, the rent or disputed rental terms shall be determined in the manner set forth in connection with Franchisee-owned Restaurant Premises. The appraisers' determination of the rent (so long as it does not exceed 10% of Gross Sales) and other disputed rental terms shall be final and binding. Notwithstanding anything to the contrary in this Section 12.06(e), in no event shall rent exceed 10% of Gross Sales.

(f) Notwithstanding anything in this Section 12.06 to the contrary, Franchisor and Franchisee acknowledge and agree that the rights and obligations set forth in this Section 12.06 are subject to the first priority security interest, if any, of any lender solely with respect to Franchisee's leases with third party landlords and real property, furnishings, equipment, and other tangible personal property entirely owned by Franchisee (the "**Franchisee-Owned Tangible Property**") so long as (i) Franchisee has provided Franchisor with written notice thereof within 14 business days following the grant of any such first priority security interest by Franchisee, (ii) Franchisor does not have any rights or interests in the Franchisee-Owned Tangible Property, and (iii) any such lender is not in breach of any agreement with Franchisor relating to this Agreement or any other agreement between Franchisor and Franchisee relating to the Franchised Restaurant (each, a "**Franchise Document**" and collectively, the "**Franchise Documents**"). Notwithstanding anything to the contrary herein, the term "Franchisee-Owned Tangible Property" shall not include any equipment, personal property, or other items subject to any equipment lease with Franchisor or any of its Affiliates. For the avoidance of doubt, nothing in this Section 12.06(f) shall serve to limit, modify or diminish Franchisor's rights under any other provision of this Agreement or the other Franchise Documents, nor shall anything herein

be deemed to confer any rights or interest in this Agreement or the subject matter hereof to any lender.

XIII ARBITRATION AND REMEDIES

13.01 Arbitration.

(a) Subject to Section 13.01(b), any controversy or claim, except those described in Section 13.03, arising out of or relating to this Agreement, or any agreement relating thereto, or any breach of this Agreement including any claim that this Agreement or any portion thereof is invalid, illegal or otherwise voidable, shall be submitted to arbitration before and in accordance with the commercial rules of the American Arbitration Association and judgment upon the award may be entered in any court having jurisdiction thereof; provided however, that this clause shall not limit either party's (or its Affiliate's) right to obtain any provisional remedy, including injunctive relief, or to obtain writs of recovery of possession, or similar relief, from any court of competent jurisdiction, as necessary or appropriate to require the other party to comply, or to prohibit the other party's non-compliance, with its obligations hereunder or under the sublease, if applicable, or in Franchisor's case to obtain possession of the Franchised Location or protect the Trademarks or other property rights of Franchisor (or its Affiliate), or, as part of such action or proceeding, to seek damages, costs and expenses caused to or incurred by it by reason of the act or action or non-action which caused such party (or its Affiliate) to institute such action or proceeding. The institution of any such action or proceeding for provisional remedy or similar relief shall not be deemed a waiver on its part to institution of an arbitration proceeding pursuant to the provisions of this Article. If Franchisee subleases the Franchised Restaurant or Franchised Location by or through Franchisor or its Affiliate, in the event of an arbitration award which includes a determination that this Agreement is or has expired or has been terminated by reason of Franchisee's default thereof, Franchisee consents to the entry of a judgment by a court of competent jurisdiction containing an appropriate writ for the recovery of possession of the premises. The situs of arbitration proceedings shall be in Los Angeles, California.

(b) All arbitration proceedings and claims shall be filed and prosecuted separately and individually in the name of Franchisee and Franchisor (and/or its Affiliate), and not in any class action or representative capacity, and shall not be consolidated with claims asserted by or against any other franchisee. The following shall not be subject to arbitration: any claim or dispute involving or contesting the validity of any of the Trademarks, any dispute alleging a violation of federal or state securities law, and class action claims. The decision of whether any issue, claim, controversy or dispute is arbitrable shall be made by the arbitrator, who shall have jurisdiction to make such determination. Unless prohibited by law, both Franchisor and Franchisee hereby waive the right, if any, to obtain any award for exemplary or punitive damages from the other in any arbitration, or judicial proceeding, or other adjudication, arising out of or with respect to this Agreement, or any breach thereof, including any claim that this Agreement, or any part thereof, is invalid, illegal or otherwise voidable or void. The arbitration and the parties' agreement therefor shall be deemed to be self executing, and if either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party despite such failure to appear.

13.02 Remedies of Franchisor.

In the event of a Material Breach of this Agreement, Franchisor may, at its election pursue the following remedies in addition to such other remedies as may be available to it hereunder and at law or equity: (i) terminate this Agreement, and thereafter bring such action as it may deem proper to protect its rights hereunder, in accordance with the provisions of this Article XIII; (ii) seek to recover such damages, including all sums due and owing pursuant to this Agreement and any other agreement relating thereto, and the benefit of its bargain hereunder, as Franchisor may, in its discretion, deem appropriate; and (iii) take any and all actions set forth in Section 12.06. In computing such damages, it is agreed that the benefit of Franchisor's bargain shall include Franchisor's average Continuing Royalty fee of 4.5% of Franchisee's Gross Sales, computed on

the basis of the last 26 weeks that Franchisee conducted business at the Franchised Restaurant (or if the Franchised Restaurant is open for less than 26 weeks, the entire period that the Franchised Restaurant is open for business) multiplied by the number of weeks remaining under this Agreement, computed from the effective date of the termination of this Agreement. Such sum shall thereupon be “**present valued**” by discounting the same, on an annual basis, predicated upon the prime rate charged by the Chase Manhattan Bank of New York City, on the effective date of such termination.

13.03 Summary Possessory Actions.

If Franchisee subleases the Franchised Restaurant or Franchised Location from Franchisor or its Affiliate, Franchisor or such Affiliate shall be entitled to maintain actions in unlawful or forcible detainer or other appropriate summary possessory action for recovery of the premises of the Franchised Restaurant or the Franchised Location, in any court of competent jurisdiction without being required to resort to arbitration, in respect of any uncured default by Franchisee in payment of premises rental under the sublease or by reason of any of the causes specified in Sections 12.01, 12.02 and 12.03, for a judgment which shall, if Franchisor or such Affiliate shall prevail therein, include both an order for restitution of the premises and any monetary relief incident thereto which may by law be awarded in any such possessory action. In any such possessory action by Franchisor or such Affiliate, Franchisee shall be entitled to assert defenses, set offs and counterclaims, if any, which are permitted by Applicable Law in such a possessory action, but no others; and, if Franchisee shall prevail thereon, it may obtain any relief thereon which may by law be awarded in such possessory action.

13.04 Interest on Late Payments.

In addition to the other remedies available to Franchisor, in the event that Franchisee shall fail or refuse to make any of the payments due under this Agreement, any sublease, any equipment lease, or any purchase contracts for equipment or supplies which were entered into prior to, contemporaneously with or subsequent to this Agreement, when due, Franchisee shall pay interest at the highest rate permitted by law, or 1.5% per month, whichever is less, of such late obligations to defray the cost of maintaining Franchisee’s account in arrears, it being expressly understood that payment of this charge shall not forgive or excuse any arrearage.

13.05 In proceeding with arbitration and in making determinations through arbitration, the arbitrators shall not have the power or authority to waive, extend, amend, modify or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. The filing of a demand for arbitration or any notice or request to arbitrate, shall not stay, postpone or rescind the effectiveness of any termination of this Agreement; provided however, that the foregoing is not intended to preclude either party from seeking any provisional remedy from the arbitrator, including bringing a motion requesting a restraining order or injunction with regard to such termination, if such party believes any termination of this Agreement was improper.

13.06 With respect to all claims which, as a matter of law or public policy, cannot be submitted to arbitration, then Franchisee hereby irrevocably submits to the exclusive jurisdiction of the Federal District Court for the Central District of California, Los Angeles, and if as a matter of law or public policy such matter cannot be heard in Federal Court, to the exclusive jurisdiction of the State Courts of Los Angeles County, California. Franchisee and its principals, directors, Owners, if any, hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision, and that personal service may be made on them in any legal proceeding arising out of this Agreement by any means allowed by California or federal law. Franchisee and its principals, directors, and Owners, if any, further agree that venue for any legal proceeding relating to or arising out of this Agreement shall be Los Angeles County, California; provided that for any action: (i) for monies owed; (ii) for injunctive or other extraordinary relief; or (iii) involving possession or disposition of, or other relief relating to, real property, Franchisor’s Leasing Affiliate may bring an action in any state or Federal District Court which has jurisdiction.

XIV NON-COMPETITION

14.01 General.

Without Franchisor's prior written consent which may be withheld for any reason in Franchisor's sole subjective discretion, Franchisee shall not, during the Term, including any extension or renewal thereof, directly or indirectly, own, operate, control or have any financial interest in any family style restaurant, pancake house, coffee shop, buffet serving breakfast, or diner, including but not limited to the Village Inn, Bob's Big Boy, Shoney's, Denny's, Perkins', Waffle House, Baker's Square, Coco's, JB's, Allie's, Cracker Barrel, Marie Callender's, Friendly's, Bob Evans' Farms, Mimi's, Carrows, Denny's Diner, Golden Corral, Original Pancake House, Country Kitchen, Hometown Buffet, or any other food service operation that sells pancakes or derives more than 25% of its total sales from sit down breakfast items. The foregoing prohibitions shall not apply to ownership by Franchisee of less than 3% of the issued and outstanding Stock of any company whose shares are listed for trading over any public exchange or over-the-counter market and whose business includes the owning, operating, or franchising of family style restaurants, pancake houses, or coffee shops, provided Franchisee does not control any such company. Franchisee also agrees that it will not at any time communicate, divulge, or use for the benefit of himself or herself or any other person or entity, other than in the course of conduct of the Franchised Restaurant, any information or knowledge which it may have acquired in connection with the operation of the Franchised Restaurant, and that it will not do any act prejudicial or injurious to the business or goodwill of Franchisor, any of its Affiliates, or any other IHOP franchisee. As used in this Section, "**Franchisee**" shall include Franchisee and each of its Owners and affiliates, the respective officers, directors, managers and affiliates of each of them, and the spouse and family members who live in the same household of each of the foregoing who are individuals.

XV INDEMNITY BY FRANCHISEE

15.01 Indemnity by Franchisee.

Franchisee shall defend, indemnify and hold Franchisor and each Affiliate harmless from and against any and all claims, demands, losses, damages, costs, liabilities and expenses (including attorneys' fees and costs of suit) of whatever kind or character, on account of any actual or alleged loss, injury or damage to any person, firm or corporation or to any property arising out of or in connection with the operation of the Franchised Restaurant.

XVI MISCELLANEOUS

16.01 Right to Cure Defaults.

In addition to all other remedies herein granted, if Franchisee shall default in the performance of any of its obligations or breach any term or condition of this Agreement or any related agreement, Franchisor or its Affiliate may, at its election, immediately or at any time thereafter, without waiving any claim for breach hereunder and without notice to Franchisee cure such default for the account and on behalf of Franchisee, and the cost to Franchisor or its Affiliate thereof shall be due and payable on demand and shall be deemed to be additional compensation due to Franchisor or its Affiliate hereunder and shall be added to the amount of compensation next accruing hereunder, at the election of Franchisor or its Affiliate.

16.02 Obligations upon Termination.

(a) In the event of the termination or expiration of this Agreement for whatever reason, Franchisee shall immediately discontinue the use of the Trademarks and shall not thereafter operate or do business under any name or in any manner that might tend to give the general public the impression that it is either directly or indirectly associated, affiliated, franchised or licensed by or related to, Franchisor's IHOP Restaurant system, and shall not, either directly or indirectly, use any name, logotype, symbol or format confusingly similar to the Trademarks or formats, at either the Franchised Location, the Franchised Restaurant or any other location not then franchised to Franchisee by Franchisor. Since the IHOP Restaurants have a distinctive color scheme, unless Franchisor exercises its right to cause an assignment of the lease for the Franchised Location or Franchised Restaurant pursuant to Section 4.04(a), Franchisee shall promptly upon demand by Franchisor or its Affiliate repaint the Franchised Restaurant in a different color scheme. In addition, upon such expiration or termination, Franchisee shall not, either directly or indirectly, for any purpose whatsoever, use any of the Trade Secrets, procedures, techniques or materials acquired by Franchisee by virtue of the relationship created by this Agreement, including: (i) recipes, formulae and descriptions of food products; (ii) the Operations Bulletins and all manuals, bulletins, instruction sheets, and supplements thereto and shall return same to Franchisor; (iii) all forms, advertising matter, marks, devices, insignias, slogans and designs used from time to time in connection with IHOP Restaurants; and (iv) all copyrights, Trademarks and patents now or hereafter applied for or granted in connection with the operation of IHOP Restaurants;

(b) Further, Franchisee shall, at Franchisor's option, cancel or assign to Franchisor or its designee all of Franchisee's right, title and interest in any internet and website home pages, domain name listings and registrations which contain the Trademarks, or any of them, in whole or part, and Franchisee shall notify Network Solutions, InterNIC or other applicable domain name registrar and all listing agencies, upon the termination or expiration hereof, of the termination of Franchisee's right to use any domain name, web page and other internet device associated with Franchisor or any IHOP Restaurant, and authorize and instruct their cancellation or transfer to Franchisor, as directed by Franchisor. Franchisee is not entitled to any compensation from Franchisor if Franchisor exercises its such rights or options;

(c) Franchisor shall have the option, exercisable by written notice within 30 days after the termination of this Agreement, to take an assignment of all telephone numbers (and associated listings) for the Franchised Restaurant, and Franchisee shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and any classified or other telephone directory listings associated with the Franchised Restaurant, and authorize and instruct their transfer to Franchisor. Franchisee hereby irrevocably appoints Franchisor as Franchisee's attorney-in-fact to execute in the name of and on behalf of Franchisee any and all instruments necessary or appropriate to transfer any or all such telephone numbers and listings to Franchisor, if Franchisee fails to do so for any reason; and

(d) The covenants of Franchisee contained in this Section 16.02 shall survive the termination of this Agreement.

16.03 Entire Agreement.

This Agreement and the Operations Bulletins contain all of the terms and conditions agreed upon by the parties hereto with reference to the specific subject matter hereof, and no other agreements oral or otherwise shall be deemed to exist or to bind any of the parties hereto and all prior and contemporaneous agreements, understandings and representations are merged herein and superseded hereby. Except as set forth in the Franchise Disclosure Document, Franchisor represents that there are no contemporaneous agreements or understandings relating to the subject matter hereof between the parties that are not contained herein. No officer or employee or agent of Franchisor has any authority to make any representation or promise not contained in this Agreement or in any Franchise Disclosure Document for prospective franchisees required by Applicable Law, and Franchisee agrees that it has executed this Agreement without reliance upon any such representation or promise. Notwithstanding the foregoing, for purposes of default, with respect to any other

agreements relating hereto, including, but not limited to, any purchase agreement, single store or multi-store development agreement or other development agreement as may be offered by Franchisor from time to time, lease or sublease for the Franchised Location or Franchised Restaurant, any equipment purchase agreement, equipment lease or sublease, any sign lease, or any purchase contracts for equipment or supplies which were entered into prior to, contemporaneously with, or subsequent to the Effective Date between Franchisee and Franchisor or its Affiliate, or between Franchisee and third parties, or any franchise fee promissory note, any material breach or default thereof shall also be a Material Breach of this Agreement. This Agreement cannot be modified or changed except by written instrument expressly referring to this Agreement, signed by all of the parties hereto.

16.04 Severability.

Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement or the Operations Bulletins and any present or future statute, law, ordinance, regulation, or judicial decision, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provision of this Agreement or the Operations Bulletins thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, Article, Section paragraph, sentence or clause of this Agreement or the Operations Bulletins shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect, unless such provision pertains to the payment of fees, pursuant to Articles V, VI and VII hereof, in which case this Agreement shall, at Franchisor's option, terminate.

16.05 Waiver and Delay.

No waiver by Franchisor of any breach or series of breaches or defaults in performance by Franchisee and no failure, refusal or neglect of Franchisor either to exercise any right, power or option given to it hereunder or to insist upon strict compliance with or performance of Franchisee's obligations under this Agreement or the Operations Bulletins, shall constitute a waiver of the provisions of this Agreement or the Operations Bulletins with respect to any prior, concurrent or subsequent breach thereof or a waiver by Franchisor of its rights at any time thereafter to require exact and strict compliance with the provisions thereof.

16.06 Survival of Covenants.

The covenants contained in this Agreement which by their terms require performance by the parties after the expiration or termination of this Agreement shall be enforceable notwithstanding such expiration or other termination of this Agreement for any reason whatsoever.

16.07 Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor and shall be binding upon and inure to the benefit of Franchisee and its or their respective heirs, executors, administrators, successors and assigns, subject to the restrictions on Assignment contained herein.

16.08 Joint and Several Liability.

If Franchisee consists of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to Franchisor are joint and several.

16.09 Governing Law.

All matters relating to arbitration and within the scope of the federal arbitration act (9 U.S.C. § 1 et seq.) will be governed by such act. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. 1051 et seq.) or other Federal law, this agreement and the relationship between Franchisee and Franchisor will be governed by and construed in accordance the laws of the state of California, without giving effect to principles of conflicts of law, except that: (a) the provisions of Section 14.01 of this Agreement respecting non-competition covenants shall be governed in accordance with the laws of the State where the Franchised Restaurant is located; and (b) the California Franchise Investment Law, and any other state law relating to: (1) the offer and sale of franchises (2) franchise relationships, or (3) business opportunities, will not apply unless the applicable jurisdictional requirements are met independently without reference to this Section.

16.10 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

16.11 Fees and Expenses.

Should any party hereto commence any action or proceeding for the purpose of enforcing, or preventing the breach of, any provision hereof, whether by arbitration, judicial or quasi-judicial action or otherwise, or for damages for any alleged breach of any provision hereof, or for a declaration of such party's rights or obligations hereunder, or commence any appeal therefrom, then the prevailing party shall be reimbursed by the losing party for all costs and expenses incurred in connection herewith, including reasonable attorneys' fees for the services rendered to such prevailing party. Notwithstanding the foregoing, if Franchisor incurs expenses in connection with Franchisee's failure to pay when due amounts owing to Franchisor or otherwise to comply with this Agreement, including, but not limited to legal and accounting fees, Franchisee will reimburse Franchisor for any such costs and expenses which Franchisor incurs.

16.12 Notices.

Except as otherwise expressly provided herein, all notices, reports and documents permitted or required to be delivered by the provisions of this Agreement shall be delivered by hand, by telegraph or telecopier, by FedEx, DHL Worldwide Express, or other reputable overnight courier service ("**Courier**"), or by deposit with United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid, and shall be deemed so delivered at the earlier of, as applicable: the time delivered by hand, one business day after deposit with a Courier for delivery, or three business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid, and addressed as follows:

General Counsel
IHOP Franchisor LLC
10 W. Walnut St.,
Pasadena, CA 91103

One person shall be designated in writing to receive all notices and to be empowered to act on behalf of Franchisee with respect to all matters relating to the Franchised Restaurant, and notice and/or service upon such person shall constitute notice and/or service upon Franchisee. Upon the Effective Date, such person shall be _____ (the "**Designated Representative**") whose address and telephone number are as follows:

Any change in the Designated Representative requires the prior written consent of Franchisor.

The addresses herein given for notice may be changed at any time by either party by written notice given to the other party as herein provided.

In addition to the foregoing, Franchisee shall provide to Franchisor an e-mail address and the telephone number and address of its residence and principal place of business, if different from the Franchised Location, and any changes thereto; provided that delivery by e-mail or telephone shall not constitute notice hereunder.

16.13 Relationship of Franchisee to Franchisor.

It is expressly agreed that the parties intend by this Agreement to establish between Franchisor and Franchisee the relationship of franchisor and franchisee, and that it is not the intention of either party to undertake a joint venture or to make Franchisee in any sense an agent, partner, employee or affiliate of Franchisor or any Franchisor Affiliate. It is further agreed that Franchisee has no authority to create or assume in the name of, or on behalf of, Franchisor or any Franchisor Affiliate any obligation, express or implied, or to act or purport to act as the agent or representative of Franchisor or any Franchisor Affiliate for any purpose whatsoever.

16.14 Gender and Construction.

All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any Article or Section hereof may require. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, approval or authorization of Franchisor which Franchisee may be required to obtain hereunder may be given or withheld by Franchisor in its sole and absolute discretion, and on any occasion where Franchisor is required or permitted hereunder to make any judgment or determination, including any decision as to whether any condition or circumstance meets Franchisor's standards or satisfaction, Franchisor may do so in its sole subjective judgment. Section and paragraph titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning of any of the terms, provisions, covenants or conditions of this Agreement.

16.15 Payments.

All payments required hereunder, shall be paid in United States Dollars.

16.16 [Intentionally Omitted].

XVII
SUBMISSION OF AGREEMENT

17.01 General.

The submission of this Agreement does not constitute an offer, and this Agreement shall become effective only upon the execution thereof by Franchisor and Franchisee. THIS AGREEMENT SHALL NOT BE BINDING ON FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF FRANCHISOR. THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL AND UNLESS FRANCHISEE SHALL HAVE RECEIVED A FRANCHISE DISCLOSURE DOCUMENT IN SUCH FORM AND MANNER AS MAY BE REQUIRED UNDER OR PURSUANT TO APPLICABLE LAW.

Franchisee jointly and severally acknowledges that it has carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that it has had the opportunity to obtain the advice of counsel in connection with entering into this Agreement, that it understands the nature of this Agreement, and that it intends to comply herewith and be bound hereby. Except as set forth in the Franchise Disclosure Document, if any such representation was made, Franchisor expressly disclaims making, and Franchisee acknowledges that it has not received or relied on any warranty or guarantee, express or implied, as to the potential volume, profits, expenses, or success of the business venture contemplated by this Agreement.

IN WITNESS WHEREOF, Franchisor and Franchisee have caused this Agreement to be executed as of the day and year first above written.

FRANCHISOR:

IHOP FRANCHISOR LLC
a Delaware limited liability company

By: _____
Name: _____
Title: _____

I HEREBY ACKNOWLEDGE THAT AT LEAST 14 CALENDAR DAYS PRIOR TO THE DATE THAT I HAVE EXECUTED THIS AGREEMENT, OR HAVE PAID ANY CONSIDERATION THEREFOR, I RECEIVED, AND HAVE SINCE READ, FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT; I HEREBY ALSO ACKNOWLEDGE THAT I RECEIVED A COMPLETELY PREPARED COPY OF THIS AGREEMENT MORE THAN SEVEN CALENDAR DAYS PRIOR TO THE DATE I HAVE EXECUTED SAME.

FRANCHISEE:

NAME OF FRANCHISEE
a _____ [corporation/limited liability company/limited
partnership]

By: _____
Name: _____
Title: _____

RIDER FOR NOVATION PROGRAM

EXHIBIT C

RIDER FOR NOVATION PROGRAM

THIS RIDER FOR NOVATION PROGRAM ("Rider") is entered into on _____, 20____ by and among IHOP FRANCHISOR LLC and IHOP LEASING LLC (hereinafter sometimes collectively "IHOP"), and _____, ("Franchisee"), with reference to the following facts:

A. Franchisee currently operates an IHOP or International House of Pancakes Restaurant (hereinafter "Franchised Location") pursuant to a Franchise or License Agreement (hereinafter "Original Franchise Agreement") entered into between IHOP FRANCHISOR LLC and Franchisee or his or her predecessor(s) in interest, dated _____.

B. CHECK IF APPLICABLE: [☐] Franchisee is bound by a Settlement Agreement entered into on November 7, 1973 and an Amendment thereto (collectively referred to herein as "Settlement Agreement") pursuant to which the United States District Court for the Western District of Missouri, Western Division, approved the settlement of multi-district litigation in the form of a Class Action lawsuit entitled *In re: IHOP Franchise Litigation*, M.D.L. Docket No. 77 (hereinafter "Litigation") by an order dated November 29, 1973 (hereinafter "Judgment Order").

C. Franchisee may be a party to a Sublease (hereinafter "Sublease") with IHOP Leasing LLC for the Franchised Location and Franchised Restaurant.

D. IHOP Property LLC or Franchisee may be a party to a Master Lease (hereinafter "Master Lease") with a third party landlord for the Franchised Location.

E. Franchisee and Franchisor may be parties to an Equipment Lease Agreement or Equipment Purchase Agreement (collectively referred to herein as "Equipment Lease") pursuant to which Franchisee leases or has purchased major items of equipment from IHOP Franchise Company, LLC or its predecessor(s) in interest.

F. IHOP Franchisor LLC and Franchisee have executed concurrently herewith a "Franchise Agreement," pursuant to which IHOP Franchisor LLC grants to Franchisee a franchise to operate a Franchised Restaurant at the Franchised Location.

G. The parties hereto desire to release each other from certain obligations which may have arisen under their prior relationship, to clarify their obligations, to waive any rights arising under the Settlement Agreement and Judgment Order and to amend said Franchise Agreement in accordance with the terms and subject to the conditions hereinafter set forth.

WHEREFORE, IT IS AGREED:

1. IHOP and Franchisee, on behalf of themselves and their respective descendants, ancestors, dependents, heirs, executors, administrators, assigns, agents, servants, stockholders, members, partners, directors, officers, affiliates, employees, representatives, predecessors and successors, as applicable, hereby fully and forever release and discharge each other, and their respective descendants, ancestors, dependents, heirs, executors, administrators, assigns, agents, servants, stockholders, members, partners, directors, officers, affiliates, employees, representatives, predecessors and successors, as applicable, from any and all rights, obligations, actual and alleged claims, demands, losses, damages, causes of action, violations and actions whether known or unknown, asserted or unasserted, suspected or unsuspected, fixed or contingent, which each party and their abovementioned representatives now have against the other party and his or its

abovementioned representatives arising out of the Original Franchise Agreement, the Sublease, the Equipment Lease, the Settlement Agreement, and the Judgment Order, except as provided herein.

2. The parties hereby waive the benefits of Section 1542 of the California Civil Code which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH, IF KNOWN BY HIM, MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Notwithstanding Section 1542, and except as provided herein, this Rider releases all claims whether known or unknown, foreseen, unforeseen, patent or latent which each party has as of the date hereof against the other and this release shall act as a release of future claims that may arise from acts arising prior to the date hereof under the Original Franchise Agreement, and if applicable, the Settlement Agreement and the Judgment Order, whether such claims are currently known, unknown, foreseen or unforeseen; provided, however, that this release shall not operate to release Franchisee from the obligation to pay any sums due to IHOP since the effective date of the Original Franchise Agreement. The parties understand and acknowledge the significance and consequence of such specific waiver of Section 1542 and hereby assume full responsibility of such injuries, damages, losses, or liability, under the Original Franchise Agreement, and if applicable, the Settlement Agreement and the Judgment Order.

3. Notwithstanding any terms of the Original Franchise Agreement, the parties hereby terminate in its entirety by mutual consent, as of the date hereof, said Original Franchise Agreement, as amended by the Settlement Agreement and the Judgment Order, if applicable, and the same shall have no force and effect with respect to any of its terms, including but not limited to any obligation of IHOP Franchisor LLC, whether express or implied, to provide accounting and other ancillary services.

4. If Recital B has been checked above, in consideration of the execution of the Franchise Agreement, the parties hereto waive and relinquish their respective rights under the Settlement Agreement and Judgment Order, whether such rights accrued prior to or will accrue subsequent to the date hereof.

5. If Recital B has been checked above, Franchisee acknowledges (s)he has read the Settlement Agreement and is aware of its terms.

6. IHOP Franchisor LLC and Franchisee agree that the Franchise Agreement and this Rider shall govern their relationship as franchisor and franchisee hereafter.

7. This Rider shall be effective only upon Franchisee's execution of the Franchise Agreement.

8. For purposes of the Sublease, and notwithstanding the terms of the Master Lease, and if applicable, the Settlement Agreement and the Judgment Order, any equipment which is attached, bolted, built in, or otherwise affixed to the Franchised Restaurant which is the subject of the Equipment Lease shall be deemed to be a part of the realty, and shall not be deemed to be trade fixtures. Upon the termination of such Sublease or Master Lease, where applicable, such equipment shall be the sole property of IHOP Franchisor LLC and may not be removed by Franchisee from the Franchised Restaurant.

IHOP:
IHOP FRANCHISOR LLC
IHOP PROPERTY LLC
IHOP LEASING LLC

Dated: _____

By: _____

Its: _____

FRANCHISEE:

Dated: _____

By: _____

EQUIPMENT LEASE

EXHIBIT D

EQUIPMENT LEASE

THIS EQUIPMENT LEASE (“**Lease**”) is made and entered into by and between IHOP FRANCHISOR LLC, a Delaware limited liability company, hereinafter called “**Lessor**,” and _____, a _____ [corporation/limited liability company], hereinafter called “**Lessee**.”

WITNESSETH:

I DESCRIPTION OF PERSONAL PROPERTY

Lessor hereby leases to Lessee, and Lessee rents from Lessor the restaurant fixtures, equipment and expendables, in accordance with that certain inventory taken and agreed upon by the parties and more particularly described in **Exhibit(s) “A” and “B”** attached hereto and by this reference incorporated herein and made a part hereof as if set forth herein in its entirety (together with any replacements thereof or additions thereto, collectively, the “**Personal Property**”). During and after the term of this Lease, the Personal Property shall be and remain the sole property of Lessor.

II USE OF PERSONAL PROPERTY

The Personal Property shall be used only at the INTERNATIONAL HOUSE OF PANCAKES or IHOP restaurant (the “**Premises**” or the “**IHOP Restaurant**”) more particularly described in that certain franchise agreement (the “**Franchise Agreement**”) executed concurrently herewith by Lessee and Lessor (as “**Franchisor**”) and that certain sublease or lease (the “**Sublease**”) executed concurrently herewith by Lessee and IHOP Property LLC, a Delaware limited liability company, or IHOP Leasing LLC, a Delaware limited liability company, (“**Sublessor**”) and shall be used in conformity with the provisions of the Franchise Agreement and the Sublease.

III TERM

The term of this Lease shall commence on the date hereof and continue for a term coincident with that of the Sublease executed concurrently herewith.

IV RENT

Lessee shall pay to Lessor or Lessor’s designee as rent for the use of the Personal Property during the term hereof the sum of \$_____, payable on Monday of each week following the week in which the Lessee shall take possession of the IHOP Restaurant. Lessee shall pay as additional rent any and all personal property taxes, sales and/or use taxes assessed against the Personal Property through the term hereof.

V REPAIRS AND MAINTENANCE

Lessee shall, at its sole cost and expense, keep the Personal Property in good condition and appearance and shall make all repairs and refurbishment necessary for its preservation and maintenance. Lessee shall replace the Personal Property as needed, and the quantities thereof shall be maintained at levels equal to or greater than at the outset of this Lease, all as more particularly provided in the Franchise Agreement.

If at any time during the term hereof it shall be required by any governmental agency as a condition to doing business on the Premises that certain equipment be furnished or replaced according to plans and specifications prescribed by such agency, Lessee shall bear the cost of furnishing or replacing such equipment for his or her sole account and without reimbursement from Lessor.

Lessee shall be responsible for any damage to the Personal Property while in his or her possession and shall pay to Lessor or Lessor's designee the value of so much of it, or any part thereof, as may be damaged or destroyed. Upon the expiration of the term of this Lease or its termination pursuant to Article III hereof, Lessee shall promptly return the Personal Property to Lessor in as good condition as when received, reasonable wear and tear excepted, and in the quantities shown on **Exhibit(s) "A" and "B."**

Should Lessee at any time during the term hereof fail to so maintain or repair the Personal Property as required by Lessor or should Lessee fail to pay any personal property tax, sales tax or use tax when due, Lessor may defray such expense from Lessee's account and Lessee shall reimburse Lessor therefor within ten days after being notified in writing of the nature and amount of such expenditure.

Lessor, and its affiliates or agents, may at any time enter the Premises to inspect the Personal Property and the manner in which it is being used, maintained and repaired.

VI INSURANCE

Subject to any other requirement set forth in the Franchise Agreement or Sublease, Lessee will, at Lessee's sole cost and expense, cause to be obtained, and Lessee shall keep in force during the term of this Lease, "All Risk" property insurance and burglary insurance in such amounts equal to the full replacement value of the Personal Property, with loss payable to Lessor.

Notwithstanding the damage or destruction of the Lessee's Premises and/or the Personal Property, rent and taxes payable hereunder shall not abate, although the Premises are closed for restoration and/or the Personal Property is inoperative. In order to assure the payment of the equipment rent and taxes hereunder, Lessee hereby covenants and agrees to obtain business interruption insurance coverage, naming Lessor as a co-insured, that shall include an increment sufficient to cover the rent and taxes payable hereunder for at least 39 weeks, Lessee hereby further covenanting and agreeing to assign to Lessor the proceeds of any proof of loss under such business interruption policy to the extent of the rent and taxes payable hereunder for the period of the loss, together with any and all arrearages hereunder at any time.

VII ASSIGNMENT

The Lessee shall not assign, pledge, loan, mortgage, sublet or part with possession of the Personal Property or attempt in any other manner to dispose thereof, or remove the Personal Property from its location, or suffer any liens or legal process to be incurred or levied thereon or permit any other persons (the

agents and employees of Lessee excepted) to use the Personal Property without first having obtained the written consent of Lessor.

VIII REMEDIES OF LESSOR ON DEFAULT

Upon default in the payment of any installment of rent, upon a breach of any other condition of this Lease to be performed or observed by the Lessee, or if during the term of this Lease bankruptcy or insolvency proceedings are commenced by or against the Lessee, or if a receiver is appointed for the business of the Lessee, or if the Lessee discontinues business at his or her present address, the Lessor shall have the right, in addition to all other remedies at law or in equity, without notice or demand, to terminate this Lease and to enter upon the premises and remove the Personal Property therefrom. Such termination shall neither release the Lessee from the payment of damages sustained by the Lessor, nor from the payment of any obligations theretofore accrued.

IX WARRANTIES

Lessee acknowledges that Lessor is not the fabricator nor manufacturer of any of the Personal Property and Lessor makes no warranties of any kind or nature whatsoever with respect to the Personal Property. Lessor does hereby convey and assign to Lessee for the term of this Lease all of the warranties of fitness and merchantability, if any, and every other warranty of every kind or nature whatsoever, if any, which Lessor has received from the fabricators or manufacturers of the Personal Property. In the event that any of the Personal Property is defective, Lessor agrees to cooperate fully with Lessee to obtain such redress and recovery against the manufacturers or fabricators of such defective Personal Property as may be allowable pursuant to applicable law. Lessor shall have no further obligations in connection with such defects.

X NOTICES

Any notice required or permitted to be given hereunder shall be in writing and shall be served upon the other party personally, or by registered or certified mail, with return receipt requested, postage prepaid. Any notice to Lessor shall be in duplicate. One copy shall be addressed to it IHOP Franchisor LLC at 450 N. Brand Boulevard, 7th Floor, Glendale, California 91203-2306, Attention: Legal Department, and the other copy shall be addressed to it at the regional office for the Lessor closest to the Premises. Any notice to Lessee may be addressed to him/her at the address of the Premises. Either party may designate another address at any time by appropriate written notice to the other.

XI MASTER EQUIPMENT AGREEMENT

(Check One)

() This Lease is and shall be subordinate to the interest of _____ pursuant to a _____ and related documents between _____ and IHOP Franchisor LLC or its predecessor in interest (hereinafter collectively referred to as the “**Equipment Documents**”), copies of which are collectively attached hereto as **Exhibit “C”** and incorporated herein by this reference. In the event Lessor defaults under the Equipment Documents, Lessee herein shall be granted the right to cure the defaults of Lessor and to assume the payments of Lessor thereunder, which may include the obligation of Lessee to make payments to _____ of approximately \$_____ per month plus applicable sales tax.

() The parties hereto acknowledge that Lessor may enter into a financing arrangement, including a lease, with a third party lender to acquire the Personal Property. In that event, Lessee agrees that this Lease shall be subject and subordinate to an equipment agreement between Lessee and its third party lender or Lessor, and Lessee agrees upon request to execute documents, including but not limited to an amendment to this Equipment Lease and an assignment of lease rentals, as may be required by the terms of Lessor's financing arrangements.

Depending upon the terms of the financing arrangements, Lessee could be subject to loss of the Personal Property or this Lease in the event of a default by Lessor, or Lessee could be required to cure any default by Lessor to maintain Lessee's possession of the Personal Property at the Premises. Should Lessee be permitted to assume Lessor's obligations following a default by Lessor, the payments which Lessee would be required to make to the party which financed the Personal Property may be higher than the payments required under this Lease; additionally, a balloon payment may be required at the end of the financing period, which is typically 5 to 7 years. Any such payments by Lessee would be in lieu of the payments required under this Lease and, while such payment could be higher and could require a balloon payment, they would be made only over a period of, typically, 5 to 7 years, not over the duration of the franchise as is the case for this Lease between Lessor and Lessee.

XII ATTORNEY FEES

If any action or proceeding, whether judicial or non-judicial, is commenced with respect to any claim or controversy arising from a breach of this Equipment Lease or seeking the interpretation or enforcement of this Equipment Lease, in addition to any other relief, the prevailing party or parties in such action or proceeding shall receive and be entitled to recover all costs and expenses, including reasonable attorney's fees and costs, incurred by it on account of, or related to such action or proceeding, including any appeal therefrom.

XIII INTEREST ON LATE PAYMENTS

In addition to other remedies available to Lessor, in the event that Lessee shall fail or refuse to make any of the payments due under this Equipment Lease, Lessee shall pay interest at the highest rate permitted by law, or 1.5% per month, whichever is less, of such late obligations to defray the cost of maintaining lessee's account in arrears, it being expressly understood that payment of this charge shall not forgive or excuse any arrearage.

XIV DELEGATION BY LESSOR

Lessor shall have the right to delegate to one or more of its Affiliates some or all of Lessor's duties to Lessee under this Agreement; provided, however, Lessor shall remain fully responsible to Lessee for the full and faithful performance of all of its obligations to Lessee hereunder.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Equipment Lease this ____ day of _____, 20__.

Lessor:
IHOP FRANCHISOR LLC

By: _____
Its: _____

Lessee:

By: _____
(Name of Franchisee)

IHOP #_____

EXHIBIT “A” TO EQUIPMENT LEASE

LIST OF EQUIPMENT

IHOP #_____

EXHIBIT “B” TO EQUIPMENT LEASE

LIST OF EQUIPMENT

IHOP # _____

EXHIBIT “C” TO EQUIPMENT LEASE
EQUIPMENT DOCUMENTS

EQUIPMENT PURCHASE AGREEMENT

EXHIBIT E

EQUIPMENT PURCHASE AGREEMENT

THIS EQUIPMENT PURCHASE AGREEMENT ("Agreement") is made and entered into as of the _____ day of _____, 20____, by and between IHOP FRANCHISOR LLC, a Delaware limited liability company ("Seller") and _____ ("Purchaser").

WITNESSETH:

☐ WHEREAS, Purchaser (or Purchaser's predecessor-in-interest) has heretofore entered into (i) that certain Franchise Agreement (the "Franchise Agreement") with Seller (as "Franchisor"), pursuant to which Franchisor has granted to Purchaser the right to operate an "International House of Pancakes" or "IHOP" restaurant at _____ (the "Premises"), (ii) that certain Sublease or lease (the "Sublease") with IHOP Property LLC, a Delaware limited liability company (or its predecessor-in-interest), or IHOP Leasing, LLC, a Delaware limited liability company (or its predecessor-in-interest), and (iii) that certain Equipment Lease (the "Equipment Lease") with Seller (or its predecessor-in-interest). The Franchise Agreement, the Sublease and the Equipment Lease are collectively referred to herein as the "Franchise Documents", and

WHEREAS, in connection with the operation of said restaurant, Purchaser and Seller have mutually agreed to cancel said Equipment Lease and Purchaser has agreed to purchase from Seller, subject to the terms and conditions hereinafter set forth, certain equipment, fixtures and expendables (hereinafter referred to as "equipment") used in connection with the operation of said restaurant.

☐ WHEREAS, Purchaser and Seller (as "Franchisor") have concurrently herewith entered into that certain Franchise Agreement (the "Franchise Agreement"), pursuant to which Franchisor has granted to Purchaser the right to operate an "International House of Pancakes" or "IHOP" restaurant at _____ ("the Premises"), and

WHEREAS, in connection with operation of said restaurant, Purchaser has elected to purchase from Seller, subject to the terms and conditions hereinafter set forth, certain equipment, fixtures and expendables (hereinafter referred to as "equipment") to be used in connection with operation of said restaurant.

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

1. Seller hereby sells to Purchaser and Purchaser hereby purchases from Seller those items of equipment more fully described in Exhibits "A" and "B" hereto attached and which are hereby incorporated herein.
2. Purchaser agrees to pay to Seller, and Seller hereby agrees to accept from Purchaser as the sole purchase price for the items of equipment described in Exhibits "A" and "B" following, the sum of \$_____ plus applicable sales tax of \$_____, to be payable upon execution hereof by Purchaser.
3. Seller makes no warranties of any kind or nature whatsoever with respect to the equipment and particularly does not make any warranties of merchantability or fitness for a particular purpose. Purchaser acknowledges that he is taking said equipment "as is," "where is," and subject to all defects, known or unknown.
4. In order to preserve and protect Franchisor's interest in the names "International House of Pancakes" and "IHOP" and Franchisor's trademark and tradename rights therein for the benefit of Franchisor, Seller and the franchisees of Franchisor in the event of termination, cancellation or expiration of the franchise, Seller shall have the right but not the obligation, as an option at Seller's sole discretion, to repurchase the sign face located at the Premises and, as consideration therefor, shall pay to Purchaser an amount equal to the cost of said sign face as depreciated over a period of _____.

5. Notwithstanding the passage of title to the equipment, Seller and Purchaser, recognizing the interests of Seller and its affiliates in maintaining an operating International House of Pancakes restaurant at the Premises, agree to the following provisions which shall remain in effect for so long as Purchaser has any unpaid obligations under the Agreement or for the term of the Franchise Agreement, including any renewals, whichever is longer:

A. The Purchaser shall not remove any part or portion of the equipment or any replacements thereof from the Premises, and in no event shall he remove the equipment at any time or in any manner contrary to the provisions of the Master Lease (as defined in the Sublease) for the Premises; nor shall he or she sell, lien, mortgage or otherwise encumber or dispose of any part thereof during his or her occupancy and operation of the Premises unless a suitable and adequate substitution or replacement therefor is provided by him or her.

B. Seller shall have the right and option, but not the obligation, to repurchase the equipment upon the termination of the Franchise Agreement for any reason or upon any assignment or transfer by Purchaser of his or her rights under the Agreement, the Franchise Agreement or the Sublease for a sum equal to the balance of the purchase price then outstanding for the equipment in place.

C. In addition to the foregoing and not as a limitation thereon, if the Purchaser shall desire to either lease the equipment or sell, assign or transfer in any way his or her interests in it, then in such event the Seller shall have the first right to accept said lease, sale, assignment or transfer on the same terms and conditions as shall be contained in any written *bona fide* offer which the Purchaser shall be ready and willing to accept. The Purchaser shall give the Seller notice of the terms and conditions contained in any such offer as well as a copy of all documents or proposed documents related to such transaction and the Seller shall have 60 days from and after receipt of such notice, information and documents from the Purchaser within which to elect to accept such lease, sale, assignment or transfer of the equipment on the same terms and conditions as contained in such written proposal. If the Seller shall elect not to accept such proposal or shall fail to give the Purchaser notice within the aforesaid 60 day period provided for herein, then the Purchaser may effect such transaction, but only upon the terms and conditions specified in the notice Purchaser submitted to the Seller. If the Purchaser shall not consummate such transaction, then in such event the Seller's right hereunder shall continue with respect to any subsequent proposals.

D. Purchaser shall pay any and all property taxes, sales and/or use taxes assessed against the equipment or arising as a result of the Agreement.

E. Purchaser shall, at its sole cost and expense, keep the equipment in good condition and appearance and shall make all repairs, refurbishment and replacements necessary for its preservation and maintenance. Purchaser shall replace the equipment as needed, and the quantities thereof shall be maintained at levels equal to or greater than at the outset of the Agreement, all as more particularly provided in the Franchise Agreement, and all provisions of the Agreement shall apply to each of such replacement items.

Should Purchaser fail to so maintain, repair or replace the equipment or fail to pay any property, sales, use or other tax when due, Seller may defray such expense for Purchaser's account and Purchaser shall reimburse Seller therefore within ten days after being notified in writing of the nature and amount of such expenditure.

Seller, and its affiliates or agents, may at any time enter the Premises to inspect the equipment and the manner in which it is being used, maintained, repaired and replaced.

F. Purchaser shall keep in force fire and extended coverage insurance and burglary insurance in amounts equal to the full replacement value of the equipment, with loss payable to Seller, and Seller shall apply such payments to Purchaser's obligations to Seller, whether hereunder or otherwise.

Notwithstanding the damage or destruction of the Premises and/or the equipment, payments hereunder shall not abate, although the Premises are closed for restoration and/or the equipment is inoperative. In order to assure payment hereunder, Purchaser hereby covenants and agrees to obtain business interruption insurance coverage naming Seller as a co-insured that shall include an amount sufficient to cover the amounts of payments and taxes payable hereunder for at least 16 weeks. Purchaser hereby further covenants and

agrees to assign to Seller the proceeds of any proof of loss under such business interruption policy to the extent of the purchase price payments and taxes payable under the Agreement.

Purchaser assumes all risks of damage to or loss of the equipment, whether insured against or not.

6. In the event of any transfer of Purchaser's interest in the equipment (whether by sale, assignment, lease or otherwise), the transferee shall expressly assume all obligations of the Purchaser hereunder, who shall not be released therefrom.

7. It is further understood and agreed that the Agreement contains the complete agreement between the parties hereto, that no representations or warranties, express or implied, have been made by or on behalf of Seller except those which are set forth in the Agreement; that Purchaser has made an independent investigation of the equipment and has relied solely on his own investigation with reference thereto in entering into the Agreement, and has placed no reliance nor acted upon any representations or warranties upon the part of Seller or Seller's agent not specifically set forth therein. The Agreement shall inure to the benefit of and be binding on the heirs, executors, administrators, successors and assigns of the respective parties hereto, provided that the equipment shall remain subject to all provisions thereof.

8. Any notice required or permitted to be given hereunder shall be in writing and shall be served upon the other party personally, or by registered or certified mail, with return receipt requested, postage prepaid. Any notice to Seller shall be in duplicate. One copy shall be addressed to it at 450 North Brand Boulevard, 7th Floor, Glendale, California 91203-4415, Attention: Legal Department, and the other copy shall be addressed to it at the appropriate regional office of the Seller. Any notice to Purchaser may be addressed to him or her at the address of the Premises. Either party may designate another address at any time by appropriate written notice to the other.

9. In the event of any dispute between Seller and Purchaser regarding the Agreement or the business transaction evidenced hereby, the prevailing party shall receive full compensation for all attorneys' fees incurred in connection therewith, including any appellate proceedings.

10. Seller shall have the right to delegate to one or more of its Affiliates some or all of Seller's duties to Purchaser under this Agreement; provided, however, Seller shall remain fully responsible to Purchaser for the full and faithful performance of all of its obligations to Purchaser hereunder.

The effective date of this Equipment Purchase Agreement is _____.

IN WITNESS WHEREOF, the parties hereto have executed this Equipment Purchase Agreement as of the day and year first above written.

SELLER:
IHOP FRANCHISOR LLC
a Delaware limited liability company

By: _____

Its: _____

PURCHASER:

By: _____

Exhibit "A"

IHOP # _____

Quantity	Description
Front of the House	
	Booth Work
	Cantilever Brackets
	Carpet
	Cash Drawer - Cashier Stand
	Cashier Stand w/Storage Cabinet & Drawers
	Central Vacuum System
	Check Printer w/Power Supply
	Corporate Safe
	CPU Make: _____ Model: _____ Serial #: _____
	Decor Divider Walls
	Decorative Ceiling Fans/Chandelier's/Pendants
	Decorative Light Fixtures
	Dining Room Chair
	Dining Settee
	Exterior Bench
	Flower Pots
	Hostess Stand
	Interior Graphics Package
	Lights - Flushmount
	Lights - Wall Sconce
	Make Up Air System
	Music - Customer Paging System
	Office Shelves and Standards Millwork
	Patio Chairs
	Patio Heaters
	Patio Tables

Franchisee Signature: _____

Date: _____

IHOP Representative Signature: _____

Date: _____

Exhibit "A"

IHOP # _____

Quantity	Description
Front of the House continued	
	Patio Umbrellas
	Pin Legs
	Podium
	Portable Fire Extinguisher
	POS Stand w/Storage Cabinet - Order Terminals
	POS System (Make, Model, Serial Number)
	Remote Waitress Station
	Report Printer
	Trash Can
	Wait Area Seating
	Welcome Sign
	Small Wait Station
	Snap Lock Frames
	Table Bases
	Table Top - Booth & Settee
	Table Top - Free Standing
	Waiting Settee
	Window Shades/IHOP logo

Office

	Chair - Office
	CPU Server - Office
	Desk Top - Office
	File Cabinet - Office, 2 Drawer
	Keyboard - Office
	Modem - Office
	Monitor - Office
	Report Printer - Office
	Safe - Drop Safe
	Uninterruptible Power Supply
	Wall Shelf - Office

Franchisee Signature: _____

Date: _____

IHOP Representative Signature: _____

Date: _____

Exhibit "A"

IHOP # _____

Quantity	Description
Service Station	
	Automatic Coffee Brewer Pots
	Automatic Coffee Brewers
	Beverage Counter
	Beverage Counter Wall Shelf
	Bin for Butter/Garnish
	Cabinet Storage Unit - Wait Station SS
	Carbonators
	Deck Mount Faucet
	Dipperwell w/Faucet - Butter
	Dipperwell w/Faucet - Ice Cream
	Drink Dispenser w/Ice Bin
	Drip Troughs
	Espresso Machine
	Hot Chocolate Dispenser
	Ice Pan for Butter
	Iced Tea Brewer
	Plate and Bowl Dispensers
	Refrigerator under counter
	Type 1 Trash Receptacle
	Water Dispenser
	Faucets
	Glass Filler
	Ice Cream Cabinet
	Large Wait Station
	Lowerator - Soup Bowls
	Lowerator - Underliners

Franchisee Signature: _____

Date: _____

IHOP Representative Signature: _____

Date: _____

Exhibit "A"

IHOP # _____

Quantity	Description

Service Station continued

	Main Pick-up Counter - Pass Bar
	Malt Mixer
	Microwave Oven - 800 Watt
	Microwave Shelf
	Milk Dispenser w/2 Milk Shake Machines Attached
	Rack Slides - Pass Bar Area
	Refrigerator Base Unit W/Salad Top
	Roll Warmer - 2 Drawer
	Soap and Towel Dispenser
	Soup Well
	Syrup Warmer
	Utility/Hand Sink w/Splash
	Wall Shelf - Beverage Counter
	Wall Shelf - Salad Refrigerator

Rest Rooms

	Baby Changing Station

Front Cook Line

	Automatic Fire Suppression System
	Closure Panels - Fryer/Oven Hood
	Closure Panels - Main Hood
	Compote Holder - 4 Hole
	Convection Oven w/Burnners or Griddle Top
	Electric Hot Plate
	End Closure Panel - Main Hood
	Exhaust Hood - Fryer/Oven
	Exhaust Hood - Main Cooking

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "A"

IHOP # _____

Quantity	Description

Front Cook Line continued

	Floor Mats - Main Galley
	Food Warmer/Steamtable w/Drain & Stand
	Galley Printer
	Gas quick disconnect swivel devices
	Griddle Pancake - 6' "Wet" w/Stand & Plate Shelf
	Griddle Pancake - 4' w/Stand & Plate Shelf
	Grill Stand
	Grill Stand w/Work Shelf
	Hand Sink - Galley
	Heat Lamp w/Remote Heat & Light Controls
	Insulated Printer Shelves
	Oil Cups w/Holder
	Open Burner Step - Up Unit w/Sausage Warmer
	Pass Bar Shelf
	Pass Shelf & Ticket Rail
	POS Printer - Galley
	POS Printer Shelf - Galley
	Server Pager System
	Six Open Burner Step Up Unit w/12" Side Landings & Stand
	Stainless Wall Flashing - Main Cooking Wall
	Step Up Range
	Step Up Range Stand
	Trash Receptacles - Egg Station

Back Cook Line

	Fryer - Split Pots (4)
	Fry Timer
	Fryer Filtering Device
	Fryer Quick Disconnect

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "A"

IHOP # _____

Quantity	Description

Back Cook Line continued

	Microwave - 1200 Watt
	Mobile Warmer Stands
	Preparation Table
	Refrigerated Work Top Unit - Sandwich Station
	Refrigerator - Reach-in, Single
	Refrigerator/Freezer Dual Temp - Reach-in
	Stainless Steel Wall Flashing- Main Cooking Wall
	Stainless Wall Flashing - Main Cooking Wall
	Toaster - 4 Slice
	Undercounter Freezer w/Stainless Top & Dump Station W/Heat Lamp
	Waffle Baker - Single
	Wall Shelf - Microwave/Toaster
	Wall Shelf - Waffle Baker
	Wall Stand Off Panel

Back of the House

	Air Curtain
	Bag in Box Syrup Rack
	Can Opener
	Corner Guards
	End Wall Caps
	Employee Chairs
	Employee Counter
	Employee Lockers
	Floor Dunnage Rack
	Flour Dunnage Rack
	Food Storage Boxes
	Freezer Curtain Panels
	Hand Sink Faucets
	Hand Sink Galley

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "A"

IHOP # _____

Quantity	Description
Back of the House continued	
	Hand Sink Side Splashes
	Hand Sink Splash Mounted Faucets
	Hood Trim
	Ice Bin
	Ice Machine Condenser
	Ice Machine Make: _____ Model: _____ Serial #: _____
	Mat Rack
	Mop Sink Wall Panels
	Prep Shelf
	Remote Walk In Cooler Compressor
	Remote Walk In Freezer Compressor
	Splash Mount Faucet
	Walk in Cooler Dunnage Rack
	Walk In Freezer Dunnage Rack
	Water filter for ice machine
	Mixer - 60 Qt.
	Mixer Accessories - Beater/Whip/Bowl/Chute
	Preparation Shelf
	Remote Refrigeration System - Roof Top
	Slicer
	Storage Shelving - Area One
	Storage Shelving - Area Two
	Walk-In Freezer Coil
	Walk-In Freezer
	Walk-in Freezer Shelving
	Walk-in Refrigerator
	Walk-in Refrigerator Coil
	Walk-in Refrigerator Shelving

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "A"

IHOP # _____

Quantity	Description

Back of the House continued

	Wall Shelf - Prep Table
	Worktable w/Prep Sink

Dish Washing Area

	Bussing Station
	Clean Dish Shelf
	Clean Dishtable
	Condensate Hood
	Deep Sink - 3 Compartment
	Dish Racks
	Dishwasher
	Dishwasher Garbage Disposal
	Floor Mats - Dish Area
	Glass Rack Storage - Dish Area
	Glass Storage Racks
	Hand Sink w/Splash Guard
	Pot Rack - Two Tiered
	Pot Shelf
	Pot Sink Splash Mounted Faucets
	Pre-Rinse Spray - Dish Machine Area
	Quick Drain
	Scrap Sink - Dish Machine Area
	Soiled Dish Table with Pre-Rinse Bracket
	Trash Can - Dish Room
	Shelving in Dish Area
	Slant Rack
	Soap & Towel Dispenser
	Soiled Dishtable w/Shelf for Glass Racks
	Wall Shelf - Clean Dishtable
	Wall Shelf - Pot Sink or S-Hook Rack

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "A"

IHOP # _____

Quantity	Description

Exterior

	Building Sign
	Free Standing Sign

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "B" - Smallwares

IHOP # _____

Quantity	Description

China

	Coffee Mug
	Fruit Dish - (Monkey Dish)
	Platter, Oval - 11 1/4"
	Salad Bowl
	Service Plate - 10"
	Soup Bowl
	Underliner - 7 1/4"

Glassware

	1/2 Liter - Carafe
	Beverage - 16 oz.
	Full Liter - Carafe
	Goblet - 10 oz.
	Water - 10 oz.

Flatware

	Dinner Fork
	Dinner Knife - Serrated
	Knife - Steak
	Spoon - Bouillon
	Spoon - Ice Tea
	Spoon - Tea

Tableware

	Coffee Carafe - 1 Liter
	Coffee Carafe - 20 oz.

Franchisee Signature: _____

Date: _____

IHOP Representative Signature: _____

Date: _____

Exhibit "B" - Smallwares

IHOP # _____

Quantity	Description

Tableware continued

	Hot Syrup Pitcher w/Lid
	Lid, Honey
	Lid, Syrup, Flavored
	Shaker - Salt/Pepper
	Sugar Caddy
	Syrup Holder - 4 Hole
	Syrup Pitcher, Flavored
	Teapot

Plastic Containers

	2 Qt. Round Clear Container
	4 Qt. Clear Round Container
	Batter Bucket w/Lid
	Bin, Cutlery, 4 Comp.
	Carbx Container 12x6x6 w/Lid (1/3 Pan)
	Carbx Container 12x10x6 w/Lid (1/2 Pan)
	Carbx Container 12x20x6 w/Lid (Full Pan)
	Carbx Insert - 1/6 Size 6" Deep
	Carbx Insert - 1/9 Size 6" Deep
	Carbx Lid - 1/6 Size 4" deep
	Carbx Lid for 2 & 4 Qt., Round
	Cylinder, Silverware
	Funnel 16 oz. Plastic
	Ingredient Bin
	Pitchers - Side Batter w/Lid
	Squeeze Bottles 12 oz. clear
	Water Pitcher

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "B" - Smallwares

IHOP # _____

Quantity	Description

Stainless Pans/Inserts

	China Cap - Coarse SS 12"
	Ice Pail 12½ SS QT.
	Insert 2½ QT. SS 5" Round w/lid for compotes
	Insert 7¼ QT. SS 8½" Round
	Insert 11QT. SS 10" Round
	Insert SS Full Pan
	Insert SS ½ Pan
	Insert SS 1/3 Pan
	Insert SS 1/6 Pan
	Insert SS 1/9 Pan
	Insert ½ Pan SS Perforated
	Insert ½ Pan SS Lid
	Lid for 7¼" SS insert slotted/hinged
	Lid for 11" SS insert slotted/hinged
	Mixing Bowl SS
	Wire Rack SS for ½ Pan

Utensils

	#20 Disher
	#30 Disher
	#70 Disher
	Bell Basting Cover 10¼" S/S
	Bowl, Mixing, S/S, 8 Qt
	Bowl Scraper, 9½" (spatula)
	Bowl Scraper, Large 13½" (spatula)
	Church Keys
	Coolander, 11 Qt, Alum, Heavy Duty
	Container, 4 Qt, Clear, Round
	Container, 4 Qt, Clear, Sq, Cambro

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "B" - Smallwares

IHOP # _____

Quantity	Description
Utensils continued	
	Container, 22 Qt, Poly, Nat White
	Container, Sq, 12 Qt, White
	Cook's Spoon - Slotted 13"
	Cook's Spoon - Solid 13"
	Cup, Sanitizing, S/Spindle Mixer
	Cutter, Dough, 6"x3", Sani-Safe
	Decanter, Servin Saver, 1 Gal
	Egg Slicer
	Griddle Pad
	Griddle Screens
	Grill Blade, F/Scraper
	Grill Scraper
	Holder, Griddle Screen/Pad
	Ice Cream Spade
	Ice Scoop - Large 64 oz.
	Knife, Pie, 4 ½", R/H
	Knife, Utility, 8", Scalloped, San
	Lid, Blue, F/ 12-18-22 Qt Container
	Lid, Cambro, White, Rfsc 12-148
	Lid, F/2 & 4 Qt, Clear, Round
	Lid, F/4 Qt, Clear, Sq, Red, Cambro
	Malt Cup, 30 oz.
	Measure, 4 Qt, Clear, Rm
	Measure, Clear, 1 Cup, R/M
	Measuring Spoons
	Opener, Bottle, Can Tapper
	Pourer, Regular, Poly, Black
	Scoop, Ice, 12oz., Cast Aluminum
	Skimmer, Mesh, Fine, 6 ¾" Square
	Spoodle
	Spreader, Sandwich, 3 ½"

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "B" - Smallwares

IHOP # _____

Quantity	Description

Utensils continued

	Tong, Utility, 7"
	Turner, Long Handle, R.H.
	Turner Spatula, Hamburger, 5"x3"
	Ice Scoop - Small 9"
	Knife, Bread 10"
	Knife, Chef's 10"
	Knife, Paring
	Ladle - ½ oz.
	Ladle - 1 oz.
	Ladle - 1½ oz.
	Ladle - 2 oz.
	Ladle - 3 oz.
	Ladle - 4 oz.
	Ladle - 6 oz.
	Ladle - 8 oz
	Sandwich Spreader 3½"
	Strainer, Spaghetti, 8½" S/S
	Spatula, Burger 3x5 Heavy
	Spatula, Omelette 3x8 Rounded (turner)
	Spatula, Pancake 3x6 Straight (turner)
	Tongs - 12"
	Wire Whip - 10"
	Wire Whip - 14"
	Wire Whip - 24"

Pots/Pans

	Bain Marie, 14 QT, F/IHOP
	Cover, Basting, 10 ¼", S/S
	Fry Pan 8" Egg

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "B" - Smallwares

IHOP # _____

Quantity	Description

Pots/Pans continued

	Fry Pan 10"
	Lid, 1/3 Size, Solid, Sp3
	Lid, 1/6 Size, Solid, Sp3
	Lid, 1/9 Size, Clear
	Lid, Alum, 7-7/8", W/Torogrd Handle
	Lid for 8" Fry Pan
	Lid w/Handle, 1/2 Size, Clear
	Pan, Cambro, 1/9x4, Clear
	Pan, Cambro, 1/3, Clr
	Pan, Cambro, 1/6, Clr
	Pan, Sauce, 4 1/2 Qt, S/S, Gator
	Pan, Sauce, 8 1/2 Qt, Alum, Heavy Wt
	Pot, Sauce, 20 QT, Alum, Heavy Wt
	Pot w/2 Handles - 20 Qt.
	Sauce Pan w/Handle - 1 1/2 Qt.
	Sauce Pan w/Handle - 4 1/2 Qt.
	Sauce Pan w/Handle - 8 1/2 Qt.
	Sheet Pan - 13x18x1/2
	Sheet Pan - 18x26x1/2

Miscellaneous

	1 Gal Measure - Carbx w/Handle
	#8r8 Organizer, Cambro, 8/Comp
	Adapter Bar S/S 12" X 3/4"
	Bandage, Strip, Blue Metalic, 1x3
	Belt, Back, Elastic
	Booster Seat - Royal Blue - Double Sided
	Box, Key, 40 Key Cap, Beige, 12" H X
	Broom, Angle, Unflagged
	Brush, 20", Utility Scrub, Brn

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "B" - Smallwares

IHOP # _____

Quantity	Description
Miscellaneous continued	
	Brush, Atlas, 30" Rd, Wht, Overall
	Brush, Deck 10", Coarse
	Brush, Hand & Nail Kit, Includes
	Bus Box
	Can Opener - Heavy Duty
	Carpet Sweeper - Hoky
	Coaster Holder
	Collander - 11QT. Aluminum 15"
	Comment Card Box
	Container, 15 Gal, Gray, Slim Jim
	Container, 21 Gal, Beige, R/M
	Cool Handle - 4½"
	Cool Handle - 6½"
	Cruet Caddie
	Cruets
	Cutting Board - (Rubber) 18x24x½"
	Dish Rack - ½ Liter
	Dish Rack - 1 Liter
	Dish Rack - 10 oz. Glass
	Dish Rack - 20 oz. Glass
	Dish Rack - All Purpose regular
	Dish Rack - Coffee Mugs
	Dish Rack - Extender
	Dish Rack - Silverware, Flat
	Dispenser, Cup, Pull-Type, S/S Large
	Dispenser, Cup, Pull-Type, S/S Medium
	Display Case - Retail (Built-in Since January '97)
	Dolly, Univ Drum, Black, R/M
	Drip Cut Bottom
	Drip Cut Tops
	First Aid Kit

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "B" - Smallwares

IHOP # _____

Quantity	Description
Miscellaneous continued	
	Fryer Skimmer
	Garbage Container - 23 Gallon
	Garbage Container - 44 Gallon
	Glove, Handguard
	Grate, Mesh
	Grid, Hold Down, ½ Size
	Handle, Fiberglass, F/Deck Brush
	High Chair - White Wash
	Holder for TT Freestanding
	Holder, Knife, Magnabar, 12"
	Key Lock box
	Knife Rack
	Ladder, Step, 6", Alum, 250#
	Lemon Wedger
	Lid for 44 Gallon Garbage Container
	Lid Off (Opener, Pail)
	Malt Can - 32 oz.
	Mixer Chute
	Mesh Glove
	Oven Mitt - Pair
	Pail, Cleaning, 6 Qt, Green
	Pail, Sanitizing, 6 Qt, Red
	Pan Clip F/Probe Thermometer, S/S
	Pan, False Bottom, 1/3, Plastic Sp3
	Pancake Dispenser - Type K. Belshaw
	Pastry Bag 18" Plastic
	Pastry Brush - 2", White
	Peeler, Tempered
	Pie Marker
	Power Strip - Surge Protector

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "B" - Smallwares

IHOP # _____

Quantity	Description
Miscellaneous continued	
	Rack, Bun Pan, Alum, 20 Pan Cap.
	Sanitary Napkin Disposal Container
	Sausage Rack for Insert
	Scale - Ounce
	Scale - Pound, 25 lb.
	Shaker/Dredge
	Sharpener, Knife, Electric, 115 V
	Shelf Plastic Label Holders
	Shovel, Snow, Alum., 14x18, 39" Handle
	Sign - Fryer "HOT"
	Sign - Slicer Warning
	Sign - "Wait to be Seated"
	Silverware Box
	Silverware Trap
	Slicer, Tomato, Easy, 1/4"
	Squeegee, 22", Unger
	Squeegee, Floor, 18", Rubber
	Squeegee, Window, 12", Single, Blk
	Stepstool, Black, R/M
	Strainer - 3 Qt.
	Thermocouple
	Thermocouple Clipboard
	Thermometer, 0/220, Dial, 6072-1
	Thermometer - Deep Fry
	Thermometer, Digital, -58 Degree
	Thermometer - Freezer
	Thermometer - Pocket
	Thermometer, Pocket, 0/220
	Thermometer - Refrigerator
	Toilet Seat Covers

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "B" - Smallwares

IHOP # _____

Quantity	Description

Miscellaneous continued

	Tomato Corer
	Tool Box w/Basic Tools
	Tray - Service, Round, 14"
	Urn, Sand, Black, Cont Mfg 888
	Utility Cart
	Vacuum, Rechargeable, "The Boss"
	Waste Basket 28 QT.
	Waste Basket, 28 Qt. Beige
	Water Can, Aluminum 16 QT.
	Wedge, 6-Cut, Wedge Witch Nsf (replace Lemon Wedger with this wording)
	White Rubbermaid Lids

Training

	Core Line Recipe
	Core Line Prep
	Regional Menu Item Book
	SOP Manuals Box
	SOP Complete? Y / N Company or Franchise
	TV/DVD Make: Model: Serial#
	IHOP 101 Training Disc Set

Uniforms

	Apron - Server
	Apron - Vinyl
	Arm Protectors
	Cook Hats

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "B" - Smallwares

IHOP # _____

Quantity	Description

Uniforms continued

	Host(ess) Vest
	Name Badges
	Polo Shirt - Combo

Menus

	Standard Menu

Cleaning Equipment

	Bowl Brush 18"
	Broom Handle - 60" w/Treaded End
	Broom Holder
	Bucket (26-35 Qt.)
	Cover, Toilet Seat
	Deck Brush 10"
	Dust Pan
	Floor Broom - 18"
	Floor Squeegee
	Garden Hose - 25', Heavy Duty
	Garden Hose Holder
	Gong Brush - 9"
	Green Pad
	Griddle Pad Holder
	Griddle Screen
	Hose Nozzle
	Mop Bucket w/Wringer
	Mop Handle - 60"
	Mop Head
	Mop Holder

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

Exhibit "B" - Smallwares

IHOP # _____

Quantity	Description
<u>Cleaning Equipment continued</u>	
	Plunger
	Rubber Gloves
	Straw Broom
	Toy Broom
	"Wet Floor" Sign

Franchisee Initials: _____

Date: _____

IHOP Representative Initials: _____

Date: _____

**EXPENDABLES PURCHASE AGREEMENT – FOOD AND PAPER
GOODS INVENTORY**

EXHIBIT F

IHOP # _____

**EXPENDABLES PURCHASE AGREEMENT
FOOD AND PAPER GOODS INVENTORY**

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between IHOP FRANCHISOR LLC, a Delaware limited liability company, (Seller), and (Purchaser).

WITNESSETH:

WHEREAS, Seller and Purchaser have concurrently herewith entered into a Franchise Agreement, pursuant to which Seller has granted to Purchaser the right to operate an International House of Pancakes or IHOP restaurant at _____, and

WHEREAS, in connection with the operation of said restaurant, Purchaser has elected to purchase from Seller certain expendable items (hereinafter referred to as "personal property") to be used in connection with the operation of said restaurant,

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

1. Seller hereby sells to Purchaser and Purchaser hereby purchases from Seller those items of personal property more fully described in the Schedule which is annexed hereto and made a part hereof, entitled "IHOP Food & Paper Goods Inventory."
2. Purchaser agrees to pay to Seller an seller hereby agrees to accept from Purchaser, as the sole purchase price for the items of personal property described in said Schedule, the sum of _____ (\$_____) plus any sales or similar tax which may be charged by any state, county, municipal or other similar taxing body upon the sale or other transfer of said personal property. Said purchase price shall be paid, in full, by Purchaser, in cash, at the time inventory is taken.
3. It is understood and agreed that all of the items of personal property purchased by Purchaser pursuant hereto are already located at the above-referenced restaurant.
4. Seller hereby warrants and represents that all of the items of personal property conveyed, pursuant hereto, shall be free of all liens and encumbrances of every kind and nature whatsoever; that Purchaser shall receive good and merchantable title thereto; and that Seller shall defend Purchaser's title thereto.

IN WITNESS WHEREOF, the parties have executed this Expendables Purchase Agreement as of the day and year first above written.

Seller:
IHOP FRANCHISOR LLC

By: _____
Its: _____

Purchaser:

FINANCIAL STATEMENTS

EXHIBIT G

FINANCIAL STATEMENTS

IHOP Franchisor LLC

Fiscal Years Ended December 31, 2023 and January 1, 2023

With Report of Independent Auditors

IHOP Franchisor LLC

Financial Statements

Fiscal Years Ended December 31, 2023 and January 1, 2023

Contents

Report of Independent Auditors.....	1

Financial Statements

Balance Sheets	3
Statements of Income	4
Statements of Member's Equity.....	5
Statements of Cash Flows.....	6
Notes to the Financial Statements	7

Report of Independent Auditors

Member of IHOP Franchisor LLC

Opinion

We have audited the financial statements of IHOP Franchisor LLC (the Company), which comprise the balance sheets as of December 31, 2023 and January 1, 2023, and the related statements of income, member's equity and cash flows for the fiscal years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and January 1, 2023, and the results of its operations and its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst & Young LLP

March 20, 2024

IHOP Franchisor LLC

Balance Sheets (In thousands)

	December 31, 2023	January 1, 2023
Assets		
Current assets:		
Cash	\$ 689	\$ 3,808
Restricted cash	83	51
Receivables, net of allowance of \$1,173 and \$58 as of December 31, 2023 and January 1, 2023, respectively	20,245	16,964
Other current assets	<u>15</u>	<u>—</u>
Total current assets	21,032	20,823
Long-term restricted cash	19,500	16,400
Long-term receivables, net of allowance of \$106 and \$80 as of December 31, 2023 and January 1, 2023, respectively	10,838	10,174
Related party note receivable	10,500	7,000
Other non-current assets	<u>136</u>	<u>681</u>
Total assets	<u>\$ 62,006</u>	<u>\$ 55,078</u>
Liabilities and member's equity		
Current liabilities:		
Deferred revenue	\$ 2,942	\$ 2,984
Other accrued expenses	<u>924</u>	<u>432</u>
Total current liabilities	3,866	3,416
Long-term deferred revenue	<u>19,269</u>	<u>20,376</u>
Total liabilities	23,135	23,792
Commitments and contingencies		
Member's equity:		
Contributed capital	35,465	35,465
Due from Member (net of Due to Affiliates of \$531,121 and \$419,403 as of December 31, 2023 and January 1, 2023, respectively)	(323,457)	(264,041)
Retained earnings	<u>326,863</u>	<u>259,862</u>
Total member's equity	<u>38,871</u>	<u>31,286</u>
Total liabilities and member's equity	<u>\$ 62,006</u>	<u>\$ 55,078</u>

See accompanying notes to the financial statements.

IHOP Franchisor LLC

Statements of Income (In thousands)

	Fiscal Year Ended	
	December 31, 2023	January 1, 2023
Revenues		
Franchise revenues	\$ 160,692	\$ 140,962
Financing revenues	<u>1,086</u>	<u>1,249</u>
Total revenues	<u>161,778</u>	<u>142,211</u>
Costs and Expenses		
Franchise expenses:		
Advertising expenses	69,010	60,524
Bad debt expense (reversal)	2,241	(2)
Other franchise expenses	<u>2,079</u>	<u>1,369</u>
Total franchise expenses	73,330	61,891
Financing expenses	135	39
General and administrative expenses	<u>22,853</u>	<u>17,820</u>
Total costs and expenses	<u>96,318</u>	<u>79,750</u>
Other income, net	<u>1,541</u>	<u>675</u>
Net income	<u>\$ 67,001</u>	<u>\$ 63,136</u>

See accompanying notes to the financial statements.

IHOP Franchisor LLC

Statements of Member's Equity (In thousands)

	Contributed Capital	Due from Member, net	Retained Earnings	Total
Balance, January 2, 2022	\$ 35,465	\$ (200,648)	\$ 196,726	\$ 31,543
Net income	—	—	63,136	63,136
Change in Due from Member, net (Note 5)	—	(63,393)	—	(63,393)
Balance, January 1, 2023	35,465	(264,041)	259,862	31,286
Net income	—	—	67,001	67,001
Change in Due from Member, net (Note 5)	—	(59,416)	—	(59,416)
Balance, December 31, 2023	<u>\$ 35,465</u>	<u>\$ (323,457)</u>	<u>\$ 326,863</u>	<u>\$ 38,871</u>

See accompanying notes to the financial statements.

IHOP Franchisor LLC

Statements of Cash Flows (In thousands)

	Fiscal Year Ended	
	December 31, 2023	January 1, 2023
Operating activities		
Net income	\$ 67,001	\$ 63,136
Adjustments to reconcile net income to cash flows provided by operating activities:		
Changes in operating assets and liabilities		
Due from Member, net	(59,416)	(63,393)
Receivables	(3,945)	718
Deferred revenue	(1,149)	(297)
Other accrued expenses	492	336
Other	<u>530</u>	<u>(386)</u>
Cash flows provided by operating activities	<u>3,513</u>	<u>114</u>
Investing activities		
Issuance of related party note receivable	(3,500)	—
Additions to long-term receivables	<u>—</u>	<u>(1,069)</u>
Cash flows used in investing activities	<u>(3,500)</u>	<u>(1,069)</u>
Net change in cash and restricted cash	13	(955)
Cash and restricted cash at beginning of year	<u>20,259</u>	<u>21,214</u>
Cash and restricted cash at end of year	<u>\$ 20,272</u>	<u>\$ 20,259</u>
Supplemental Disclosure of non-cash financing activity:		
Transfer from Due from Member to Member's Equity	<u>\$ 59,416</u>	<u>\$ 63,393</u>

See accompanying notes to the financial statements.

IHOP Franchisor LLC

Notes to the Financial Statements

1. Formation and Business

Organization

IHOP Franchisor LLC (the Company) is a single-member limited liability company formed in Delaware on July 28, 2014 and is governed by the limited liability company agreement dated July 28, 2014. The Company is a wholly-owned subsidiary of IHOP Funding LLC (the Member), which, through various entities, is a wholly-owned subsidiary of International House of Pancakes, LLC (IHOP LLC), which is a wholly-owned subsidiary of Dine Brands Global, Inc. (Dine).

On June 5, 2019, the Member and a sister entity (the Co-Issuers), each a special purpose, wholly-owned indirect subsidiary of Dine, issued two tranches of fixed rate senior secured notes, \$700 million of 2019 Class A-2-I Notes and \$600 million of 2019 Class A-2-II Notes. On August 12, 2022, the Co-Issuers also replaced their existing revolving financing facility with a new revolving financing facility (the Credit Facility). On April 17, 2023, the Co-Issuers completed a refinancing transaction and issued \$500 million of 2023 Class A-2 Notes and paid off the remaining balance of the 2019 Class A-2-I Notes. The Class A-2-II Notes and the 2023 Class A-2 Notes have an anticipated repayment date of June 2026 and June 2029, respectively. The fixed rate senior secured notes and the Credit Facility are referred to collectively herein as the “Notes.” The Notes were issued in a securitization transaction pursuant to which substantially all of Dine’s domestic revenue-generating assets and domestic intellectual property are held by the Co-Issuers and certain other special-purpose, wholly-owned indirect subsidiaries of Dine (the “Guarantors”) that act as guarantors of the Notes and that have pledged substantially all of their assets to secure the Notes.

Nature of Operations

The Company was formed as a special purpose entity to act as franchisor and to hold all rights, title and interest in new franchise agreements for International House of Pancakes® (IHOP) restaurants in the United States effective after September 30, 2014 (the Agreements) and all accrued and future rights to collection under the Agreements. In its capacity as the franchisor, the Company enters into all additional development and franchise agreements for IHOP restaurants within the United States (including all substitute or replacement franchise agreements for existing IHOP restaurants).

As of December 31, 2023, there were 1,053 IHOP restaurants subject to franchise agreements held by the Company located in 47 states. As of January 1, 2023, there were 968 IHOP restaurants subject to franchise agreements held by the Company located in 47 states.

Fiscal Period

The Company has a 52/53 week fiscal year that ends on the Sunday nearest to December 31 of each year. The 2023 year presented herein began on January 2, 2023 and ended on December 31, 2023. The 2022 year presented herein began on January 3, 2022 and ended on January 1, 2023. Both 2023 and 2022 fiscal years contained 52 weeks.

Profits and Losses and Distributions

All profits and losses and distributions will be allocated entirely to the Member.

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates are made in the calculation and assessment of allowance for doubtful accounts and notes receivable and contingencies. On an ongoing basis, the Company evaluates its estimates based on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all unrestricted, highly-liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted Cash

Long-term restricted cash of \$19.5 million and \$16.4 million at December 31, 2023 and January 1, 2023, respectively, represents interest reserves set aside for the duration of the Notes.

Revenue Recognition

Franchise revenues consist primarily of royalty revenues, advertising fees and franchise fees. Franchise revenue is recognized in accordance with Accounting Standards Codification 606 - Revenue from Contracts with Customers ("ASC 606"). Under ASC 606, revenue is recognized upon transfer of control of promised services or goods to customers in an amount that reflects the consideration the Company expects to receive for those services or goods.

The Company owns and franchises the IHOP restaurant concept. The franchise arrangement is documented in the form of a franchise agreement and, in most cases, a development agreement. The franchise arrangement between the Company as the franchisor and the franchisee as the customer requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all the utility is derived from its association with the Company's past or ongoing activities. The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

The transaction price in a standard franchise arrangement primarily consists of (a) initial franchise/development fees; (b) continuing franchise fees (royalties); and (c) advertising fees. Since the

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required.

The Company recognizes the primary components of the transaction price as follows:

- Franchise and development fees are recognized as revenue ratably on a straight-line basis over the term of the franchise agreement commencing with the restaurant opening date. As these fees are typically received in cash at or near the beginning of the franchise term, the cash received is initially recorded as a contract liability until recognized as revenue over time;
- The Company is entitled to royalties and advertising fees based on a percentage of the franchisee's gross sales as defined in the franchise agreement. Royalty and advertising revenue are recognized when the franchisee's reported sales occur. Depending on timing within a fiscal period, the recognition of revenue may result in accounts receivable on the balance sheet.

In determining the amount and timing of revenue from contracts with customers, the Company exercises significant judgment with respect to collectability of the amount; however, the timing of recognition does not require significant judgment as it is based on either the franchise term or the month of reported sales by the franchisee, neither of which requires estimation.

The Company does not incur a significant amount of contract acquisition costs in conducting its franchising activities. The Company believes its franchising arrangements do not contain a significant financing component.

Financing revenue is recorded as earned.

Advertising

Costs of advertising typically are expensed either as incurred or the first time the advertising takes place. Any excess or deficiency of advertising fee revenue compared to advertising expenditures, is recognized on an annual basis. Any excess of revenue over expenditures is recognized only to the extent of previously recognized deficits. When advertising revenues exceed the related advertising expenses and there is no recovery of a previously recognized deficit of advertising revenues, advertising costs are accrued up to the amount of revenues. The advertising fees are recorded as a liability to International House of Pancakes, LLC as a component of Due to Affiliates against which specific costs are charged.

Concentrations of Credit Risk

The Company's cash and receivables are potentially subject to concentration of credit risk. Cash is placed with financial institutions that management believes are creditworthy. The Company does not believe that it is exposed to any significant credit risk on cash. At times, cash balances may be in excess of FDIC insurance limits.

Accounts receivables are derived from revenues earned from franchisees located in the United States. Financing receivables arise from the financing of restaurant equipment by franchisees. The Company is not subject to a significant concentration of credit risk with respect to accounts receivable.

As of December 31, 2023, two franchisees owned a total of 131 IHOP restaurants, representing 12% of the Company's restaurants. Revenues from these franchisees represented 14% of the Company's total revenues

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

for the year ended December 31, 2023. As of January 1, 2023, two franchisees owned a total of 127 IHOP restaurants, representing 13% of the Company's restaurants. Revenues from these franchisees represented 14% of the Company's total revenues for the year ended January 1, 2023. No individual franchisee represented more than 10% of the Company's total revenue for the year ended December 31, 2023.

Allowance for Credit Losses

The Company determines the allowance based on historical experience, current payment patterns and reasonable and supportable forecasts used in assessing the franchisees' ability to pay outstanding balances. The primary indicator of credit quality is delinquency, which is considered to be a receivable balance greater than 90 days past due. Allowance for doubtful accounts is continually reviewed. Past due balances are reviewed individually for collectability. Account balances are charged against the allowance after all collection efforts have been exhausted and the potential for recovery is considered remote.

Income Taxes

The Company, a disregarded entity for both federal and state tax filing purposes, elected to simplify the accounting for income taxes under Accounting Standards Update No. 2019—12, *Income Taxes*, which does not require tax allocation. Accordingly, its results are included in the consolidated tax returns of Dine.

Pre-opening Expenses

Expenditures related to the opening of new or relocated restaurants are charged to expense when incurred and are included as a component of franchise expenses in the Statement of Income.

Accounting Standards

The Company reviewed new accounting guidance that became effective as of the beginning of fiscal 2023 as well as other newly issued accounting pronouncements and concluded that they were either not applicable to its operations or had no material effect on its financial statements in the current or future fiscal years.

3. Revenue

The following table disaggregates franchise revenue by major type for the years ended December 31, 2023 and January 1, 2023 (in thousands):

	Fiscal Year Ended	
	December 31,	January 1, 2023
Franchise revenue:		
Royalties	\$ 87,557	\$ 77,177
Advertising fees	69,010	60,515
Franchise, development and other fees	4,125	3,270
Total franchise revenue	<u>\$ 160,692</u>	<u>\$ 140,962</u>

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

The components of the change in the Company's deferred revenue during the year ended December 31, 2023 are as follows:

	Deferred Franchise Revenue (short- and long-term)
	<i>(In thousands)</i>
Balance at January 1, 2023	\$ 23,360
Recognized as revenue during the fiscal year	(3,688)
Fees deferred during the fiscal year	2,539
Balance at December 31, 2023	<u>\$ 22,211</u>

The balance of deferred revenue as of December 31, 2023 is expected to be recognized as follows:

	<i>(In thousands)</i>
2024	\$ 2,942
2025	2,645
2026	2,330
2027	1,926
2028	1,471
Thereafter	10,897
Total deferred franchise revenue	<u>\$ 22,211</u>

4. Receivables

Receivables at December 31, 2023 and January 1, 2023 were as follows (in thousands):

	2023	2022
Accounts receivable	\$ 17,368	\$ 13,771
Equipment leases receivable	9,194	11,746
Notes receivable	<u>5,800</u>	<u>1,759</u>
Total receivables	32,362	27,276
Less: allowance for doubtful accounts	<u>(1,279)</u>	<u>(138)</u>
	31,083	27,138
Less: current portion	<u>(20,245)</u>	<u>(16,964)</u>
Long-term receivables	<u>\$ 10,838</u>	<u>\$ 10,174</u>

Accounts receivable primarily includes royalty receivables due from franchisees. Financing receivables primarily relate to leasing of the restaurant equipment to franchisees. Equipment lease contracts are due in equal weekly installments, and bear a weighted-average interest rate of 9.4% and 9.6% per annum at December 31, 2023 and January 1, 2023, respectively, and are collateralized by the equipment. The term of an equipment lease contract typically coincides with the term of the corresponding restaurant building lease.

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

The primary indicator of the credit quality of financing receivables is delinquency. As of December 31, 2023, there were no financing receivables delinquent more than 90 days.

Changes in the allowance for credit losses during the fiscal years ended December 31, 2023 and January 1, 2023 were as follows:

	<u>Accounts Receivable</u>	<u>Notes Receivable, short-term</u>	<u>Notes Receivable, long-term</u>	<u>Equipment Leases Receivable</u>	<u>Total</u>
	<i>(in thousands)</i>				
Balance, January 2, 2022	\$ 73	\$ —	\$ 2	\$ 66	\$ 141
Bad debt (credit) expense	(14)	—	1	11	(2)
Write-offs	(1)	—	—	—	(1)
Balance, January 1, 2023	58	—	3	77	138
Bad debt expense	1,115	—	374	752	2,241
Write-offs	—	—	(350)	(815)	(1,165)
Recoveries	—	—	—	65	65
Balance, December 31, 2023	<u>\$ 1,173</u>	<u>\$ —</u>	<u>\$ 27</u>	<u>\$ 79</u>	<u>\$ 1,279</u>

5. Related Party Transactions

All cash receipts from the Company's operating revenue are collected and administered by the Member, resulting in a balance due from Member. All cash disbursements related to the Company's operating expenses are paid by affiliated entities (the Affiliates), resulting in a balance due to Affiliates. The Company, the Member and the Affiliates are under the common control of Dine. The Company and Dine determined that the balance due to Affiliates and the balance due from Member (collectively, the Related Party balances) will not be settled until the securitization structure described in Note 1 is dissolved. Since the Related Party balances will not be settled until the dissolution of the Company and the Company, the Member and the Affiliates are all under the common control of Dine, the net amount of the Related Party balances is classified within equity as Due from Member, net. Changes in Related Party balances are considered to be non-cash financing activity.

IHOP LLC allocates costs of general and administrative services to the Company, including information technology, human resources, quality assurance, training, legal, payroll, audit, tax, and communication. These costs are allocated on a basis the Company believes to be reasonable, primarily proportional allocation based on revenue, or specific identification, where applicable. The Company cannot estimate with any reasonable certainty what the charges for similar transactions would have been on a stand-alone basis. The total amounts of allocated costs charged to the Company of \$22.7 million and \$17.7 million for the fiscal years ended December 31, 2023 and January 1, 2023, respectively, is included in general and administrative expenses in the Statements of Income.

In November 2019, Dine borrowed \$7.0 million from the Company at an interest rate of 6.5% per annum. This note was due in the second quarter of 2022 with interest payable semiannually beginning in December

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

2019. In June 2022, the note was amended and extended to June 2025. In April 2023, Dine borrowed an additional \$3.5 million from the Company at an interest rate of 8.0% per annum. The note is due in December 2027 with interest payable annually beginning in December 2023. Total interest income of \$0.7 million and \$0.5 million related to these notes is included in other income, net in the Statements of Income for the fiscal years ended December 31, 2023 and January 1, 2023, respectively.

6. Leases

The Company engages in leasing activity as a lessor. The Company's lease portfolio originated when Dine was actively involved in the development and financing of IHOP restaurants prior to the franchising of the restaurant to the franchisee. This activity included Dine's purchase or leasing of the site on which the restaurant was located, equipping the restaurant and subsequently leasing/subleasing the site and equipment to the franchisee. With a few exceptions, Dine ended this practice in 2003. The Company's lease activity is comprised of pre-existing lease arrangements renewed after September 30, 2014.

The Company recognized interest income on equipment leases of \$1.0 million and \$1.2 million during the fiscal years ended December 31, 2023 and January 1, 2023, respectively.

Future minimum payments to be received under equipment leases as of December 31, 2023 were as follows:

	(In thousands)
2024	\$ 3,363
2025	2,485
2026	1,326
2027	522
2028	50
Thereafter	<u>19,327</u>
Total	27,073
Less: interest	<u>(17,879)</u>
Total net investment in leases	9,194
Less: current portion	<u>(3,012)</u>
Total long-term investment in leases	<u>\$ 6,182</u>

7. Commitments and Contingencies

The Company is subject to lawsuits, governmental inspections, administrative proceedings, audits, and claims arising in the ordinary course of business. Some of these lawsuits purport to be class actions and/or seek substantial damages. The Company is required to record an accrual for litigation loss contingencies that are both probable and reasonably estimable. Management regularly assesses the Company's insurance deductibles, analyzes litigation information with the Company's attorneys and evaluates its loss experience related to pending legal proceedings. While the Company does not presently believe that any of the legal proceedings to which the Company is currently a party will ultimately have a material adverse impact on the Company, there can be no assurance that the Company will prevail in all the proceedings the Company is party to, or that the Company will not incur material losses from them.

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

8. Subsequent Events

The Company has evaluated subsequent events for potential recognition or disclosure through March 20, 2024, the date the financial statements were available to be issued.

FINANCIAL STATEMENTS

IHOP Franchisor LLC

Fiscal Years Ended January 1, 2023 and January 2, 2022

With Report of Independent Auditors

IHOP Franchisor LLC

Financial Statements

Fiscal Years Ended January 1, 2023 and January 2, 2022

Contents

Report of Independent Auditors.....	1

Financial Statements

Balance Sheets	3
Statements of Income	4
Statements of Member's Equity.....	5
Statements of Cash Flows.....	6
Notes to the Financial Statements	7

Report of Independent Auditors

Member of IHOP Franchisor LLC

Opinion

We have audited the financial statements of IHOP Franchisor LLC (the Company), which comprise the balance sheets as of January 1, 2023 and January 2, 2022, and the related statements of income, member's equity and cash flows for the fiscal years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at January 1, 2023 and January 2, 2022, and the results of its operations and its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

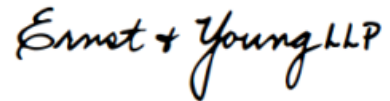
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

The signature of Ernst & Young LLP is written in a cursive, handwritten style in black ink.

Los Angeles, California
March 23, 2023

IHOP Franchisor LLC

Balance Sheets (In thousands)

	January 1, 2023	January 2, 2022
Assets		
Current assets:		
Cash	\$ 3,808	\$ 4,814
Restricted cash	51	—
Receivables, net of allowance of \$58 and \$73	16,964	16,557
Related party note receivable	—	7,000
Total current assets	20,823	28,371
Long-term restricted cash	16,400	16,400
Long-term receivables, net of allowance of \$80 and \$68	10,174	10,230
Related party note receivable	7,000	—
Other non-current assets	681	295
Total assets	<u>\$ 55,078</u>	<u>\$ 55,296</u>
Liabilities and member's equity		
Current liabilities:		
Deferred revenue	\$ 2,984	\$ 2,893
Other accrued expenses	432	96
Total current liabilities	3,416	2,989
Long-term deferred revenue	20,376	20,764
Total liabilities	23,792	23,753
Commitments and contingencies		
Member's equity:		
Contributed capital	35,465	35,465
Due from Member (net of Due to Affiliates of \$419,403 and \$324,927)	(264,041)	(200,648)
Retained earnings	259,862	196,726
Total member's equity	31,286	31,543
Total liabilities and member's equity	<u>\$ 55,078</u>	<u>\$ 55,296</u>

See accompanying notes to the financial statements.

IHOP Franchisor LLC

Statements of Income (In thousands)

	Fiscal Year Ended	
	January 1, 2023	January 2, 2022
Revenues		
Franchise revenues	\$ 140,962	\$ 122,463
Financing revenues	<u>1,249</u>	<u>1,444</u>
Total revenues	<u>142,211</u>	<u>123,907</u>
Costs and Expenses		
Franchise expenses:		
Advertising expenses	60,524	51,660
Bad debt expense reversal	(2)	(2,377)
Other franchise expenses	<u>1,369</u>	<u>851</u>
Total franchise expenses	61,891	50,134
Financing expenses	39	39
General and administrative expenses	<u>17,820</u>	<u>15,479</u>
Total costs and expenses	<u>79,750</u>	<u>65,652</u>
Other income, net	<u>675</u>	<u>1,389</u>
Net income	<u>\$ 63,136</u>	<u>\$ 59,644</u>

See accompanying notes to the financial statements.

IHOP Franchisor LLC

Statements of Member's Equity (In thousands)

	Contributed Capital	Due from Member, net	Retained Earnings	Total
Balance, January 3, 2021	\$ 35,465	\$ (125,368)	\$ 157,732	\$ 67,829
Net income	—	—	59,644	59,644
Dividend distribution (Note 5)	—	—	(20,650)	(20,650)
Change in Due from Member, net (Note 5)	—	(75,280)	—	(75,280)
Balance, January 2, 2022	35,465	(200,648)	196,726	31,543
Net income	—	—	63,136	63,136
Change in Due from Member, net (Note 5)	—	(63,393)	—	(63,393)
Balance, January 1, 2023	<u>\$ 35,465</u>	<u>\$ (264,041)</u>	<u>\$ 259,862</u>	<u>\$ 31,286</u>

See accompanying notes to the financial statements.

IHOP Franchisor LLC

Statements of Cash Flows (In thousands)

	Fiscal Year Ended	
	January 1, 2023	January 2, 2022
Operating activities		
Net income	\$ 63,136	\$ 59,644
Adjustments to reconcile net income to cash flows provided by operating activities:		
Changes in operating assets and liabilities		
Due from Member, net	(63,393)	(58,880)
Receivables	718	1,623
Deferred revenue	(297)	(1,028)
Other accrued expenses	336	39
Other	<u>(386)</u>	<u>(295)</u>
Cash flows provided by operating activities	<u>114</u>	<u>1,103</u>
Investing activities		
Additions to long-term receivables	<u>(1,069)</u>	<u>—</u>
Cash flows used in investing activities	<u>(1,069)</u>	<u>—</u>
Financing activities		
Funding to affiliate	<u>—</u>	<u>(16,400)</u>
Cash flows used in financing activities	<u>—</u>	<u>(16,400)</u>
Net change in cash and restricted cash	(955)	(15,297)
Cash and restricted cash at beginning of year	<u>21,214</u>	<u>36,511</u>
Cash and restricted cash at end of year	<u>\$ 20,259</u>	<u>\$ 21,214</u>
Supplemental Disclosure of non-cash financing activity:		
Transfer from Due from Member to Member's Equity	<u>\$ 63,393</u>	<u>\$ 58,880</u>
Related-party note settlement via dividend distribution	<u>\$ —</u>	<u>\$ 20,650</u>

See accompanying notes to the financial statements.

IHOP Franchisor LLC

Notes to the Financial Statements

1. Formation and Business

Organization

IHOP Franchisor LLC (the Company) is a single-member limited liability company formed in Delaware on July 28, 2014 and is governed by the limited liability company agreement dated July 28, 2014. The Company is a wholly-owned subsidiary of IHOP Funding LLC (the Member), which, through various entities, is a wholly-owned subsidiary of International House of Pancakes, LLC (IHOP LLC), which is a wholly-owned subsidiary of Dine Brands Global, Inc. (Dine).

On June 5, 2019, the Member and a sister entity (the Co-Issuers), each a special purpose, wholly-owned indirect subsidiary of Dine, issued \$1.3 billion of fixed rate senior secured notes. The Co-Issuers also replaced their existing revolving financing facility with a new revolving financing facility. The fixed rate senior secured notes and the revolving credit facility are referred to collectively herein as the “Notes.” The Notes were issued in a securitization transaction pursuant to which substantially all of Dine’s domestic revenue-generating assets and domestic intellectual property are held by the Co-Issuers and certain other special-purpose, wholly-owned indirect subsidiaries of Dine (the “Guarantors”) that act as guarantors of the Notes and that have pledged substantially all of their assets to secure the Notes.

Nature of Operations

The Company was formed as a special purpose entity to act as franchisor and to hold all rights, title and interest in new franchise agreements for International House of Pancakes® (IHOP) restaurants in the United States effective after September 30, 2014 (the Agreements) and all accrued and future rights to collection under the Agreements. In its capacity as the franchisor, the Company enters into all additional development and franchise agreements for IHOP® restaurants within the United States (including all substitute or replacement franchise agreements for existing IHOP restaurants).

As of January 1, 2023, there were 968 IHOP restaurants subject to franchise agreements held by the Company located in 47 states.

Fiscal Period

The Company has a 52/53 week fiscal year that ends on the Sunday nearest to December 31 of each year. The 2022 year presented herein began on January 3, 2022 and ended on January 1, 2023. The 2021 year presented herein began on January 4, 2021 and ended January 2, 2022. Both 2022 and 2021 fiscal years contained 52 weeks.

Profits and Losses and Distributions

All profits and losses and distributions will be allocated entirely to the Member.

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates are made in the calculation and assessment of allowance for doubtful accounts and notes receivable and contingencies. On an ongoing basis, the Company evaluates its estimates based on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from those estimates.

Risks and Uncertainties

Beginning in March 2020, federal, state, local and international governments reacted to the COVID-19 pandemic by encouraging or requiring social distancing, instituting shelter-in-place orders, and requiring, in varying degrees, reduced operating hours, restaurant dine-in and/or indoor dining limitations, capacity limitations or other restrictions that largely limited restaurants to off-premise sales (take-out and delivery). As infection rates from the initial outbreak declined, domestic governmental entities slowly began to relax restrictions, and the degree of relaxation varied by individual geographic area. Restaurants allowed to re-open were largely limited to occupancy of 50% or less of capacity during the period from May 2020 to March 2021. As vaccines became widely available and incidents of infection continued to decrease, many restrictions were removed during 2021. This information is helpful in reviewing results of operations from, and comparisons to, these time periods. We and our franchisees continue to monitor developing health authority recommendations and regulatory requirements.

The Company cannot predict how long the pandemic will last, whether/when recurrences of the virus and its variants may arise, what restrictions on in-restaurant dining may be enacted or re-enacted, the availability and acceptance of vaccines, the timing and extent of customer re-engagement with the Company's brand and in general, what the short- and long-term impact on consumer discretionary spending the COVID-19 pandemic might have on the Company and the restaurant industry as a whole, all of which are uncertain and cannot be predicted. As such, the extent to which the COVID-19 pandemic may continue to materially impact the Company's financial condition, liquidity, or results of operations remains highly uncertain.

Revenue Recognition

Franchise revenues consist primarily of royalty revenues, advertising fees and franchise fees. Franchise revenue is recognized in accordance with Accounting Standards Codification 606 - Revenue from Contracts with Customers ("ASC 606"). Under ASC 606, revenue is recognized upon transfer of control of promised services or goods to customers in an amount that reflects the consideration the Company expects to receive for those services or goods.

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies, continued

The Company owns and franchises the IHOP restaurant concept. The franchise arrangement is documented in the form of a franchise agreement and, in most cases, a development agreement. The franchise arrangement between the Company as the franchisor and the franchisee as the customer requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all the utility is derived from its association with the Company's past or ongoing activities. The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

The transaction price in a standard franchise arrangement primarily consists of (a) initial franchise/development fees; (b) continuing franchise fees (royalties); and (c) advertising fees. Since the Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required.

The Company recognizes the primary components of the transaction price as follows:

- Franchise and development fees are recognized as revenue ratably on a straight-line basis over the term of the franchise agreement commencing with the restaurant opening date. As these fees are typically received in cash at or near the beginning of the franchise term, the cash received is initially recorded as a contract liability until recognized as revenue over time;
- The Company is entitled to royalties and advertising fees based on a percentage of the franchisee's gross sales as defined in the franchise agreement. Royalty and advertising revenue are recognized when the franchisee's reported sales occur. Depending on timing within a fiscal period, the recognition of revenue results in accounts receivable on the balance sheet.

In determining the amount and timing of revenue from contracts with customers, the Company exercises significant judgment with respect to collectability of the amount; however, the timing of recognition does not require significant judgment as it is based on either the franchise term or the month of reported sales by the franchisee, neither of which requires estimation.

The Company does not incur a significant amount of contract acquisition costs in conducting its franchising activities. The Company believes its franchising arrangements do not contain a significant financing component.

Financing revenue is recorded as earned.

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies, continued

Advertising

Costs of advertising typically are expensed either as incurred or the first time the advertising takes place. Any excess or deficiency of advertising fee revenue compared to advertising expenditures, is recognized on an annual basis. Any excess of revenue over expenditures is recognized only to the extent of previously recognized deficits. The advertising fees are recorded as a liability to International House of Pancakes, LLC as a component of Due to Affiliates against which specific costs are charged.

Concentrations of Credit Risk

The Company's cash and receivables are potentially subject to concentration of credit risk. Cash is placed with financial institutions that management believes are creditworthy. The Company does not believe that it is exposed to any significant credit risk on cash. At times, cash balances may be in excess of FDIC insurance limits.

Accounts receivables are derived from revenues earned from franchisees located in the United States. Financing receivables arise from the financing of restaurant equipment by franchisees. The Company is not subject to a significant concentration of credit risk with respect to accounts receivable.

As of January 1, 2023, two franchisees owned a total of 127 IHOP restaurants, representing 13% of the Company's restaurants. Revenues from these franchisees represented 14% of the Company's total revenues for the year ended January 1, 2023. No individual franchisee represented more than 10% of the Company's total revenue for the year ended January 1, 2023.

Allowance for Credit Losses

The Company determines the allowance based on historical experience, current payment patterns and reasonable and supportable forecasts used in assessing the franchisees' ability to pay outstanding balances. The primary indicator of credit quality is delinquency, which is considered to be a receivable balance greater than 90 days past due. Allowance for doubtful accounts is continually reviewed. Past due balances are reviewed individually for collectability. Account balances are charged against the allowance after all collection efforts have been exhausted and the potential for recovery is considered remote.

Income Taxes

The Company, a disregarded entity for both federal and state tax filing purposes, elected to simplify the accounting for income taxes under Accounting Standards Update No. 2019—12, *Income Taxes*, which does not require tax allocation. Accordingly, its results are included in the consolidated tax returns of Dine.

Restricted Cash

Long-term restricted cash of \$16.4 million at January 1, 2023 and January 2, 2022 represents interest reserves set aside for the duration of the Notes.

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

2. Summary of Significant Accounting Policies, continued

Pre-opening Expenses

Expenditures related to the opening of new or relocated restaurants are charged to expense when incurred and are included as a component of franchise expenses in the Statement of Income.

Accounting Standards

The Company reviewed new accounting guidance that became effective as of the beginning of fiscal 2022 as well as other newly issued accounting pronouncements and concluded that they were either not applicable to its operations or had no material effect on its financial statements in the current or future fiscal years.

3. Revenue Disclosures

The following table disaggregates franchise revenue by major type for the years ended January 1, 2023 and January 2, 2022 (in thousands):

	Fiscal Year Ended	
	January 1, 2023	January 2, 2022
Franchise revenue:		
Royalties	\$ 77,177	\$ 66,133
Advertising fees	60,515	51,660
Franchise, development and other fees	3,270	4,670
Total franchise revenue	<u>\$ 140,962</u>	<u>\$ 122,463</u>

The components of the change in the Company's deferred revenue during the year ended January 1, 2023 are as follows:

	Deferred Franchise Revenue (short- and long-term)
	<i>(In thousands)</i>
Balance at January 2, 2022	\$ 23,657
Recognized as revenue during the fiscal year	(3,176)
Fees deferred during the fiscal year	2,879
Balance at January 1, 2023	<u>\$ 23,360</u>

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

3. Revenue Disclosures, continued

The balance of deferred revenue as of January 1, 2023 is expected to be recognized as follows:

	<i>(In thousands)</i>
2023	\$ 2,984
2024	2,662
2025	2,376
2026	2,055
2027	1,655
Thereafter	11,628
Total deferred franchise revenue	<u>\$ 23,360</u>

4. Receivables

Receivables at January 1, 2023 and January 2, 2022 were as follows (in thousands):

	2022	2021
Accounts receivable	\$ 13,771	\$ 13,246
Equipment leases receivable	11,746	12,626
Notes receivable	<u>1,759</u>	<u>1,056</u>
Total receivables	27,276	26,928
Less: allowance for doubtful accounts	<u>(138)</u>	<u>(141)</u>
	<u>27,138</u>	<u>26,787</u>
Less: current portion	<u>(16,964)</u>	<u>(16,557)</u>
Long-term receivables	<u>\$ 10,174</u>	<u>\$ 10,230</u>

Accounts receivable primarily includes royalty receivables due from franchisees. Financing receivables primarily relate to leasing of the restaurant equipment to franchisees. Equipment lease contracts are due in equal weekly installments, and bear a weighted-average interest rate of 9.6% per annum at January 1, 2023 and are collateralized by the equipment. The term of an equipment lease contract coincides with the term of the corresponding restaurant building lease.

The primary indicator of the credit quality of financing receivables is delinquency. As of January 1, 2023, there were no financing receivables delinquent more than 90 days.

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

4. Receivables, continued

Changes in the allowance for credit losses during the fiscal years ended January 1, 2023 and January 2, 2022 were as follows:

	Accounts Receivable	Notes Receivable, short-term	Notes Receivable, long-term	Equipment Leases Receivable	Total
	<i>(in thousands)</i>				
Balance, January 3, 2021	\$ 3,009	\$ 6	\$ 3	\$ 1,432	\$ 4,450
Bad debt (credit) expense	(2,521)	(6)	(1)	151	(2,377)
Write-offs	(415)	—	—	(1,527)	(1,942)
Other	—	—	—	10	10
Balance, January 2, 2022	73	—	2	66	141
Bad debt (credit) expense	(14)	—	1	11	(2)
Write-offs	(1)	—	—	—	(1)
Balance, January 1, 2023	<u>\$ 58</u>	<u>\$ —</u>	<u>\$ 3</u>	<u>\$ 77</u>	<u>\$ 138</u>

5. Related Party Transactions

All cash receipts from the Company's operating revenue are collected and administered by the Member, resulting in a balance due from Member. All cash disbursements related to the Company's operating expenses are paid by affiliated entities (the Affiliates), resulting in a balance due to Affiliates. The Company, the Member and the Affiliates are under the common control of Dine. The Company and Dine determined that the balance due to Affiliates and the balance due from Member (collectively, the Related Party balances) will not be settled until the securitization structure described in Note 1 is dissolved. Since the Related Party balances will not be settled until the dissolution of the Company and the Company, the Member and the Affiliates are all under the common control of Dine, the net amount of the Related Party balances is classified within equity as Due from Member, net. Changes in Related Party balances are considered to be non-cash financing activity.

IHOP LLC allocates costs of general and administrative services to the Company, including information technology, human resources, quality assurance, training, legal, payroll, audit, tax, and communication. These costs are allocated on a basis the Company believes to be reasonable, primarily proportional allocation based on revenue, or specific identification, where applicable. The Company cannot estimate with any reasonable certainty what the charges for similar transactions would have been on a stand-alone basis. The total amounts of allocated costs charged to the Company of \$17.7 million and \$15.4 million for the fiscal years ended January 1, 2023 and January 2, 2022, respectively, is included in general and administrative expenses in the Statements of Income.

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

5. Related Party Transactions, continued

In May 2016, Dine borrowed \$20.0 million from the Company at an interest rate of 6.5% per annum. The note was due in September 2021 with interest payable semiannually beginning in March 2017. This note was settled via dividend distribution of \$20.7 million in September 2021, representing repayment of principal and the final interest payment.

In November 2019, Dine borrowed an additional \$7.0 million from the Company at an interest rate of 6.5% per annum. This note was due in the second quarter of 2022 with interest payable semiannually beginning in December 2019. In June 2022, the note was amended and extended to June 2025. Total interest income of \$0.5 million and \$1.4 million related to these notes is included in other income, net in the Statements of Income for the fiscal years ended January 1, 2023 and January 2, 2022, respectively.

6. Lease Disclosures

The Company engages in leasing activity as a lessor. The Company's lease portfolio originated when Dine was actively involved in the development and financing of IHOP restaurants prior to the franchising of the restaurant to the franchisee. This activity included Dine's purchase or leasing of the site on which the restaurant was located, equipping the restaurant and subsequently leasing/subleasing the site and equipment to the franchisee. With a few exceptions, Dine ended this practice in 2003. The Company's lease activity is comprised of pre-existing lease arrangements renewed after September 30, 2014.

The Company recognized interest income on equipment leases of \$1.2 million and \$1.4 million during the fiscal years ended January 1, 2023 and January 2, 2022, respectively.

Future minimum payments to be received under equipment leases as of January 1, 2023 were as follows:

	<i>(In thousands)</i>
2023	\$ 4,125
2024	3,433
2025	2,870
2026	1,326
2027	522
Thereafter	15,640
Total	27,916
Less: interest	(16,170)
Total net investment in leases	11,746
Less: current portion	(2,858)
Total long-term investment in leases	\$ 8,888

IHOP Franchisor LLC

Notes to the Financial Statements (continued)

7. Commitments and Contingencies

The Company is subject to lawsuits, governmental inspections, administrative proceedings, audits, and claims arising in the ordinary course of business. Some of these lawsuits purport to be class actions and/or seek substantial damages. The Company is required to record an accrual for litigation loss contingencies that are both probable and reasonably estimable. Management regularly assesses the Company's insurance deductibles, analyzes litigation information with the Company's attorneys and evaluates its loss experience related to pending legal proceedings. While the Company does not presently believe that any of the legal proceedings to which the Company is currently a party will ultimately have a material adverse impact on the Company, there can be no assurance that the Company will prevail in all the proceedings the Company is party to, or that the Company will not incur material losses from them.

8. Subsequent Events

The Company has evaluated subsequent events for potential recognition or disclosure through March 23, 2023, the date the financial statements were available to be issued.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Dine Brands Global, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Dine Brands Global, Inc. and Subsidiaries (the Company) as of December 31, 2023 and January 1, 2023, the related consolidated statements of comprehensive income, stockholders' deficit and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and January 1, 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 28, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill and Indefinite Lived Intangible Assets Impairment Assessment

Description of the Matter

At December 31, 2023, the Company's goodwill and indefinite lived tradename intangible asset balances related to the Applebee's franchised restaurants reporting unit (Applebee's franchise unit) were \$236.2 million and \$468.0 million, respectively. As discussed in Notes 2, 6 and 7 to the consolidated financial statements, goodwill and tradename are tested for impairment at least annually, and more frequently if the Company believes indicators of impairment exist or at management's discretion. Management elected to perform a quantitative impairment test of the Applebee's franchise unit goodwill and tradename assets as of October 31, 2023. The impairment tests concluded that the estimated fair values exceeded the carrying values of the assets.

Auditing management's goodwill and tradename impairment tests was especially challenging and complex due to the significant estimation underlying the determination of fair values. In particular, the fair value estimates were sensitive to changes in the significant assumptions used under the income and market approaches utilized to determine the fair value of goodwill and the relief of royalty method utilized to determine the fair value of tradename. Significant assumptions made by management in estimating fair value under the income and market approaches included future trends in sales, the appropriate discount rate, the selection of guideline companies and the valuation multiples applied. Significant assumptions used to determine fair value under the relief of royalty method included future trends in sales, royalty rate and discount rate.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's goodwill and tradename impairment tests, including controls over the review of the assumptions used and the accuracy of the underlying data.

Our testing of the Company's impairment assessment included, among other procedures, evaluating the significant assumptions and data used in estimating fair values. For example, we compared the forecasted future sales growth rates to historical results, analyst projections and industry trends. We also performed sensitivity analyses on the significant assumptions used, agreed historical balances to accounting records, and recalculated management's estimates. Additionally, we involved our valuation specialists to assist with our evaluation of the methodology used and to assess whether assumptions such as discount rates were comparable to observable market data.

/s/ ERNST & YOUNG LLP

We have served as the Company's auditor since 2004.

Los Angeles, California
February 28, 2024

Dine Brands Global, Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands, except share amounts)

Assets	December 31,	
	2023	2022
Current assets:		
Cash and cash equivalents	\$ 146,034	\$ 269,655
Receivables, net of allowance of \$4,462 (2023) and \$4,806 (2022)	127,937	119,981
Restricted cash	35,058	38,929
Prepaid gift card costs	29,545	30,235
Prepaid income taxes	3,445	3,063
Other current assets	15,759	17,901
Total current assets	357,778	479,764
Other intangible assets, net	586,033	597,028
Operating lease right-of-use assets	275,214	289,123
Goodwill	254,062	253,956
Property and equipment, net	161,891	145,277
Long-term receivables, net of allowance of \$5,002 (2023) and \$5,529 (2022)	35,602	39,697
Deferred rent receivable	33,326	42,329
Non-current restricted cash	19,500	16,400
Other non-current assets, net	16,881	17,917
Total assets	<u>\$ 1,740,287</u>	<u>\$ 1,881,491</u>
Liabilities and Stockholders' Deficit		
Current liabilities:		
Current maturities of long-term debt	\$ 100,000	\$ 100,000
Accounts payable	36,193	52,067
Gift card liability	175,640	171,966
Current maturities of operating lease obligations	63,498	59,071
Current maturities of finance lease and financing obligations	7,243	7,542
Accrued employee compensation and benefits	23,211	23,456
Accrued advertising expenses	9,446	24,157
Dividends payable	7,827	8,017
Other accrued expenses	37,394	24,446
Total current liabilities	460,452	470,722
Long-term debt, net, less current maturities	1,084,502	1,241,914
Operating lease obligations, less current maturities	269,097	275,120
Finance lease obligations, less current maturities	34,389	30,377
Financing obligations, less current maturities	26,984	28,358
Deferred income taxes, net	60,829	74,651
Deferred franchise revenue, long-term	38,658	42,343
Other non-current liabilities	16,350	19,090
Total liabilities	<u>1,991,261</u>	<u>2,182,575</u>
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock, \$1 par value, 10,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.01 par value; shares: 40,000,000 authorized; 2023 -24,870,529 issued, 15,344,768 outstanding; 2022 - 24,959,972 issued, 15,599,239 outstanding	249	250
Additional paid-in-capital	256,542	259,339
Retained earnings	150,008	84,538
Accumulated other comprehensive loss	(64)	(65)
Treasury stock, at cost; shares: 2023 - 9,525,761; 2022 - 9,360,733	(657,709)	(645,146)
Total stockholders' deficit	<u>(250,974)</u>	<u>(301,084)</u>
Total liabilities and stockholders' deficit	<u>\$ 1,740,287</u>	<u>\$ 1,881,491</u>

See the accompanying notes to the consolidated financial statements.

Dine Brands Global, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
(In thousands, except per share amounts)

	Year Ended December 31,		
	2023	2022	2021
Revenues:			
Franchise revenues:			
Royalties, franchise fees and other	\$ 405,569	\$ 373,110	\$ 357,146
Advertising revenues	300,796	289,328	274,790
Total franchise revenues	706,365	662,438	631,936
Company restaurant sales	2,128	126,869	146,000
Rental revenues	119,970	116,491	113,933
Financing revenues	2,605	3,604	4,298
Total revenues	831,068	909,402	896,167
Cost of revenues:			
Franchise expenses:			
Advertising expenses	300,962	287,063	272,303
Bad debt expense (credit)	2,659	261	(4,928)
Other franchise expenses	40,782	34,584	28,512
Total franchise expenses	344,403	321,908	295,887
Company restaurant expenses	2,136	121,722	136,748
Rental expenses:			
Interest expense from finance leases	2,771	2,962	3,446
Other rental expenses	84,705	85,033	84,397
Total rental expenses	87,476	87,995	87,843
Financing expenses	369	419	464
Total cost of revenues	434,384	532,044	520,942
Gross profit	396,684	377,358	375,225
General and administrative expenses	198,057	190,746	171,838
Interest expense, net	70,047	60,952	63,297
Closure and impairment charges	3,594	3,062	5,409
Amortization of intangible assets	10,923	10,559	10,679
Loss (gain) on extinguishment of debt	10	(210)	34
Loss (gain) on disposition of assets	2,350	(2,536)	2,045
Income before income taxes	111,703	114,785	121,923
Income tax provision	(14,527)	(33,674)	(24,059)
Net income	97,176	81,111	97,864
Other comprehensive income, net of tax:			
Foreign currency translation adjustment	1	(6)	(4)
Total comprehensive income	\$ 97,177	\$ 81,105	\$ 97,860
Net income available to common stockholders:			
Net income	\$ 97,176	\$ 81,111	\$ 97,864
Less: Net income allocated to unvested participating restricted stock	(2,317)	(2,174)	(2,295)
Net income available to common stockholders	\$ 94,859	\$ 78,937	\$ 95,569
Net income available to common stockholders per share:			
Basic	\$ 6.23	\$ 4.97	\$ 5.69
Diluted	\$ 6.22	\$ 4.96	\$ 5.66
Weighted average shares outstanding:			
Basic	15,233	15,873	16,799
Diluted	15,242	15,901	16,890

See the accompanying notes to the consolidated financial statements.

Dine Brands Global, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Deficit
(In thousands except share amounts)

	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock		
	Shares Outstanding	Amount				Shares	Cost	Total
Balance at December 31, 2020	16,452,174	\$ 249	\$ 257,625	\$ (55,553)	\$ (55)	8,429,948	\$ (556,917)	\$ (354,651)
Adoption of credit loss accounting guidance	—	—	—	—	—	—	—	—
Net loss	—	—	—	97,864	—	—	—	97,864
Other comprehensive gain	—	—	—	—	(4)	—	—	(4)
Purchase of common stock	(59,099)	—	—	—	—	59,099	(4,480)	(4,480)
Reissuance of treasury stock	660,718	1	(1,459)	—	—	(660,718)	26,795	25,337
Net use of shares for stock plans	131,862	—	—	—	—	—	—	—
Repurchase of restricted shares for taxes	(21,709)	—	(1,771)	—	—	—	—	(1,771)
Stock-based compensation	—	—	11,577	—	—	—	—	11,577
Dividends on common stock	—	—	—	(6,896)	—	—	—	(6,896)
Tax payments for share settlement of restricted stock units	—	—	(9,783)	—	—	—	—	(9,783)
Balance at December 31, 2021	17,163,946	250	256,189	35,415	(59)	7,828,329	(534,602)	(242,807)
Net income	—	—	—	81,111	—	—	—	81,111
Other comprehensive loss	—	—	—	—	(6)	—	—	(6)
Purchase of common stock	(1,737,697)	—	—	—	—	1,737,697	(120,163)	(120,163)
Reissuance of treasury stock	205,293	—	(9,378)	—	—	(205,293)	9,619	241
Net use of shares for stock plans	6,886	—	—	—	—	—	—	—
Repurchase of restricted shares for taxes	(39,189)	—	(2,867)	—	—	—	—	(2,867)
Stock-based compensation	—	—	16,131	—	—	—	—	16,131
Dividends on common stock	—	—	219	(31,988)	—	—	—	(31,769)
Tax payments for share settlement of restricted stock units	—	—	(955)	—	—	—	—	(955)
Balance at December 31, 2022	15,599,239	250	259,339	84,538	(65)	9,360,733	(645,146)	(301,084)
Net income	—	—	—	97,176	—	—	—	97,176
Other comprehensive loss	—	—	—	—	1	—	—	1
Purchase of common stock	(446,189)	—	(113)	—	—	446,189	(26,017)	(26,130)
Reissuance of treasury stock	281,161	(1)	(9,641)	—	—	(281,161)	13,454	3,812
Net use of shares for stock plans	(28,069)	—	—	—	—	—	—	—
Repurchase of restricted shares for taxes	(61,374)	—	(4,355)	—	—	—	—	(4,355)
Stock-based compensation	—	—	11,990	—	—	—	—	11,990
Dividends on common stock	—	—	181	(31,706)	—	—	—	(31,525)
Tax payments for share settlement of restricted stock units	—	—	(859)	—	—	—	—	(859)
Balance at December 31, 2023	15,344,768	\$ 249	\$ 256,542	\$ 150,008	\$ (64)	9,525,761	\$ (657,709)	\$ (250,974)

See the accompanying notes to the consolidated financial statements.

Dine Brands Global, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities			
Net income	\$ 97,176	\$ 81,111	\$ 97,864
Adjustments to reconcile net income to cash flows provided by operating activities:			
Depreciation and amortization	35,630	37,952	39,885
Non-cash stock-based compensation expense	11,990	16,131	11,577
Non-cash closure and impairment charges	3,594	2,927	5,324
Non-cash interest expense	3,505	3,226	2,818
Deferred income taxes	(13,822)	(1,071)	(2,065)
Deferred revenue	(4,224)	(4,474)	(6,573)
Loss (gain) on extinguishment of debt	10	(210)	34
Loss (gain) on disposition of assets	2,359	(2,536)	2,041
Other	(3,552)	(5,160)	(1,593)
Changes in operating assets and liabilities:			
Accounts receivable, net	1,913	(2,574)	7,301
Deferred rent receivable	9,003	7,928	6,192
Current income tax receivables and payables	1,160	8,326	(3,837)
Operating lease assets and liabilities	7,256	(11,823)	(18,212)
Gift card receivables and payables	5,095	2,783	14,759
Other current assets	1,911	(12,706)	(629)
Accounts payable	(16,027)	(3,665)	13,131
Accrued employee compensation and benefits	(1,748)	(16,264)	19,714
Accrued advertising expenses	(14,711)	(10,020)	12,111
Other current liabilities	4,622	(545)	(4,007)
Cash flows provided by operating activities	131,140	89,336	195,835
Cash flows from investing activities			
Principal receipts from notes, equipment contracts and other long-term receivables	9,319	17,057	20,230
Net additions to property and equipment	(37,172)	(35,318)	(16,849)
Proceeds from sale of property and equipment	10	17,028	946
Additions to long-term receivables	(1,069)	(1,069)	—
Acquisition of business, net of cash acquired	(101)	(78,264)	—
Other	(1,084)	(338)	(466)
Cash flows (used in) provided by investing activities	(30,097)	(80,904)	3,861
Cash flows from financing activities			
Proceeds from issuance of long-term debt, including revolving line of credit	530,000	100,000	—
Repayment of long-term debt	(651,713)	(38,768)	(9,750)
Repayments of revolving credit facility	(30,000)	—	(220,000)
Payment of debt issuance costs	(8,044)	(6,289)	—
Dividends paid on common stock	(31,715)	(30,765)	—
Repurchase of common stock	(26,130)	(120,452)	(4,191)
Principal payments of finance lease and financing obligations	(6,431)	(8,946)	(10,238)
Proceeds from stock options exercised	3,812	241	25,337
Repurchase of restricted stock for tax payments upon vesting	(4,355)	(2,867)	(1,771)
Tax payments for share settlement of restricted stock units	(859)	(955)	(9,783)
Cash flows used in financing activities	(225,435)	(108,801)	(230,396)
Net change in cash, cash equivalents and restricted cash	(124,392)	(100,369)	(30,700)
Cash, cash equivalents and restricted cash at beginning of year	324,984	425,353	456,053
Cash, cash equivalents and restricted cash at end of year	\$ 200,592	\$ 324,984	\$ 425,353
Supplemental disclosures			
Interest paid	\$ 73,976	\$ 64,599	\$ 65,229
Income taxes paid	\$ 28,409	\$ 28,085	\$ 31,300
Non-cash conversion of accounts receivable to notes receivable	\$ 1,367	\$ 84	\$ 4,258
Non-cash balance sheet gross-up of receivables and other accrued expenses	\$ (11,000)	\$ —	\$ —

See the accompanying notes to the consolidated financial statements.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

1. The Company

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. The Company was incorporated as IHOP Corp. under the laws of the State of Delaware in 1976. In November 2007, the Company acquired Applebee's International, Inc., which became a wholly-owned subsidiary of the Company. Effective June 2, 2008, the name of the Company was changed to DineEquity, Inc. and on February 20, 2018, the name of the Company was changed to Dine Brands Global, Inc.® (“Dine Brands Global”). In December 2022, the Company acquired FTO Holding Company, LLC (“Fuzzy's”), which owns the Fuzzy's Taco Shop® concept and became a wholly-owned subsidiary of the Company.

The Company owns, franchises and operates three restaurant concepts: Applebee's Neighborhood Grill + Bar® (“Applebee's”), in the American full-service restaurant segment within the casual dining category of the restaurant industry; IHOP®, in the family dining mid-scale full-service category of the restaurant industry; and Fuzzy's Taco Shop®, in the Mexican food segment within the fast-casual dining category of the restaurant industry.

As of December 31, 2023, there were 1,814 IHOP restaurants, of which 1,657 were subject to franchise agreements and 157 were subject to area license agreements. These IHOP restaurants were located in all 50 states of the United States, the District of Columbia, two United States territories and 13 countries outside the United States. As of December 31, 2023, there were 1,642 Applebee's® restaurants, all of which were subject to franchise agreements. These Applebee's restaurants were located in 49 states of the United States, two United States territories and 12 countries outside the United States. As of December 31, 2023, the Company had 132 Fuzzy restaurants in 18 states of the United States, of which 131 were subject to franchise agreements and one was company-operated.

References herein to Applebee's, IHOP, and Fuzzy's restaurants are to these restaurant concepts, whether operated by franchisees, area licensees or the Company. Retail sales at restaurants that are owned by franchisees and area licensees are not attributable to the Company.

2. Basis of Presentation and Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Dine Brands Global, Inc. and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Fiscal Periods

The Company has a 52/53 week fiscal year that ends on the Sunday nearest to December 31 of each year. In a 52-week fiscal year, each fiscal quarter contains 13 weeks, comprised of two, four-week fiscal months followed by a five-week fiscal month. In a 53-week fiscal year, the last month of the fourth fiscal quarter contains six weeks. For convenience, the Company refers to its fiscal years as ending on December 31 and its fiscal quarters as ending on March 31, June 30 and September 30. There were 52 calendar weeks in our 2023, 2022, and 2021 fiscal year that ended December 31, 2023, January 1, 2023, and January 2, 2022, respectively.

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles (“U.S. GAAP”) requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, if any, at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates are made in the calculation and assessment of the following: impairment of tangible and intangible assets and goodwill; purchase price allocation of acquired companies to the assets acquired and liabilities assumed; income taxes; allowance for doubtful accounts and notes receivables; lease accounting estimates; contingencies; and stock-based compensation. On an ongoing basis, the Company evaluates its estimates based on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company's cash, cash equivalents, restricted cash and accounts receivable are potentially subject to concentration of credit risk. Cash and cash equivalents are placed with financial institutions that management believes are creditworthy. The

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

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

Company does not believe that it is exposed to any significant credit risk on cash, cash equivalents and restricted cash. At times, cash, cash equivalents and restricted cash balances may be in excess of FDIC insurance limits.

Accounts receivable are derived from revenues earned from franchisees and area licensees located primarily in the United States. Financing receivables arise from the financing of restaurant equipment, real estate leases or franchise fees with the Company by IHOP franchisees. The Company is subject to a concentration of credit risk with respect to receivables from franchisees that own a large number of Applebee's, IHOP or Fuzzy's restaurants. As of December 31, 2023, two franchisees (one Applebee's franchisee and one franchisee with cross-brand ownership) operated a combined total of 822 Applebee's and IHOP restaurants in the United States, which comprised 24.4% of the total Applebee's, IHOP and Fuzzy's franchise and area license restaurants in the United States. Revenues from these two franchisees represented 21.1%, 18.8%, and 18.0% of total consolidated revenue for the years ended December 31, 2023, 2022 and 2021, respectively. One franchisee represented 13.9%, 12.5%, and 11.8% of total consolidated revenue for the years ended December 31, 2023, 2022 and 2021, respectively. Receivables from these franchisees totaled \$19.7 million and \$20.9 million at December 31, 2023 and 2022, respectively.

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. Cash held related to IHOP advertising funds and the Company's gift card programs is not considered to be restricted cash as there are no restrictions on the use of these funds. The components of cash and cash equivalents were as follows:

	December 31,	
	2023	2022
	(In millions)	
Money market funds	\$ 42.0	\$ 75.0
IHOP advertising funds and gift card programs	82.8	96.7
Other depository accounts	21.2	98.0
Total cash and cash equivalents	<u>\$ 146.0</u>	<u>\$ 269.7</u>

Restricted Cash

Current

Current restricted cash primarily consisted of funds required to be held in trust in connection with the Company's securitized debt and funds from Applebee's and Fuzzy's franchisees pursuant to franchise agreements, usage of which was restricted to advertising activities. The components of current restricted cash were as follows:

	December 31,	
	2023	2022
	(In millions)	
Securitized debt reserves	\$ 31.2	\$ 32.4
Applebee's advertising funds	2.0	5.4
Other	1.9	1.1
Total current restricted cash	<u>\$ 35.1</u>	<u>\$ 38.9</u>

Non-current

Non-current restricted cash of \$19.5 million and \$16.4 million at December 31, 2023 and 2022, respectively, represents interest reserves set aside for the duration of the securitized debt. The required reserve is approximately one quarter's interest payment on the Company's securitized debt.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Properties under finance leases are 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 properties under finance leases are amortized on a straight-line basis over their estimated useful lives or the lease term, if less. The general ranges of depreciable and amortizable lives are as follows:

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

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

Category	Depreciable Life
Buildings and improvements	25 to 40 years
Leaseholds and improvements	Shorter of primary lease term or between three to 40 years
Equipment and fixtures	Three to five years
Internal-use software	Three to 10 years
Properties under finance leases	Primary lease term or remaining primary lease term

Long-Lived Assets

On a regular basis, the Company assesses whether events or changes in circumstances have occurred that potentially indicate the carrying value of long-lived assets (primarily assets related to property and equipment leased or subleased to franchisees) may not be recoverable. The analysis is performed at the restaurant level for indicators of impairment. The Company tests for impairment using current and historical operating results and cash flows as well as other relevant facts and circumstances as the primary basis for estimates of future cash flows. The Company considers factors such as the number of years the franchisee's restaurant has been in operation, sales trends, cash flow trends, remaining lease life and other factors which apply on a case-by-case basis. Continuing losses associated with an asset are an indicator of impairment.

If it is decided that there has been an impairment, the carrying amount of the asset is written down to the estimated fair value as determined in accordance with U.S. GAAP governing fair value measurements. The primary method of estimating fair value is based on a discounted cash flow analysis. Any loss resulting from impairment is recognized as a charge against operations.

See *Note 13 - Closure and Long-lived Tangible Asset Impairment Charges*, of the Notes to the Consolidated Financial Statements for additional information.

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 an acquisition are accounted for using the purchase method of accounting and are estimated by management based on the fair value of the assets received. The Company's identifiable intangible assets are comprised primarily of the Applebee's tradename and Applebee's franchise agreements and as of December 2022, the Fuzzy's tradename and Fuzzy's franchise agreements. Identifiable intangible assets with finite lives (franchise agreements) are amortized over the period of estimated benefit using the straight-line method and estimated useful lives. Goodwill and intangible assets considered to have an indefinite life (primarily the tradenames) are not subject to amortization. The determination of indefinite life is subject to reassessment if changes in facts and circumstances indicate the period of benefit has become finite.

Goodwill has been allocated to four reporting units. The significant majority of the Company's goodwill resulted from the November 29, 2007 acquisition of Applebee's and was allocated to the Applebee's franchised restaurants unit ("Applebee's franchise unit"). Smaller amounts of goodwill arising from other business combinations have been allocated to the Fuzzy's franchised restaurants unit ("Fuzzy's franchise unit"), the IHOP franchised restaurants unit ("IHOP franchise unit") and the Applebee's company restaurants unit ("Applebee's company unit"). In October 2022, the Company refranchised the Applebee's company restaurant units and disposed the related assets. See *Note 6 - Goodwill*, of the Notes to the Consolidated Financial Statements for additional information.

The Company evaluates the goodwill of the Applebee's franchise unit and the indefinite-lived Applebee's tradename for impairment as of October 31 of each year. The Company evaluates the goodwill of the IHOP franchise unit and the Fuzzy's franchise unit for impairment as of December 31 of each year. In addition to the annual evaluation for impairment, goodwill and indefinite-lived intangible assets are evaluated more frequently if the Company believes indicators of impairment exist.

When evaluating goodwill and indefinite-lived intangible assets for impairment, under U.S. GAAP, the Company may first perform an assessment of qualitative factors to determine if the fair value of the reporting unit or the intangible asset is more-likely-than-not greater than the carrying amount. Such qualitative factors include, but are not limited to, macro-economic conditions, market and industry conditions, cost considerations, current and future income tax rates, the competitive environment, fluctuations in the market value of the Company's common stock, absolute and relative to peers, overall financial performance and results of past impairment tests. If, based on a review of the qualitative factors, the Company determines it is more-likely-than-not that the fair value is greater than the carrying value, the Company may bypass a quantitative test for impairment. Additionally, in any given year, the Company can elect to perform a quantitative assessment of impairment.

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

In performing the quantitative test for impairment of goodwill, the Company primarily uses the income approach method of valuation that includes the discounted cash flow method and the market approach that includes the guideline public company method. Significant assumptions used to determine fair value under the discounted cash flow method include expected future trends in sales, operating expenses, overhead expenses, capital expenditures and changes in working capital, along with an appropriate discount rate based on the Company's estimated cost of equity capital and after-tax cost of debt. Significant assumptions used to determine fair value under the guideline public company method include the selection of guideline companies and the valuation multiples applied. The Company measures impairment as the excess of a reporting unit's carrying amount over its fair value as determined by the quantitative test described above.

In the process of performing its quantitative impairment review of intangible assets considered to have an indefinite life, the Company primarily uses the relief of royalty method under the income approach method of valuation. Significant assumptions used to determine fair value under the relief of royalty method include future trends in sales, a royalty rate and an appropriate discount rate based on the Company's estimated cost of equity capital and after-tax cost of debt to be applied to the forecast revenue stream.

Business Combinations

From time to time, the Company may enter into business combinations. In accordance with Accounting Standards Codification ("ASC") 805, Business Combinations, the Company applies the acquisition method for acquisitions that meet the definition of a business combination. Under the acquisition method, the Company estimates the fair value of the identifiable assets and liabilities of the acquired entity on the acquisition date. Acquired intangible assets are valued using different methods under the income approach, including but not limited to, the multi-period excess earnings method for tradenames and franchising rights and the relief of royalty method for recipes. The Company measures goodwill as the excess of consideration transferred over the net of the acquisition date fair values of the identifiable assets acquired and liabilities assumed. Goodwill is assigned to each reporting unit that is expected to benefit from the synergies of the business combination. Acquisition-related expenses and transaction costs associated with business combinations are expensed in the period incurred which is included in the General and administrative expenses line item of the Consolidated Statements of Comprehensive Income.

Revenue Recognition

The Company's revenues are recorded in four categories: franchise operations, company restaurant operations, rental operations and financing operations. Franchise revenue (which comprises most of the Company's revenues) and revenue from company-operated restaurants are recognized in accordance with ASC 606 - Revenue from Contracts with Customers ("ASC 606"). Under ASC 606, revenue is recognized upon transfer of control of promised services or goods to customers in an amount that reflects the consideration the Company expects to receive for those services or goods. The Company's rental and financing revenues are recognized in accordance with other U.S. GAAP accounting standards and are not subject to ASC 606.

Franchise Revenues

The Company franchises the Applebee's, IHOP and Fuzzy's restaurant concepts. The franchise arrangement for the brands is documented in the form of a franchise agreement and, in most cases, a development agreement. The franchise arrangement between the Company as the franchisor and the franchisee as the customer requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all the utility is derived from its association with the Company's past or ongoing activities. The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

The transaction price in a standard franchise arrangement for the brands primarily consists of (a) initial franchise/development fees; (b) continuing franchise fees (royalties); and (c) advertising fees. Since the Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required. Additionally, all domestic IHOP franchise agreements require franchisees to purchase proprietary pancake and waffle dry mix from the Company.

The Company recognizes the primary components of the transaction price as follows:

- Franchise and development fees are recognized as revenues ratably on a straight-line basis over the term of the franchise agreement commencing with the restaurant opening date. As these fees are typically received in cash at or

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

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

near the beginning of the franchise term, the cash received is initially recorded as a contract liability until recognized as revenue over time;

- The Company is entitled to royalties and advertising fees based on a percentage of the franchisee's gross sales as defined in the franchise agreement. Royalty and advertising revenues are recognized when the franchisee's reported sales occur. Depending on timing within a fiscal period, the recognition of revenue results in either a contract asset (unbilled receivable) or, once billed, accounts receivable, on the balance sheet;
- Revenue from the sales of proprietary pancake and waffle dry mix is recognized in the period in which distributors ship the franchisee's order; recognition of revenue results in accounts receivable on the balance sheet.

In determining the amount and timing of revenue from contracts with customers, the Company exercises judgment with respect to collectibility of the amount; however, the timing of recognition does not require significant judgment as it is based on either the franchise term, the month of sale as reported by the franchisee or the date of product shipment, none of which require estimation.

The Company does not incur a significant amount of contract acquisition costs in conducting its franchising activities. The Company believes its franchising arrangements do not contain a significant financing component.

Company Restaurant Revenues

Company restaurant revenues comprise retail sales at company-operated restaurants. 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 that are remitted to the appropriate taxing authorities, with no significant judgments required.

Rental Revenues

Rental operations revenues include revenues from operating leases and interest income from real estate leases. See *Basis of Presentation and Summary of Significant Accounting Policies - Leases*.

Financing Revenues

Financing operations revenues consist primarily of interest income from the financing of franchise fees and equipment leases, other notes receivable from franchisees and sales of equipment associated with refranchised IHOP restaurants. Interest income is recorded as earned.

Gift Card

The Company administers gift card programs for each restaurant concept. The Company records a liability in the period in which a gift card is sold and recognizes costs associated with its administration of the gift card programs as prepaid assets when the costs are incurred. The liability and prepaid asset recorded on the Company's books are relieved when gift cards are redeemed. If redemption occurs at a franchisee-operated restaurant, the gift card proceeds, net of costs, is remitted to the franchisee. The Company receives gift card breakage revenue only from gift cards redeemed at company-operated restaurants. There was no breakage revenue for gift cards estimated to be redeemable at company-operated restaurants for the year ended December 31, 2023. Breakage revenue for gift cards estimated to be redeemable at company-operated restaurants for the years ended December 31, 2022 and 2021 were \$0.3 million and \$0.3 million, respectively.

Allowance for Credit Losses

The allowance for credit losses is the Company's best estimate of the amount of probable credit losses incurred on existing receivables; however, changes in circumstances relating to receivables may result in changes to the allowance in the future. The Company determines the allowance based on historical losses, current conditions, and reasonable and supportable forecasts used in assessing the franchisee's or area licensee's ability to pay outstanding balances. The primary indicator of credit quality is delinquency, which is considered to be a receivable balance greater than 90 days past due. The Company continually reviews the allowance for credit losses. Past due balances and future obligations are reviewed individually for collectability. Account balances are charged against the allowance after all collection efforts have been exhausted and the potential for recovery is considered remote. See *Note 4 - Current Expected Credit Losses*, of the Notes to the Consolidated Financial Statements for additional information.

Leases

The Company accounts for its leasing activities in accordance with accounting guidance for leases, as codified in Accounting Standards Topic 842 ("ASC 842"). In adopting ASC 842, the Company utilized expedients that allowed it to retain the classification, as either an operating lease or a finance lease, that was previously determined under prior accounting guidance for leases. The Company reassesses this classification upon renewal, extension or the modification of an existing lease

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

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

agreement. The Company determines the appropriate classification upon entering into a new contract determined to contain a lease.

Operating lease assets and liabilities are recognized at the lease commencement date, or were recognized upon adoption of ASC 842. Operating lease liabilities represent the present value of lease payments not yet paid. Operating lease assets represent the Company's right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepayments or accrued lease payments, initial direct costs, lease incentives and impairment of operating lease assets.

The Company's lease agreements generally do not provide information to determine the implicit interest rate in the agreements. This requires the Company to estimate an incremental borrowing rate to be used in calculating operating lease liabilities as of the adoption or commencement date. The Company estimates the incremental borrowing rate primarily by reference to (i) yield rates on debt issuances by companies of a similar credit rating as the Company; (ii) U.S. Treasury rates as of the adoption or commencement date; and (iii) adjustments for differences between these rates and the lease term.

The cost of an operating lease is recognized over the lease term on a straight-line basis. The lease term commences on the date the Company has the right to control the use of the leased property. Certain leases may contain provisions for rent holidays and fixed-step escalations in payments over the base lease term, as well as renewal periods. The effects of the holidays and fixed-step escalations are reflected in rent expense on a straight-line basis over the expected lease term. Differences between amounts paid and amounts expensed are recorded as deferred rent. Certain leases may include rent escalations based on inflation indexes and fair market value adjustments. Certain leases may contain contingent rental provisions that include a fixed base rent plus an additional percentage of the restaurant's sales. Subsequent escalations subject to such an index and contingent rental payments are recognized as variable lease expense.

The rental payments (as lessee) or receipts (as lessor) on those property leases that meet the finance lease criteria result in the recognition of interest expense or interest income and a reduction of finance lease obligation or financing lease receivable, respectively. Finance lease obligations are amortized based on the Company's incremental borrowing rate and real estate leases receivable are amortized using the implicit interest rate.

Pre-opening Expenses

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

Advertising

Advertising expense reflected in the Consolidated Statements of Comprehensive Income includes our contributions to the national advertising funds, local marketing advertising costs incurred by company-operated restaurants, and certain advertising costs incurred by the Company to benefit future franchise operations. Costs of advertising typically are expensed either as incurred or the first time the advertising takes place. Any excess or deficiency of advertising fee revenue compared to advertising expenditures, is recognized in the fourth quarter of the Company's fiscal year. Any excess of revenue over expenditures is recognized only to the extent of previously recognized deficits. When advertising revenues exceed the related advertising expenses and there is no recovery of a previously recognized deficit of advertising revenues, advertising costs are accrued up to the amount of revenues.

Advertising expense included in company restaurant operations for the years ended December 31, 2023, 2022 and 2021 was \$0.1 million, \$5.6 million and \$6.8 million, respectively.

Fair Value Measurements

The Company determines the fair market values of its financial assets and liabilities, as well as non-financial assets and liabilities that are recognized or disclosed at fair value on a recurring basis, based on the fair value hierarchy established in U.S. GAAP. As necessary, the Company measures its financial assets and liabilities using inputs from the following three levels of the fair value hierarchy:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are observable for the asset or liability, either directly or indirectly, including quoted prices in active markets for similar assets or liabilities.
- Level 3 inputs are unobservable and reflect the Company's own assumptions.

The Company does not have a material amount of financial assets or liabilities that are required under U.S. GAAP to be measured at fair value on a recurring basis. None of the Company's non-financial assets or non-financial liabilities is required to be measured at fair value on a recurring basis. Assets recognized or disclosed at fair value in the consolidated financial statements on a nonrecurring basis include items such as property and equipment, operating lease assets, goodwill and other

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

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

intangible assets, which are measured at fair value if determined to be impaired. The Company has not elected to use fair value measurement for any assets or liabilities for which fair value measurement is not presently required.

The Company believes the fair values of cash and cash equivalents, restricted cash, accounts receivable and accounts payable approximate their carrying amounts due to their short duration.

The Company believes the fair value of the Credit Facility approximate carrying value due to the variable interest rate. The fair values of the Company's long-term debt, excluding the Credit Facility, at December 31, 2023 and December 31, 2022 were as follows:

	December 31,	
	2023	2022
	(In millions)	
Face Value	<u>\$ 1,094.0</u>	<u>\$ 1,247.0</u>
Fair Value	<u>\$ 1,085.8</u>	<u>\$ 1,167.0</u>

Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax basis of assets and liabilities using enacted tax rates. A valuation allowance is recorded when it is more likely than not that some or all of the deferred tax assets will not be realized. The Company records estimated tax liabilities to the extent the contingencies are probable and can be reasonably estimated. The Company recognizes interest accrued related to unrecognized tax benefits and penalties as a component of the income tax provision recognized in the Consolidated Statements of Comprehensive Income.

The Company is taxed on global intangible low-tax income ("GILTI") earned by certain foreign subsidiaries and recognizes the current tax on GILTI as an expense in the period the tax is incurred. The Company includes the current tax impact of GILTI in our effective tax rate.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by taxing authorities based on its technical merits, including all appeals or litigation processes. 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. For each reporting period, management applies a consistent methodology to measure and adjust all uncertain tax positions based on the available information.

Stock-Based Compensation

Members of the Board of Directors and certain employees are eligible to receive stock options, restricted stock, restricted stock units and performance units pursuant to the Dine Brands Global, Inc. 2019 Stock Incentive Plan. Shares of unvested restricted stock are subject to restrictions on transfer and forfeiture under certain circumstances. The holder of unvested restricted stock has the right to vote and receive regular cash dividends with respect to the shares of unvested restricted stock.

The Company accounts for all stock-based payments to employees and non-employee directors, including grants of stock options, restricted stock, restricted stock units and performance units to be recognized in the financial statements, based on their respective grant date fair values. 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 grant date fair value of restricted stock and stock-settled restricted stock units is determined based on the Company's stock price on the grant date. The Company estimates the grant date fair value of stock option awards using the Black-Scholes option pricing model, which considers, among other factors, a risk-free interest rate, the expected life of the award and the historical volatility of the Company's stock price. The Company estimates the grant date fair value of awards with performance-based market conditions using a Monte Carlo simulation method which considers, among other factors, the performance-based market condition, a risk-free interest rate, the expected life of the award and the historical volatility of the Company's stock price. Awards of cash-settled restricted stock units are classified as liabilities with the liability and compensation expense related to cash-settled awards adjusted to fair value at each balance sheet date.

Net Income (Loss) Per Share

Net income (loss) per share is calculated using the two-class method prescribed in U.S. GAAP. Basic net income (loss) per share is computed by dividing the net income (loss) available to common stockholders for the period by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

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

income (loss) 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. The Company uses the treasury stock method to calculate the weighted average shares used in the diluted earnings per share calculation. Potentially dilutive common shares include the assumed exercise of stock options and assumed vesting of restricted stock.

Treasury Stock

The Company may from time to time utilize treasury stock when vested stock options are exercised, when restricted stock awards are granted and when restricted stock units settle in stock upon vesting. The cost of treasury stock re-issued is determined using the first-in, first-out method.

Dividends

Dividends declared on common stock are recorded as a reduction of retained earnings to the extent retained earnings are available at the close of the period prior to the date of the dividend declaration. Dividends declared in excess of retained earnings are recorded as a reduction of additional paid-in capital.

Reporting Segments

The Company identifies its reporting segments based on the organizational units used by management to monitor performance and make operating decisions. The Company has six operating segments: Applebee's franchise operations, IHOP franchise operations, Fuzzy's franchise operations, rental operations, financing operations and company-operated restaurant operations. The Company has four reporting segments: franchise operations, (an aggregation of each restaurant concept's franchise operations), rental operations, financing operations and company-operated restaurant operations. The Company considers these to be its reportable segments, regardless of whether any segment exceeds 10% of consolidated revenues, income before income tax provision or total assets.

Franchise Segment

As of December 31, 2023, the franchise operations reportable segment consisted of 1,642 restaurants operated by Applebee's franchisees in the United States, two United States territories and 12 countries outside the United States; 1,814 restaurants operated by IHOP franchisees and area licensees in the United States, two United States territories and 13 countries outside the United States; and 131 restaurants operated by Fuzzy's franchisees in the United States. Franchise operations revenue consists primarily of royalties and advertising fees based on a percentage of the franchisee's gross sales, sales of proprietary products (primarily IHOP pancake and waffle dry mixes) and other franchise fees.

Franchise operations expenses include advertising expense, the cost of proprietary products, pre-opening training expenses and other franchise-related costs.

Rental Segment

Rental operations revenue includes revenue from operating leases and interest income from real estate leases. Rental operations expenses are costs of operating leases and interest expense of finance leases on franchisee-operated restaurants. The rental operations revenue and expenses are primarily generated by IHOP. Applebee's and Fuzzy's have no or an insignificant amount of rental activity.

Financing Segment

Financing operations revenue primarily consists of interest income from the financing of IHOP franchise fees and equipment leases, notes receivable from Applebee's, IHOP and Fuzzy's franchisees and sales of equipment associated with refranchised IHOP restaurants. Financing expenses are the cost of restaurant equipment.

Company Segment

In connection with our acquisition of Fuzzy's in December 2022, the Company acquired three company-owned Fuzzy's restaurants, and subsequently refranchised two restaurants in April 2023. As of December 31, 2023, the Company operated one Fuzzy's restaurant. During 2022 and 2021, the Company operated 69 Applebee's restaurants that were acquired from a former franchisee in December 2018. The 69 Applebee's company-operated restaurants were sold in October 2022. All company-operated restaurants were located in the United States. Company restaurant sales are retail sales at company-operated restaurants. Company restaurant expenses are operating expenses at company-operated restaurants and include food, beverage, labor, benefits, utilities, rent and other operating costs.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

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

Accounting Standards Adopted in the Current Fiscal Year

In October 2021, the FASB issued Accounting Standards Update ("ASU") No. 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers." The ASU primarily requires contract assets and contract liabilities acquired in a business combination to be recognized and measured in accordance with ASC 606, the revenue standard, and is effective for fiscal years beginning after December 15, 2022. Adoption did not have any material effect on the consolidated financial statements.

Additional new accounting guidance became effective for the Company as of the beginning of fiscal 2023 that the Company reviewed and concluded was either not applicable to its operations or had no material effect on its consolidated financial statements in the current or future fiscal years.

Newly Issued Accounting Standards Not Yet Adopted

In November 2023, the FASB issued ASU No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure," which updates reportable segment disclosure requirements. The ASU primarily requires enhanced disclosures about significant segment expenses and information used to assess segment performance and is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024 with early adoption permitted. The Company is currently evaluating the impact of adopting this ASU in our disclosures.

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The guidance is effective for fiscal years beginning after December 15, 2024, with early adoption permitted, and should be applied on a prospective basis with the option to apply the standard retrospectively. The Company is currently evaluating the impact of adopting this ASU on our disclosures.

The Company reviewed all other recently issued accounting pronouncements and concluded that they were either not applicable or not expected to have a significant impact to the consolidated financial statements.

3. Revenue

The following table disaggregates our franchise revenues by major type for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
	2023	2022	2021
<i>Franchise Revenues</i>	(In thousands)		
Royalties	\$ 325,643	\$ 303,724	\$ 292,372
Advertising fees	300,796	289,328	274,790
Proprietary product sales and other	71,058	60,749	51,250
Franchise and development fees	8,868	8,637	13,524
Total franchise revenues	<u>\$ 706,365</u>	<u>\$ 662,438</u>	<u>\$ 631,936</u>

Accounts and other receivables related to franchise revenues as of December 31, 2023 and 2022 were \$68.7 million (net of allowance of \$2.7 million) and \$69 million (net of allowance of \$1.3 million), respectively, and were included in receivables, net in the Consolidated Balance Sheets.

Changes in the Company's deferred franchise revenue during the year ended December 31, 2023 were as follows:

	Revenue (short- and long-term)
	(In thousands)
Balance at December 31, 2022	\$ 49,493
Recognized as revenue during the year ended December 31, 2023	(8,223)
Fees deferred during the year ended December 31, 2023	3,999
Balance at December 31, 2023	<u>\$ 45,269</u>

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

3. Revenue (Continued)

The balance of deferred franchise revenue as of December 31, 2023 is expected to be recognized as follows:

	(In thousands)
2024	\$ 6,611
2025	5,850
2026	5,018
2027	4,122
2028	3,151
Thereafter	20,517
Total	<u>\$ 45,269</u>

The current balance of deferred franchise revenue is included as Other accrued expenses on the Consolidated Balance Sheets.

4. Current Expected Credit Losses (“CECL”)

The CECL reserve methodology requires companies to measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instrument. Under the CECL model, reserves may be established against financial asset balances even if the risk of loss is remote or has not yet manifested itself.

In applying the CECL methodology, the Company developed its estimated loss reserves in the following manner. The Company continued to record specific reserves against account balances of franchisees deemed “at-risk” when a potential loss is likely or imminent as a result of prolonged payment delinquency (greater than 90 days past due) and where notable credit deterioration has become evident. For financial assets that are not currently deemed “at-risk,” an allowance is recorded based on expected loss rates derived pursuant to the following CECL methodology that assesses four components - historical losses, current conditions, reasonable and supportable forecasts, and reversion to history, if applicable.

Historical Losses

Historical loss rates over a five-year span were calculated for financial assets with common risk characteristics. The Company determined historical loss rate data for each franchise brand concept was more relevant than a single blended rate. Historical losses were determined based on the average charge-off method. Historical loss rates are further adjusted by factors related to current conditions and forecasts of future economic conditions.

Current Conditions

The Company identified three metrics that it believes provide the most relevant reflection of the current risks inherent in the Company’s franchisee-based restaurant business, as follows: (1) delinquency status, (2) system-wide same-restaurant sales, and (3) restaurant unit-level economics.

Reasonable and Supportable Forecasts

The third component in the CECL methodology involves consideration of macroeconomic conditions that can impact the estimate of expected credit losses in the future. The Company has not developed an internal methodology in this regard; rather, the Company utilizes existing, publicly accessible sources of economic data, primarily forecasts of overall unemployment rate as well as consumer spending based on the personal consumption expenditure index.

Reversion to History

The Company has determined that reversion to history was not required since the remaining average lives of the Company’s financial assets are not exceedingly lengthy.

The Company considers its portfolio segments to be the following:

Accounts Receivable (Franchise-Related)

Most of the Company’s short-term receivables due from franchisees are derived from royalty, advertising and other franchise-related fees.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

4. Current Expected Credit Losses (Continued)

Gift Card Receivables

Gift card receivables consist primarily of amounts due from third-party vendors. Receivables related to gift card sales are subject to seasonality and usually peak around year end as a result of the December holiday season.

Notes Receivable

Notes receivable balances primarily relate to the conversion of certain Applebee's franchisee accounts receivable to notes receivable, cash loans to franchisees for working capital purposes, a note receivable in connection with the sale of IHOP company restaurants in June 2017, and IHOP franchise fee and other notes. The notes are typically collateralized by the franchise. The notes generally have a term from one to eight years and bear interest averaging 5.0% and 5.3% per annum at December 31, 2023 and 2022, respectively. Due to the risk inherent in Applebee's notes that were converted from previously delinquent franchisee accounts receivable balances, a significant portion of these notes have specific reserves recorded against them totaling \$6.5 million as of December 31, 2023.

Equipment Leases Receivable

Equipment leases receivable primarily relate to IHOP franchise development activity prior to 2003. IHOP provided the financing for the leasing of the equipment. Equipment lease contracts are collateralized by the equipment in the restaurant. Equipment lease contracts are due in equal weekly installments, and bear interest averaging 9.6% and 9.8% per annum at December 31, 2023 and 2022, respectively. The term of an equipment lease contract typically coincides with the term of the corresponding restaurant building lease. The weighted average remaining life of the Company's equipment leases is 3.2 years as of December 31, 2023. The estimated fair value of the equipment collateralizing these lease contracts are not deemed to be significant given the very seasoned and mature nature of this portfolio.

Real Estate Leases Receivable

Real estate lease receivable also primarily relate to IHOP franchise development activity prior to 2003 when IHOP typically leased or purchased the restaurant site, built and equipped the restaurant, and then franchised the restaurant to a franchisee. IHOP provided the financing for leasing or subleasing the site. Real estate lease receivables at December 31, 2023, were comprised of 26 leases with a weighted average remaining life of 11.0 years, and relate to locations that IHOP is leasing from third parties and subleasing to franchisees. Where applicable, building leases and equipment contracts contain cross-default provisions wherein a default under one constitutes a default under all.

Distributor Receivables

Receivables due from distributors are related to the sale of proprietary products to franchisees through the Company's network of suppliers and distributors and are included as part of Other receivables.

Total receivables balances at December 31, 2023 and 2022 were as follows:

<i>Receivables</i>	2023	2022
	(In millions)	
Accounts receivable	\$ 68.0	\$ 67.5
Gift card receivables	33.7	34.6
Notes receivable	14.9	17.2
Financing receivables:		
Equipment leases receivable	19.7	26.6
Real estate leases receivable	18.4	18.5
Other receivables	18.3	5.6
	<u>173.0</u>	<u>170.0</u>
Less: allowance for doubtful accounts and notes receivable	(9.5)	(10.3)
	<u>163.5</u>	<u>159.7</u>
Less: current portion	(127.9)	(120.0)
Long-term receivables	<u>\$ 35.6</u>	<u>\$ 39.7</u>

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

4. Current Expected Credit Losses (Continued)

Changes in the allowance for credit losses during the years ended December 31, 2023 and 2022 were as follows:

	Accounts Receivable	Notes receivable, short-term	Notes receivable, long-term	Lease Receivables	Equipment Receivables	Other ⁽¹⁾	Total
	(In millions)						
Balance, December 31, 2021	\$ 1.0	\$ 3.8	\$ 6.6	\$ 0.2	\$ 0.1	\$ 0.2	\$ 11.9
Bad debt (credit) expense	(0.1)	1.4	(1.1)	0.0	(0.0)	0.0	0.3
Advertising provision adjustment	0.5	(0.8)	(0.2)	—	—	—	(0.5)
Write-offs	(0.3)	(0.9)	—	(0.0)	(0.0)	(0.3)	(1.5)
Recoveries	0.1	—	—	0.0	0.0	0.0	0.1
Balance, December 31, 2022	\$ 1.2	\$ 3.5	\$ 5.3	\$ 0.2	\$ 0.1	\$ (0.1)	\$ 10.3
Bad debt (credit) expense	1.5	0.4	(0.2)	0.0	0.8	0.1	2.7
Advertising provision adjustment	1.0	(0.2)	—	—	—	—	0.8
Write-offs	(1.2)	(1.9)	(0.3)	(0.0)	(0.9)	—	(4.3)
Recoveries	0.0	—	—	0.0	0.0	0.0	0.0
Balance, December 31, 2023	<u>\$ 2.5</u>	<u>\$ 1.8</u>	<u>\$ 4.8</u>	<u>\$ 0.2</u>	<u>\$ 0.2</u>	<u>\$ 0.0</u>	<u>\$ 9.5</u>

⁽¹⁾ Primarily distributor receivables, gift card receivables and credit card receivables.

The Company's primary credit quality indicator for all portfolio segments is delinquency. Generally, the notes receivables, leases receivables, equipment receivables, and other receivables (primarily consists of credit card receivables) are not delinquent.

The year of origination of the Company's financing receivables at December 31, 2023 as follows:

	Notes receivable, short and long- term	Lease Receivables	Equipment Receivables	Total
	(In millions)			
2023	\$ 5.5	\$ 3.6	\$ 1.0	\$ 10.1
2022	0.9	8.1	—	9.0
2021	8.3	2.3	—	10.6
2020	0.2	1.2	—	1.4
2019	—	0.7	—	0.7
Prior	0.0	2.5	18.7	21.2
Total	<u>\$ 14.9</u>	<u>\$ 18.4</u>	<u>\$ 19.7</u>	<u>\$ 53.0</u>

The Company does not place its financing receivables in non-accrual status.

5. Property and Equipment

Property and equipment by category at December 31, 2023 and 2022 were as follows:

	2023	2022
	(In millions)	
Leaseholds and improvements	\$ 219.2	\$ 211.5
Properties under finance leases	59.0	56.7
Equipment and fixtures	42.7	41.5
Buildings and improvements	51.3	51.3
Land	47.8	47.8
Internal-use software	64.6	52.6
Construction in progress	3.2	17.6
Property and equipment, gross	487.8	479.0
Less: accumulated depreciation and amortization	(325.9)	(333.7)
Property and equipment, net	<u>\$ 161.9</u>	<u>\$ 145.3</u>

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

5. Property and Equipment (Continued)

The Company recorded depreciation expense on property and equipment of \$24.7 million, \$27.4 million and \$29.2 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Accumulated depreciation and amortization includes accumulated amortization for properties under finance leases in the amount of \$43.7 million and \$45.3 million at December 31, 2023 and 2022, respectively.

6. Goodwill

The significant majority of the Company's goodwill arose from the November 29, 2007 acquisition of Applebee's. In October 2022, the disposition of assets of \$4.6 million was related to the refranchising and sale of the restaurant assets of 69 Applebee's company-operated restaurants. In December 2022, the addition to goodwill of \$7.0 million arose from the acquisition of Fuzzy's, which was determined to be a separate reporting unit. Changes in the carrying amount of goodwill for the years ended December 31, 2023, 2022 and 2021 are as follows:

	Applebee's Franchise Unit	Applebee's Company Unit	IHOP Franchise Unit	Fuzzy's Franchise Unit	Total
	(In millions)				
Balance at December 31, 2020	\$ 236.2	\$ 4.6	\$ 10.8	\$ —	\$ 251.6
Balance at December 31, 2021	236.2	4.6	10.8	—	251.6
Disposition of assets	—	(4.6)	—	—	(4.6)
Business acquisition	—	—	—	7.0	7.0
Balance at December 31, 2022	236.2	—	10.8	7.0	254.0
Purchase price adjustment	—	—	—	0.1	0.1
Balance at December 31, 2023	<u>\$ 236.2</u>	<u>\$ —</u>	<u>\$ 10.8</u>	<u>\$ 7.1</u>	<u>\$ 254.1</u>

Gross and net carrying amounts of goodwill at December 31, 2023 and 2022 are as follows:

	December 31, 2023			December 31, 2022		
	Gross	Accumulated Impairment Loss	Net	Gross	Accumulated Impairment Loss	Net
	(In millions)					
Applebee's Franchise Unit	\$ 686.7	\$ (450.5)	\$ 236.2	\$ 686.7	\$ (450.5)	\$ 236.2
Applebee's Company Unit	—	—	—	4.6	(4.6)	—
IHOP Franchise Unit	10.8	—	10.8	10.8	—	10.8
Fuzzy's Franchise Unit	7.1	—	7.1	7.0	—	7.0
Total	<u>\$ 704.6</u>	<u>\$ (450.5)</u>	<u>\$ 254.1</u>	<u>\$ 709.1</u>	<u>\$ (455.1)</u>	<u>\$ 254.0</u>

The Company assesses goodwill for impairment in accordance with its policy described in *Note 2 - Basis of Presentation and Summary of Significant Accounting Policies*.

The Company evaluates its goodwill and the indefinite-lived tradenames for impairment annually in the fourth quarter of each year or on an interim basis if events or changes in circumstances between annual tests indicate a potential impairment. Definite-lived intangible assets and long-lived tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable based on estimated undiscounted future cash flows.

2023 Assessment

In the fourth quarter of 2023, the Company performed qualitative assessments of its goodwill in accordance with its accounting policies, and determined that it was more-likely-than-not that an impairment does not exist. Significant factors considered in this assessment include macro-economic conditions, market and industry conditions, cost considerations, the competitive environment, share price fluctuations, overall financial performance and results of past impairment tests.

Additionally, we elected to perform quantitative tests for impairment on the Applebee's goodwill. In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The fair value technique used in this instance is classified as Level 3, where unobservable inputs are used when little or no market data is available.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

6. Goodwill (Continued)

In performing the quantitative test for impairment of goodwill, the Company used the income approach method of valuation that includes the discounted cash flow method and the market approach that includes the guideline public company method to determine the fair value of goodwill and intangible assets. Significant assumptions made by management in estimating fair value under the discounted cash flow model include future trends in sales, operating expenses, overhead expenses, depreciation, capital expenditures and changes in working capital, along with an appropriate discount rate based on the Company's estimated cost of equity capital and after-tax cost of debt. Significant assumptions used to determine fair value under the guideline public company method include the selection of guideline companies and the valuation multiples applied.

As a result of performing the quantitative test of impairment, the fair value was substantially in excess of its respective carrying value as of the testing date.

2022 and 2021 Assessments

In the fourth quarters of 2022 and 2021, the Company performed qualitative assessments of its goodwill in accordance with its accounting policies. We first assess qualitatively whether it is more-likely-than-not that an impairment does not exist. Significant factors considered in this assessment include macro-economic conditions, market and industry conditions, cost considerations, the competitive environment, share price fluctuations, overall financial performance and results of past impairment tests. As result of the qualitative assessment, the Company concluded it was more likely than not that the fair values of each unit exceeded the respective carrying amounts and therefore, a quantitative test of impairment was not necessary.

7. Other Intangible Assets

The significant majority of the Company's other intangible assets arose from the November 29, 2007 acquisition of Applebee's. Franchise rights, reacquired franchise rights, favorable leaseholds, and recipes, which is included in Other below, is subject to amortization. Changes in the carrying amounts for the years ended December 31, 2023, 2022 and 2021 are as follows:

	Tradenames	Franchising Rights	Reacquired Franchise Rights	Favorable Leaseholds	Other	Total
	(In millions)					
Balance at December 31, 2020	\$ 468.0	\$ 69.0	\$ 5.7	\$ 3.2	\$ 3.8	\$ 549.7
Amortization expense	—	(10.0)	(0.6)	(0.1)	—	(10.7)
Additions	—	—	—	—	0.4	0.4
Balance at December 31, 2021	468.0	59.0	5.1	3.1	4.2	539.4
Amortization expense	—	(10.0)	(0.4)	(0.1)	—	(10.6)
Additions	57.2	14.8	—	—	0.8	72.8
Disposition	—	—	(4.7)	—	—	(4.7)
Balance at December 31, 2022	525.2	63.8	—	3.0	5.0	597.0
Impairment	—	—	—	—	(0.3)	(0.3)
Amortization expense	—	(10.8)	—	(0.1)	0.0	(10.9)
Additions	—	—	—	—	0.2	0.2
Balance at December 31, 2023	<u>\$ 525.2</u>	<u>\$ 53.0</u>	<u>\$ —</u>	<u>\$ 2.9</u>	<u>\$ 4.9</u>	<u>\$ 586.0</u>

In December 2022, the Company acquired Fuzzy's and recorded \$57.2 million of tradename, \$14.8 million of franchising rights and \$0.5 million of recipes as intangible assets. In October 2022, the \$4.7 million disposition of assets was related to the refranchising and sale of the restaurant assets of 69 Applebee's company-operated restaurants. Additions and impairment of other intangibles for the years ended December 31, 2023, 2022, and 2021 are individually insignificant.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

7. Other Intangible Assets (Continued)

The estimated annual amortization expense for the next five fiscal years are as follows:

	Franchising rights	Favorable leaseholds	Other	Total
	(In millions)			
2024	\$ 10.7	\$ 0.2	\$ 0.0	\$ 10.9
2025	10.7	0.2	\$ 0.0	\$ 10.9
2026	10.7	0.2	\$ 0.0	\$ 10.9
2027	9.8	0.2	\$ 0.0	\$ 10.0
2028	0.7	0.2	\$ 0.0	\$ 0.9

Gross and net carrying amounts of intangible assets subject to amortization at December 31, 2023 and 2022 are as follows:

	December 31, 2023			December 31, 2022		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
	(In millions)					
Franchising rights	\$ 214.8	\$ (161.8)	\$ 53.0	\$ 214.8	\$ (151.0)	\$ 63.8
Favorable leaseholds	3.4	(0.5)	2.9	\$ 3.4	\$ (0.4)	3.0
Total	<u>\$ 218.2</u>	<u>\$ (162.2)</u>	<u>\$ 55.9</u>	<u>\$ 218.2</u>	<u>\$ (151.4)</u>	<u>\$ 66.8</u>

In the fourth quarter of fiscal 2023, the Company performed a quantitative assessment of the Applebee's tradename and concluded the fair value exceeded the carrying amount. In the fourth quarter of fiscal 2022, the Company performed a qualitative assessment of the Applebee's tradename and concluded the fair value exceeded the carrying amount.

8. Long-Term Debt

Long-term debt at December 31, 2023 and 2022 consists of the following components:

	2023	2022
	(In millions)	
Series 2019-1 4.194% Fixed Rate Senior Secured Notes, Class A-2-I	\$ —	\$ 653.0
Series 2019-1 4.723% Fixed Rate Senior Secured Notes, Class A-2-II	594.0	594.0
Series 2022-1 Variable Funding Senior Secured Notes, Class A-1, variable interest rate of 7.95% and 7.29% at December 31, 2023 and December 31, 2022, respectively	100.0	100.0
Series 2023-1 7.824% Fixed Rate Senior Secured Notes, Class A-2	500.0	—
Unamortized debt issuance costs	(9.5)	(5.1)
Long-term debt, net of debt issuance costs	1,184.5	1,341.9
Current portion of long-term debt	(100.0)	(100.0)
Long-term debt	<u>\$ 1,084.5</u>	<u>\$ 1,241.9</u>

Long-Term Debt

On June 5, 2019, Applebee's Funding LLC and IHOP Funding LLC (the "Co-Issuers"), each a special purpose, wholly-owned indirect subsidiary of the Company, issued two tranches of fixed rate senior secured notes, the Series 2019-1 4.194% Fixed Rate Senior Secured Notes, Class A-2-I ("2019 Class A-2-I Notes") in an initial aggregate principal amount of \$700 million and the Series 2019-1 4.723% Fixed Rate Senior Secured Notes, Class A-2-II ("2019 Class A-2-II Notes") in an initial aggregate principal amount of \$600 million (the "2019 Class A-2-II Notes" and, together with the 2019 Class A-2-I Notes, the "2019 Class A-2 Notes"). The 2019 Class A-2 Notes were issued pursuant to an offering exempt from registration under the Securities Act of 1933, as amended.

On August 12, 2022, the Co-Issuers established a new revolving financing facility, the 2022-1 Variable Funding Senior Secured Notes, Class A-1 (the "Credit Facility"), that allows for drawings up to \$325 million of variable funding notes on a revolving basis and the issuance of letters of credit. In connection with this transaction, the Co-Issuers terminated their \$225 million revolving financing facility, the 2019-1 Variable Funding Senior Secured Notes, Class A-1 (the "Previous Credit Facility").

On April 17, 2023, the Co-Issuers completed a refinancing transaction and issued \$500 million of Series 2023-1 7.824% Fixed Rate Senior Secured Notes, Class A-2 (the "2023 Class A-2 Notes"). The 2023 Class A-2 Notes were issued pursuant to an offering exempt from registration under the Securities Act of 1933, as amended. The Company used the net proceeds of the

8. Long-Term Debt (Continued)

2023 Class A-2 Notes to repay the entire outstanding balance of approximately \$585.1 million of the 2019 Class A-2-I Notes and to pay fees and expenses incurred in connection with the issuance of the 2023 Class A-2 Notes. The remaining 2019 Class A-2-II Notes and the Credit Facility, together with the 2023 Class A-2 Notes are referred to collectively herein as the “Notes.” The Notes were issued in securitization transactions pursuant to which substantially all the domestic revenue-generating assets and domestic intellectual property held by the Co-Issuers and certain other special-purpose, wholly-owned indirect subsidiaries of the Company (the “Guarantors”) were pledged as collateral to secure the Notes.

The Notes were issued under a Base Indenture, dated as of September 30, 2014, amended and restated as of June 5, 2019 and further amended and restated as of April 17, 2023 (the “Base Indenture”). In addition, the 2019 Class A-2-II Notes were issued under the related Series 2019-1 Supplement to the Base Indenture, dated June 5, 2019 (the “Series 2019-1 Supplement”), among the Co-Issuers and Citibank, N.A., as the trustee (in such capacity, the “Trustee”) and securities intermediary, the Credit Facility was issued under the related Series 2022-1 Supplement to the Base Indenture, dated August 12, 2022 (“Series 2022-1 Supplement”), among the Co-Issuers and Citibank, N.A., as Trustee and securities intermediary, and the 2023 Class A-2 Notes were issued under the related Series 2023-I Supplement to the Base Indenture, dated April 17, 2023 (the “Series 2023-I Supplement”), among the Co-Issuers and Citibank, N.A., as Trustee and securities intermediary. The Base Indenture, Series 2019-1 Supplement, Series 2022-1 Supplement, and Series 2023-I Supplement (collectively, the “Indenture”) will allow the Co-Issuers to issue additional series of notes in the future subject to certain conditions set forth therein.

2019 Class A-2 Notes

The 2019 Class A-2-I Notes were voluntarily repaid in full on April 17, 2023, while the 2019 Class A-2-II Notes remain outstanding as of December 31, 2023.

The legal final maturity of the 2019 Class A-2-II Notes is June 2049, but rapid amortization will apply if the 2019 Class A-2-II Notes are not repaid by June 2026 (the “2019 Class A-2-II Anticipated Repayment Date”). If the Co-Issuers have not repaid or refinanced the 2019 Class A-2-II Notes by the 2019 Class A-2-II Anticipated Repayment Date, then additional interest will accrue on the 2019 Class A-2-II Notes, as applicable, at the greater of: (A) 5.0% and (B) the amount, if any, by which the sum of the following exceeds the applicable 2019 Class A-2-II Note interest rate: (x) the yield to maturity (adjusted to a quarterly bond-equivalent basis) on the 2019 Class A-2-II Anticipated Repayment Date of the United States Treasury Security having a term closest to 10 years plus (y) 7.64% for the 2019 Class A-2-II Notes.

While the 2019 Class A-2-II Notes are outstanding, payment of principal and interest is required to be made on the 2019 Class A-2-II Notes on a quarterly basis. The quarterly principal payment of \$1.5 million on the 2019 Class A-2-II Notes may be suspended when the leverage ratio for the Company and its subsidiaries is less than or equal to 5.25x. Exceeding the leverage ratio of 5.25x does not violate any covenant related to the Notes. In general, the leverage ratio is the Company's indebtedness (as defined in the Indenture) divided by adjusted EBITDA (as defined in the Indenture) for the four preceding quarterly periods. The complete definitions of all calculation elements of the leverage ratio are contained in the Indenture.

As of December 31, 2023 the Company's leverage ratio was 4.2x. As a result, quarterly principal payments on the 2019 Class A-2-II Notes of \$1.5 million currently are not required. The Company may voluntarily repay the 2019 Class A-2-II Notes at any time without any associated make-whole premium.

2019 Class A-1 Notes

The Previous Credit Facility allowed for drawings up to \$225 million of variable funding notes on a revolving basis and the issuance of letters of credit. There were no outstanding borrowings since March 2021 under the Previous Credit Facility until its termination in August 2022.

The interest rate for borrowings under the Previous Credit Facility was the three-month LIBOR rate plus 2.15% for 60% of the advances and the commercial paper funding rate of our conduit investor plus 2.15% for 40% of the advances.

2022 Class A-1 Notes

In August 2022, the Co-Issuers entered into the Credit Facility that allows for drawings up to \$325 million of variable funding notes on a revolving basis and the issuance of letters of credit. The applicable interest rate under the Credit Facility depends on the type of borrowing by the Co-Issuers. The applicable interest rate for advances is generally calculated at a per annum rate equal to the commercial paper funding rate or one-, two-, three- or six-month Term SOFR Rate, in either case, plus 2.50%. The applicable interest rate for swingline advances and unreimbursed draws on outstanding letters of credit is a per annum base rate equal to the sum of (a) the greatest of (i) the Prime Rate in effect from time to time; (ii) the Federal Funds Rate in effect from time to time plus 0.50%; and (iii) Term SOFR for a one-month tenor in effect at such time plus 0.50% plus (b) 2.00%.

8. Long-Term Debt (Continued)

The legal final maturity of the Credit Facility is June 2052, but rapid amortization will apply if there are outstanding amounts under the Credit Facility after June 2027 (the “Class A-1 Renewal Date”). The Class A-1 Renewal Date may be extended at the Co-Issuers’ election for up to two successive one-year periods if certain conditions are met. If the Co-Issuers have not repaid or refinanced the Credit Facility by the Class A-1 Renewal Date (after giving effect to any extensions), then interest will accrue on the Credit Facility at a rate equal to 5.00% in addition to the regular interest rate applicable to the Credit Facility.

In August 2022, the Company borrowed \$100 million against the Credit Facility, all of which was outstanding at December 31, 2023. The amount of \$3.4 million was pledged against the Credit Facility for outstanding letters of credit, leaving \$221.6 million of the Credit Facility available for borrowing at December 31, 2023. It is anticipated that any principal and interest on the Credit Facility outstanding will be repaid in full on or prior to the quarterly payment date in June 2027, subject to two additional one-year extensions at the option of the Company upon the satisfaction of certain conditions. The letters of credit are used primarily to satisfy insurance-related collateral requirements. The weighted average interest rate for the period outstanding during the year ended December 31, 2023 was 7.68%.

2023 Class A-2 Notes

The legal final maturity of the 2023 Class A-2 Notes is in March 2053, but it is anticipated that, unless repaid earlier to the extent permitted under the Indenture, the 2023 Class A-2 Notes will be repaid in June 2029 (the “2023 Class A-2 Anticipated Repayment Date”). If the Co-Issuers have not repaid or refinanced the 2023 Class A-2 Notes by the 2023 Class A-2 Anticipated Repayment Date, then additional interest will accrue on the 2023 Class A-2 Notes, as applicable, at the greater of: (A) 5.0% and (B) the amount, if any, by which the sum of the following exceeds the Series 2023-1 Class A-2 Note interest rate: (x) the yield to maturity (adjusted to a quarterly bond-equivalent basis) on the 2023 Class A-2 Anticipated Repayment Date of the United States Treasury Security having a term closest to 10 years plus (y) 9.24% for the 2023 Class A-2 Notes.

While the 2023 Class A-2 Notes are outstanding, payment of principal and interest is required to be made on the 2023 Class A-2 Notes on a quarterly basis. The payment of principal on the 2023 Class A-2 Notes may be suspended when the leverage ratio for the Company and its subsidiaries is less than or equal to 5.25x.

As of December 31, 2023, the Company's leverage ratio was approximately 4.2x. As a result, quarterly principal payments on the 2023 Class A-2 Notes of \$1.25 million currently are not required.

The Company may voluntarily repay the 2023 Class A-2 Notes at any time; however, if the 2023 Class A-2 Notes are repaid prior to certain dates, the Company would be required to pay make-whole premiums. As of December 31, 2023, the make-whole premium associated with voluntary prepayment of the 2023 Class A-2 Notes was approximately \$43.5 million. The Company also would be subject to a make-whole premium in the event of a mandatory prepayment required following a Rapid Amortization Event or certain asset dispositions. The mandatory make-whole premium requirements are considered derivatives embedded in the Notes that must be bifurcated for separate valuation. The Company estimated the fair value of these derivatives to be immaterial as of December 31, 2023, based on the probability-weighted discounted cash flows associated with either event.

Management Agreement

Under the terms of the Management Agreement, dated September 30, 2014, as amended and restated as of September 5, 2018, as further amended and restated as of June 5, 2019 and as further amended and restated as of April 17, 2023, among the Co-Issuers and the Guarantors (collectively, the “Securitization Entities”), the Company, Applebee’s Services, Inc., International House of Pancakes, LLC and the Trustee, the Company will act as the manager with respect to substantially all of the assets of the Securitization Entities (the “Securitized Assets”). The primary responsibilities of the manager will be to perform certain franchising, distribution, intellectual property and operational functions on behalf of the Securitization Entities with respect to the Securitized Assets pursuant to the Management Agreement. The manager will be entitled to the payment of the weekly management fee, as set forth in the Management Agreement and will be subject to the liabilities set forth in the Management Agreement.

Repurchase Program

On February 16, 2023, our Company's Board of Directors authorized a debt repurchase program of up to \$100 million. Repurchases of the Company's debt, if any, are expected to reduce future cash interest payments, as well as future amounts due at maturity or upon redemption. Under the authorization, the Company may make repurchases of the Company's debt from time to time in the open market or in privately negotiated transactions upon such terms and at such prices as management may determine.

8. Long-Term Debt (Continued)

Covenants and Restrictions

The Notes are subject to a series of covenants and restrictions customary for transactions of this type, including: (i) that the Co-Issuers maintain specified reserve accounts to be used to make required payments in respect of the Notes, (ii) provisions relating to optional and mandatory prepayments, and the related payment of specified amounts, including specified call redemption premiums in the case of Class A-2 Notes under certain circumstances; (iii) certain indemnification payments in the event, among other things, the transfers of the assets pledged as collateral for the Notes are in stated ways defective or ineffective and (iv) covenants relating to recordkeeping, access to information and similar matters. The Notes are subject to customary rapid amortization events provided for in the Indenture, including events tied to failure of the Securitization Entities to maintain the stated debt service coverage ratio ("DSCR"), the sum of domestic retail sales for all restaurants being below certain levels on certain measurement dates, certain manager termination events, certain events of default and the failure to repay or refinance the Class A-2 Notes on the anticipated repayment dates. The Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal or other amounts due on or with respect to the Notes, failure of the Securitization Entities to maintain the stated DSCR, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties and certain judgments.

In general, the DSCR ratio is Net Cash Flow (as defined in the Indenture) for the four quarters preceding the calculation date divided by the total debt service payments (as defined in the Indenture) of the preceding four quarters. The complete definitions of the DSCR and all calculation elements are contained in the Indenture. Failure to maintain a prescribed DSCR can trigger a Cash Flow Sweeping Event, a Rapid Amortization Event, a Manager Termination Event or a Default Event (each as defined in the Indenture) as described below. In a Cash Flow Sweeping Event, the Trustee is required to retain 50% of excess Cash Flow (as defined in the Indenture) in a restricted account. In a Rapid Amortization Event, all excess Cash Flow is retained and used to retire principal amounts of debt. In a Manager Termination Event, the Company may be replaced as manager of the assets securitized under the Indenture. In a Default Event, the outstanding principal amount and any accrued but unpaid interest can be called to become immediately due and payable. Key DSCRs are as follows:

- DSCR less than 1.75x - Cash Flow Sweeping Event
- DSCR less than 1.20x - Rapid Amortization Event
- Interest-only DSCR less than 1.20x - Manager Termination Event
- Interest-only DSCR less than 1.10x - Default Event

The Company's DSCR for the reporting period ended December 31, 2023 was approximately 3.6x.

Debt Issuance Costs

2023 Class A-2 Notes

The Company incurred costs of approximately \$8.0 million in connection with the issuance of the 2023 Class A-2 Notes. These debt issuance costs are being amortized using the effective interest method over the estimated life of the 2023 Class A-2 Notes. Amortization costs of \$0.7 million were included in interest expense for the year ended December 31, 2023. As of December 31, 2023, unamortized debt issuance costs of \$7.3 million are reported as a direct reduction of the 2023 Series Class A-2 Notes in the Consolidated Balance Sheets.

2022 Class A-1 Notes

In August 2022, the Company incurred costs of approximately \$6.3 million in connection with the issuance of the Credit Facility. These debt issuance costs are being amortized over the estimated life of the Credit Facility. Amortization costs of \$1.2 million and \$0.4 million were included in interest expense for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023, unamortized debt issuance costs of \$4.7 million related to the Credit Facility are classified as other non-current assets in the Consolidated Balance Sheets.

2019 Class A-2 Notes

The Company incurred costs of approximately \$12.9 million in connection with the issuance of the 2019 Class A-2 Notes. These debt issuance costs are being amortized using the effective interest method over estimated life of each tranche of the 2019 Class A-2 Notes. Amortization costs of \$1.6 million, \$2.4 million, and \$2.2 million are included in interest expense for the years ended December 31, 2023, 2022 and 2021, respectively.

The Company repaid the entire outstanding balance of approximately \$585.1 million of its 2019 Class A-2-I Notes during the year ended December 31, 2023 and recognized a \$1.7 million loss on extinguishment of debt from the write-off of the related remaining issuance costs. This loss was offset by a \$1.7 million gain on extinguishment of debt from the purchase of \$67.9 million of its 2019 Class A-2-I Notes under par value during the year ended December 31, 2023. In addition, the

8. Long-Term Debt (Continued)

Company purchased \$40.0 million of its 2019 Class A-2-I Notes under par and recognized a \$1.4 million gain on extinguishment of debt during the three months ended December 31, 2022.

As of December 31, 2023, unamortized debt issuance costs of \$2.2 million are reported as a direct reduction of the 2019 Class A-2-II Notes in the Consolidated Balance Sheets.

2019 Class A-1 Notes

Amortization costs incurred in connection with the Previous Credit Facility of \$0.4 million were included in interest expense for the year ended December 31, 2022. In connection with the termination of the Previous Credit Facility in August 2022, the Company recognized as a loss on extinguishment of debt of \$1.2 million, representing the remaining unamortized debt issuance costs associated with the Previous Credit Facility.

Maturities of Long-term Debt

- The final maturity of the 2019 Class A-2 Notes is in June 2049, but it is anticipated that, unless repaid earlier, the 2019 Class A-2-II Notes will be repaid in June 2026.
- The final maturity of the 2023 Class A-2 Notes is in March 2053, but it is anticipated that, unless repaid earlier, the 2023 Class A-2 Notes will be repaid in June 2029.
- The renewal date of the Credit Facility is June 2027, subject to two additional one-year extensions at the option of the Company upon the satisfaction of certain conditions.
- Quarterly principal payments on the 2019 Class A-2-II Notes totaling \$1.50 million (\$6.0 million per annum) are required if the Company's leverage ratio is greater than 5.25x.
- Quarterly principal payments on the 2023 Class A-2 Notes totaling \$1.25 million (\$5.0 million per annum) are required if the Company's leverage ratio is greater than 5.25x.

9. Financing Obligations

On May 19, 2008, the Company entered into a Purchase and Sale Agreement relating to the sale and leaseback of 181 parcels of real property (the "Sale-Leaseback Transaction"), each of which is improved with a restaurant operating as an Applebee's Neighborhood Grill and Bar (the "Properties"). On June 13, 2008, the closing date of the Sale-Leaseback Transaction, the Company entered into a Master Land and Building Lease ("Master Lease") for the Properties. The proceeds received from the transaction were \$337.2 million. The Master Lease calls for an initial term of twenty years and four, five-year options to extend the term.

The Sale-Leaseback Transaction does not qualify as a sale under current U.S. GAAP. Accordingly, the Sale-Leaseback Transaction continues to be recorded under the financing method. The value of the land and leasehold improvements will remain on the Company's books and the leasehold improvements will continue to be depreciated over their remaining useful lives. The net proceeds received were recorded as a financing obligation. A portion of the lease payments is recorded as a decrease to the financing obligation and a portion is recognized as interest expense. In the event the lease obligation of any individual property or group of properties is assumed by a qualified franchisee, the portion of the transaction related to that property or group of properties is recorded as a sale in accordance with U.S. GAAP and the net book value of those properties will be removed from the Company's books, along with a ratable portion of the remaining financing obligation.

As of December 31, 2023, the portion of the original Sale-Leaseback Transaction related to 160 of the 181 Properties has qualified as a sale by assignment of the lease obligation to a qualified franchisee or a release from the lessor. In accordance with the accounting described above, the property and equipment and financing obligations have each been cumulatively reduced by approximately \$286.9 million.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

9. Financing Obligations (Continued)

As of December 31, 2023, future minimum lease payments under financing obligations during the initial terms of the leases related to the sale-leaseback transactions are as follows:

Fiscal Years	(In millions)
2024	\$ 4.6
2025	4.6
2026	4.9
2027	4.6
2028	22.5
Thereafter	—
Total minimum lease payments	41.2
Less: interest	(12.8)
Total financing obligations	28.4
Less: current portion ⁽¹⁾	(1.4)
Long-term financing obligations	\$ 27.0

⁽¹⁾ Included in current maturities of finance lease and financing obligations on the consolidated balance sheets.

10. Leases

The Company engages in leasing activity as both a lessee and a lessor. The majority of the Company's lease portfolio originated when the Company was actively involved in the development and financing of IHOP restaurants prior to the franchising of the restaurant to the franchisee. This activity included the Company's purchase or leasing of the site on which the restaurant was located and subsequently leasing/subleasing the site to the franchisee. With a few exceptions, the Company ended this practice in 2003 and the Company's current lease activity is predominantly comprised of renewals of existing lease arrangements and exercises of options on existing lease arrangements.

The Company currently leases from third parties the real property on which approximately 519 IHOP franchisee-operated restaurants and one Applebee's franchisee-operated restaurant are located; the Company (as lessor) subleases the property to the franchisees that operate those restaurants. The Company also leases property it owns to the franchisees that operate 52 IHOP restaurants and one Applebee's restaurant. The Company leases from a third party the real property on which one Fuzzy's company-operated restaurant is located. The Company also leases office space for its principal corporate office in Pasadena, California and restaurant support centers in Leawood, Kansas and Irving, Texas. The Company does not have a significant amount of non-real estate leases.

The Company's existing leases/subleases related to IHOP restaurants generally provide for an initial term of 20 to 25 years, with most having one or more five-year renewal options. Leases related to Applebee's restaurants generally have an initial term of 10 to 20 years, with renewal terms of five to 20 years. Option periods were not included in determining liabilities and right-of-use assets related to operating leases. Restaurants associated with approximately 340 of the Company's leases met the sales levels that required variable rent payments to the Company (as lessor), based on a percentage of restaurant sales in 2023. Restaurants associated with approximately 45 of the Company's leases met the sales levels that required variable rent payments by the Company (as lessee), based on a percentage of restaurant sales in 2023.

The individual lease agreements do not provide information to determine the implicit interest rate in the agreements. The Company made significant judgments in determining the incremental borrowing rates that were used in calculating operating lease liabilities. Due to the large number of leases, the Company applied a portfolio approach by grouping the leases based on the original lease term. The Company estimated the interest rate for each grouping primarily by reference to (i) yield rates on debt issuances by companies of a similar credit rating as the Company; (ii) U.S. Treasury rates as of the adoption date; and (iii) adjustments for differences in years to maturity.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

10. Leases (Continued)

The Company's lease cost for the years ended December 31, 2023, 2022, and 2021 was as follows:

	Year Ended December 31,		
	2023	2022	2021
	(In millions)		
Finance lease cost:			
Amortization of right-of-use assets	\$ 2.5	\$ 3.6	\$ 4.6
Interest on lease liabilities	2.8	4.5	5.4
Operating lease cost	75.3	83.5	84.4
Variable lease cost	7.8	7.6	7.0
Short-term lease cost	0.0	0.0	0.1
Sublease income	(110.4)	(106.8)	(104.6)
Lease cost	<u>\$ (22.0)</u>	<u>\$ (7.6)</u>	<u>\$ (3.1)</u>

Future minimum lease payments under noncancellable leases as lessee as of December 31, 2023 were as follows:

	Finance Leases	Operating Leases
	(In millions)	
2024	\$ 8.4	\$ 80.9
2025	7.2	71.5
2026	6.8	64.5
2027	5.7	45.9
2028	4.0	31.9
Thereafter	21.3	107.9
Total minimum lease payments	<u>53.4</u>	<u>402.6</u>
Less: interest/imputed interest	<u>(13.1)</u>	<u>(70.0)</u>
Total obligations	<u>40.3</u>	<u>332.6</u>
Less: current portion	<u>(5.9)</u>	<u>(63.5)</u>
Long-term lease obligations	<u>\$ 34.4</u>	<u>\$ 269.1</u>

The weighted average remaining lease term as of December 31, 2023 was 5.7 years for finance leases and 5.9 years for operating leases. The weighted average discount rate as of December 31, 2023 was 9.25% for finance leases and 5.66% for operating leases.

During the years ended December 31, 2023, 2022 and 2021, the Company made the following cash payments for leases:

	Year Ended December 31,		
	2023	2022	2021
	(In millions)		
Principal payments on finance lease obligations	\$ 6.4	\$ 8.9	\$ 10.2
Interest payments on finance lease obligations	\$ 2.8	\$ 4.5	\$ 5.4
Payments on operating leases	\$ 75.2	\$ 83.5	\$ 91.7
Variable lease payments	\$ 7.8	\$ 7.6	\$ 6.2

The Company's income from operating leases for the years ended December 31, 2023, 2022 and 2021 was as follows:

	Year Ended December 31,		
	2023	2022	2021
	(In millions)		
Minimum lease payments	\$ 100.7	\$ 96.4	\$ 96.0
Variable lease income	17.5	16.9	15.3
Total operating lease income	<u>\$ 118.2</u>	<u>\$ 113.3</u>	<u>\$ 111.3</u>

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

10. Leases (Continued)

Future minimum payments to be received as lessor under noncancellable operating leases as of December 31, 2023 were as follows:

	(In millions)
2024	\$ 101.2
2025	88.3
2026	74.2
2027	56.5
2028	39.2
Thereafter	122.9
Total minimum rents receivable	<u>\$ 482.3</u>

The Company's income from real estate leases receivable at December 31, 2023, 2022 and 2021 was as follows:

	Year Ended December 31,		
	2023	2022	2021
	(In millions)		
Selling profit	\$ 0.2	\$ 0.9	\$ —
Interest income	1.1	1.5	2.1
Variable lease income	0.4	0.7	0.5
Total financing lease income	<u>\$ 1.7</u>	<u>\$ 3.1</u>	<u>\$ 2.6</u>

Future minimum payments to be received as lessor under noncancellable real estate leases as of December 31, 2023 were as follows:

	(In millions)
2024	\$ 3.1
2025	2.2
2026	2.3
2027	2.2
2028	2.3
Thereafter	13.8
Total minimum rents receivable	<u>25.9</u>
Less: unearned income	<u>(7.5)</u>
Total real estate leases receivable	<u>18.4</u>
Less: current portion	<u>(2.0)</u>
Long-term real estate leases receivable	<u>\$ 16.4</u>

11. Commitments and Contingencies

Purchase Commitments

In some instances, the Company enters into commitments to purchase advertising and other items. Most of these agreements are fixed price purchase commitments. At December 31, 2023, the outstanding purchase commitments were \$117.6 million, of which \$108.2 million related to advertising commitments over the next twelve months.

Lease Guarantees

In connection with the refranchising of Applebee's restaurants to franchisees, the Company has, in certain cases, guaranteed or had potential continuing liability for lease payments. The Company had outstanding lease guarantees or was contingently liable for approximately \$402.1 million and \$445.1 million as of December 31, 2023 and 2022, respectively. These amounts represent the maximum potential liability of future payments under these leases. These leases have been assigned to the buyers and expire at the end of the respective lease terms, which range from 2024 through 2058. Excluding unexercised option periods, the Company's potential liability for future payments under these leases as of December 31, 2023 was \$90.1 million. In the event of default, the indemnity and default clauses in our sale or assignment agreements govern our ability to pursue and recover damages incurred. No material liabilities for these guarantees have been recorded as of December 31, 2023.

11. Commitments and Contingencies (Continued)

Litigation, Claims and Disputes

The Company is subject to various lawsuits, governmental inspections, administrative proceedings, audits, and claims arising in the ordinary course of business. Some of these lawsuits purport to be class actions and/or seek substantial damages. The Company is required to record an accrual for litigation loss contingencies that are both probable and reasonably estimable. Legal fees and expenses associated with the defense of the Company's litigation are expensed as such fees and expenses are incurred. 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. Management regularly assesses the Company's insurance deductibles, analyzes litigation information with the Company's attorneys and evaluates its loss experience in connection with pending legal proceedings. While the Company does not presently believe that any of the legal proceedings to which the Company is currently a party will ultimately have a material adverse impact on the Company, there can be no assurance that the Company will prevail in all the proceedings the Company is party to, or that the Company will not incur material losses from them.

Letters of Credit

The Company provides letters of credit, primarily to various insurance carriers to collateralize obligations for outstanding claims. As of December 31, 2023, the Company had approximately \$3.4 million of unused letters of credit outstanding that reduce the Company's available borrowing under its 2022 Class A-1 Notes. These letters of credit expire on various dates in 2024 and are automatically renewed for an additional year if no cancellation notice is submitted.

12. Stockholders' Deficit

Stock Repurchase Programs

In February 2019, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to \$200 million of the Company's common stock (the "2019 Repurchase Program") on an opportunistic basis from time to time in the open market or in privately negotiated transactions based on business, market, applicable legal requirements and other considerations. The 2019 Repurchase Program, as approved by the Board of Directors, does not require the repurchase of a specific number of shares and can be terminated at any time.

On February 17, 2022, the Company's Board of Directors authorized a new share repurchase program, effective April 1, 2022, of up to \$250 million (the "2022 Repurchase Program"). In connection with the approval of the 2022 Repurchase Program, the 2019 Repurchase Program terminated effective April 1, 2022.

A summary of shares repurchased under the 2022 Repurchase Program and the 2019 Repurchase Program, during the years ended December 31, 2023, 2022 and 2021, and cumulatively for each program, is as follows:

	<u>Shares</u>	<u>Cost of shares</u> (In millions)
<i>2022 Repurchase Program</i>		
Repurchased during the year ended December 31, 2023	446,189	\$ 26.1
Repurchased during the year ended December 31, 2022	1,149,589	\$ 78.7
Cumulative (life-of-program) repurchases	1,595,778	\$ 104.8
Remaining dollar value of shares that may be repurchased	n/a	\$ 145.2
<i>2019 Repurchase Program</i>		
Repurchased during the year ended December 31, 2022	588,108	\$ 41.4
Repurchased during the year ended December 31, 2021	59,099	\$ 4.5
Repurchased during the year ended December 31, 2020	459,899	\$ 26.5
Cumulative (life-of-program) repurchases	2,344,804	\$ 175.8
Remaining dollar value of shares that may be repurchased (1)	n/a	n/a

(1) In connection with the 2022 Repurchase Program, the 2019 Repurchase Program terminated effective April 1, 2022.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

12. Stockholders' Deficit (Continued)

Dividends

During the fiscal years ended December 31, 2023, 2022 and 2021, the Company declared and paid dividends on common stock as follows:

<u>Year ended December 31, 2023</u>	<u>Declaration Date</u>	<u>Payment Date</u>	<u>Dividends declared per share</u>	<u>Dividends paid per share</u>	<u>Total dividends paid⁽¹⁾</u> (In millions)
Payment of prior year declaration	(3)	January 6, 2023	\$ —	\$ 0.51	\$ 8.0
First quarter	February 21, 2023	March 31, 2023	0.51	0.51	8.0
Second quarter	May 11, 2023	July 7, 2023	0.51	0.51	7.9
Third quarter	September 7, 2023	September 29, 2023	0.51	0.51	7.8
Fourth quarter	November 30, 2023	(2)	0.51	—	—
Total			<u>\$ 2.04</u>	<u>\$ 2.04</u>	<u>\$ 31.7</u>

<u>Year ended December 31, 2022</u>	<u>Declaration Date</u>	<u>Payment Date</u>	<u>Dividends declared per share</u>	<u>Dividends paid per share</u>	<u>Total dividends paid⁽¹⁾</u>
Payment of prior year declaration	(4)	January 7, 2022	\$ —	\$ 0.40	\$ 6.9
First quarter	February 17, 2022	April 1, 2022	0.46	0.46	7.8
Second quarter	May 12, 2022	July 8, 2022	0.51	0.51	8.2
Third quarter	September 9, 2022	September 30, 2022	0.51	0.51	8.1
Fourth quarter	December 2, 2022	(3)	0.51	\$ —	\$ —
Total			<u>\$ 1.99</u>	<u>\$ 1.88</u>	<u>\$ 31.0</u>

<u>Year ended December 31, 2021</u>	<u>Declaration Date</u>	<u>Payment Date</u>	<u>Dividends declared per share</u>	<u>Dividends paid per share</u>	<u>Total dividends paid⁽¹⁾</u>
Fourth quarter	December 20, 2021	(4)	\$ 0.40	\$ —	\$ —
Total			<u>\$ 0.40</u>	<u>\$ —</u>	<u>\$ —</u>

(1) Includes dividend equivalents paid on restricted stock units.

(2) The fourth quarter 2023 dividend of \$7.7 million was paid on January 5, 2024.

(3) The fourth quarter 2022 dividend of \$8.0 million was paid on January 6, 2023.

(4) The fourth quarter 2021 dividend of \$6.9 million was paid on January 7, 2022.

Dividends declared on common stock are recorded as a reduction of retained earnings to the extent retained earnings are available at the close of the period prior to the date of the declared dividend. Dividends in excess of retained earnings are recorded as a reduction of additional paid-in capital. All dividends declared during the fiscal years ended December 31, 2023, 2022 and 2021 were declared from retained earnings.

Treasury Stock

Repurchases of the Company's common stock are included in treasury stock at the cost of shares repurchased plus any transaction costs. Treasury stock may be re-issued when vested stock options are exercised, when restricted stock awards are granted and when restricted stock units settle in stock upon vesting. The cost of treasury stock re-issued is determined on the first-in, first-out ("FIFO") method. The Company re-issued 281,161 shares, 205,293 shares and 660,718 shares, respectively, during the years ended December 31, 2023, 2022 and 2021 at a total FIFO cost of \$13.5 million, \$9.6 million and \$26.8 million, respectively.

13. Closure and Long-lived Tangible Asset Impairment Charges

Closure and long-lived tangible asset impairment charges for the years ended December 31, 2023, 2022 and 2021 were as follows:

	Year Ended December 31,		
	2023	2022	2021
	(In millions)		
Closure charges	\$ 1.6	\$ 1.7	\$ 3.7
Long-lived tangible asset impairment	2.0	1.4	1.7
Total closure and impairment charges	<u>\$ 3.6</u>	<u>\$ 3.1</u>	<u>\$ 5.4</u>

Closure Charges

The closure charges of \$1.6 million for the year ended December 31, 2023 primarily related to revisions to existing closure reserves, including accretion, for approximately 40 IHOP restaurants closed prior to 2022.

The closure charges of \$1.7 million for the year ended December 31, 2022 comprised of \$1.3 million for revisions to existing closure reserves, including accretion for approximately 40 restaurants closed prior to 2021 and \$0.4 million related to three IHOP restaurants closed in 2022. The closure charges of \$3.7 million for the year ended December 31, 2021 comprised \$2.1 million related to 20 IHOP restaurants closed in 2021 and \$1.6 million for revisions to existing closure reserves, including accretion, primarily for 28 IHOP restaurants closed prior to 2020.

Long-lived Tangible Asset Impairment

The long-lived asset impairment of \$2.0 million for the year ended December 31, 2023 primarily related to four IHOP subleased restaurants for which the carrying amount exceeded the future projected cash flows. The primary method of estimating fair value is based on a discounted cash flow analysis. The Company also 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. For locations owned by the Company, current purchase offers, if any, or valuations from independent third party sources are utilized, if available. The analysis is performed at the restaurant level for indicators of permanent impairment. The impairment recorded represented the difference between the carrying value and the estimated fair value. The impairments primarily related to operating lease right-of-use assets.

The long-lived asset impairment of \$1.4 million for the year ended December 31, 2022 related to five IHOP subleased restaurants for which the carrying amount exceeded the future projected cash flows. The long-lived asset impairment of \$1.7 million for the year ended December 31, 2021 related to five IHOP subleased restaurants for which the carrying amount exceeded the future projected cash flows.

14. Stock-Based Incentive Plans

General Description

Currently, the Company is authorized to grant stock options, stock appreciation rights, restricted stock, cash-settled and stock-settled restricted stock units and performance units to officers, other employees and non-employee directors under the Dine Brands Global, Inc. 2019 Stock Incentive Plan (the "2019 Plan"). The 2019 Plan was approved by stockholders on May 14, 2019 to permit the issuance of up to 2,050,000 shares (subject to adjustment as defined in the 2019 Plan for shares that may become available from prior plans) of the Company's common stock for incentive stock awards. The 2019 Plan was amended and approved by stockholders on May 14, 2022 to permit the issuance of an additional 2,020,000 shares (subject to adjustment as defined in the 2019 Plan Amendment for shares that may become available from prior plans) of the Company's common stock for incentive stock awards. The 2019 Plan will expire in May 2029.

The Dine Brands Global, Inc. 2016 Stock Incentive Plan (the "2016 Plan") was adopted in 2016 to permit the issuance of up to 3,750,000 shares of the Company's common stock for incentive stock awards. The 2016 Plan was terminated upon adoption of the 2019 Plan, but there are stock options (vested and unvested) and unvested restricted stock and restricted stock units issued under the 2016 Plan that are outstanding as of December 31, 2023.

The DineEquity, Inc. 2011 Stock Incentive Plan (the "2011 Plan") was adopted in 2011 to permit the issuance of up to 1,500,000 shares of the Company's common stock for incentive stock awards. The 2011 Plan was terminated upon adoption of the 2016 Plan, but there are vested stock options issued under the 2011 Plan that are outstanding as of December 31, 2023.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

14. Stock-Based Incentive Plans (Continued)

The 2019 Plan, 2016 Plan and the 2011 Plan are collectively referred to as the “Plans.”

Stock-Based Compensation Expense

From time to time, the Company has granted non-qualified stock options, restricted stock, cash-settled and stock-settled restricted stock units and performance units to officers, other employees and non-employee directors of the Company under the Plans. The non-qualified stock options generally vest ratably over a three-year period in one-third increments and have a maturity of ten years from the grant date. Options vest immediately upon a change in control of the Company, as defined in the Plans. Option exercise prices equal the closing price of the Company's common stock on the New York Stock Exchange on the date of grant. Restricted stock and restricted stock units are issued at no cost to the holder and vest over terms determined by the Compensation Committee of the Company's Board of Directors, generally either three years from the date of grant or in one-third increments over three years, as well as immediately upon a change in control of the Company, as defined in the Plans. The Company either utilizes treasury stock or issues new shares from its authorized but unissued share pool when vested stock options are exercised, when restricted stock awards are granted and when restricted stock units settle in stock upon vesting. See *Note 12, Stockholders' Deficit*, of Notes to the Consolidated Financial Statements, for treasury shares utilized related to equity grants during the years ended December 31, 2023, 2022 and 2021.

The following table summarizes the Company's stock-based compensation expense included as a component of general and administrative expenses in the consolidated financial statements:

	Year Ended December 31,		
	2023	2022	2021
	(In millions)		
<i>Stock-based compensation expense</i>			
Equity classified awards expense	\$ 12.0	\$ 16.2	\$ 11.6
Liability classified awards expense	(1.4)	1.4	2.3
Total stock-based compensation expense	10.6	17.6	13.9

As of December 31, 2023, total unrecognized compensation cost related to restricted stock and restricted stock units of \$17.2 million and \$2.6 million related to stock options is expected to be recognized over a weighted average period of approximately 1.37 years for restricted stock and restricted stock units and 1.40 years for stock options.

Equity Classified Awards - Stock Options

The per share fair values of the stock options granted have been estimated as of the date of grant using the Black-Scholes option pricing model. The Black-Scholes model considers, among other factors, the expected life of the option and the historical volatility of the Company's stock price. The Black-Scholes model meets the requirements of U.S. GAAP, 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 in the Black-Scholes model for stock options granted in the years ended December 31, 2023, 2022 and 2021:

	2023	2022	2021
Risk free interest rate	4.4 %	1.7 %	0.5 %
Weighted average historical volatility	70.9 %	70.1 %	67.7 %
Dividend yield	2.7 %	2.6 %	— %
Expected years until exercise	4.5	4.5	4.5
Weighted average fair value of options granted	\$ 37.35	\$ 33.23	\$ 40.25

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

14. Stock-Based Incentive Plans (Continued)

Stock option activity for the years ended December 31, 2023, 2022 and 2021 is summarized as follows:

	Number of Shares Under Option	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2020	1,014,670	\$ 64.16		
Granted	95,891	75.28		
Exercised	(524,536)	48.79		
Forfeited	(59,468)	88.39		
Expired	(50,653)	98.61		
Outstanding at December 31, 2021	475,904	76.65		
Granted	75,795	70.08		
Exercised	(3,505)	68.80		
Forfeited	(6,171)	81.13		
Expired	(2,448)	94.43		
Outstanding at December 31, 2022	539,575	75.65		
Granted	74,390	74.94		
Exercised	(69,443)	54.90		
Forfeited	(20,876)	79.11		
Expired	(61,140)	82.47		
Outstanding at December 31, 2023	462,506	\$ 77.59	5.8	\$ —
Vested and Expected to Vest at December 31, 2023	451,644	\$ 77.67	5.8	\$ —
Exercisable at December 31, 2023	319,802	\$ 79.52	4.6	\$ —

The total intrinsic value of options exercised during the years ended December 31, 2023, 2022 and 2021 was \$1.1 million, \$37 thousand and \$17.9 million, respectively.

Cash received from options exercised under all stock-based payment arrangements for the years ended December 31, 2023, 2022 and 2021 was \$3.8 million, \$0.2 million and \$25.3 million, respectively. The actual tax benefit realized for the tax deduction from option exercises under the stock-based payment arrangements totaled \$0.3 million, \$9 thousand and \$4.5 million, respectively, for the years ended December 31, 2023, 2022 and 2021.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

14. Stock-Based Incentive Plans (Continued)

Equity Classified Awards - Restricted Stock and Restricted Stock Units

Activity in equity classified awards of restricted stock and restricted stock units for the years ended December 31, 2023, 2022 and 2021 is as follows:

	Shares of Restricted Stock	Weighted Average Grant-Date Per Share Fair Value	Restricted Stock Units	Weighted Average Grant-Date Per Share Fair Value
Outstanding at December 31, 2020	254,331	\$ 76.50	355,570	\$ 28.01
Granted	141,264	83.24	68,998	63.04
Released	(60,407)	66.90	(318,976)	23.19
Forfeited	(58,577)	82.09	—	—
Outstanding at December 31, 2021	276,611	80.85	105,592	71.00
Granted	201,789	70.12	60,914	49.36
Released	(98,864)	86.36	(42,611)	66.63
Forfeited	(23,636)	75.89	—	—
Outstanding at December 31, 2022	355,900	73.57	123,895	62.11
Granted	211,820	73.12	21,731	74.01
Released	(165,533)	73.64	(47,857)	64.04
Forfeited	(63,565)	73.15	(39,294)	77.23
Outstanding at December 31, 2023	338,622	\$ 73.33	58,475	\$ 54.07

Liability Classified Awards - Cash-settled Restricted Stock Units

The Company has granted cash-settled restricted stock units to certain employees in the past. These instruments are recorded as liabilities at fair value as of the respective period end.

	Cash-Settled Restricted Stock Units
Outstanding at December 31, 2020	52,956
Granted	—
Released	(38,916)
Forfeited	(1,241)
Outstanding at December 31, 2021	12,799
Granted	67
Released	(12,866)
Forfeited	—
Outstanding at December 31, 2022	—

There were no liabilities outstanding related to cash-settled restricted stock units at December 31, 2023 and 2022. There was no stock-based compensation expense related to cash-settled restricted stock units for the year ended December 31, 2023. For the years ended December 31, 2022 and 2021, \$0.2 million and \$1.5 million, respectively, was included as stock-based compensation expense related to cash-settled restricted stock units.

Liability Classified Awards - Long-Term Incentive Awards

The Company has granted cash long-term incentive awards to certain employees (“LTIP awards”). Annual LTIP awards vest over a three-year period and are determined using a multiplier from 0% to 200% of the target award based on the total stockholder return of the Company's common stock compared to the total stockholder returns of a peer group of companies. Though LTIP awards are only paid in cash, since the multiplier is primarily based on the price of the Company's common stock, the awards are considered stock-based compensation in accordance with U.S. GAAP and are classified as liabilities. The expense related to the LTIP awards included a credit of \$1.4 million and an expense of \$1.2 million and \$0.8 million, for the

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

14. Stock-Based Incentive Plans (Continued)

years ended December 31, 2023, 2022 and 2021, respectively. At December 31, 2023 and 2022, a liability of \$0.7 million was included as other non-current liabilities and \$2.1 million was included as accrued employee compensation and benefits, respectively, in the Consolidated Balance Sheets.

15. Employee Benefit Plans

401(k) Savings and Investment Plan

Effective January 1, 2013, the Company amended the Dine Brands Global, Inc. 401(k) Plan to (i) modify the Company matching formula and (ii) eliminate the one-year completed service requirement that previously had to be met to become eligible for Company matching contributions. As amended, the Company matches 100% of the first four percent of the employee's eligible compensation deferral and 50% of the next two percent of the employee's eligible compensation deferral. All contributions under this plan vest immediately. Company common stock is not an investment option for employees in the 401(k) Plan, other than shares transferred from a prior employee stock ownership plan. Substantially all of the administrative cost of the 401(k) plan is borne by the Company. The Company's matching contribution expense was \$3.3 million, \$3.3 million and \$2.9 million for the years ended December 31, 2023, 2022 and 2021, respectively.

16. Income Taxes

The provision (benefit) for income taxes for the years ended December 31, 2023, 2022 and 2021 was as follows:

	Year Ended December 31,		
	2023	2022	2021
	(In millions)		
Current			
Federal	\$ 25.6	\$ 27.5	\$ 20.2
State	0.6	5.5	4.6
Foreign	2.2	1.8	1.4
	<u>28.4</u>	<u>34.8</u>	<u>26.2</u>
Deferred			
Federal	(1.2)	(3.8)	(2.3)
State	(12.6)	2.7	0.2
	<u>(13.8)</u>	<u>(1.1)</u>	<u>(2.1)</u>
Provision for income taxes	<u>\$ 14.5</u>	<u>\$ 33.7</u>	<u>\$ 24.1</u>

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

	Year Ended December 31,		
	2023	2022	2021
Statutory federal income tax rate	21.0 %	21.0 %	21.0 %
Non-deductibility of goodwill	—	0.8	—
Non-deductibility of officer's compensation	1.1	2.9	2.2
State and other taxes, net of federal tax benefit	3.8	3.1	3.1
State income tax audit settlement	(13.5)	—	—
Excess tax deficiencies	(0.7)	(0.5)	(7.1)
Change in unrecognized tax benefits	1.1	—	(0.1)
Change in valuation allowance	0.7	(0.3)	0.5
Changes in tax rates and state tax laws	—	3.4	0.2
General business credits	(0.7)	(1.4)	(0.9)
Other	0.2	0.3	0.8
Effective tax rate	<u>13.0 %</u>	<u>29.3 %</u>	<u>19.7 %</u>

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

Note 16. Income Taxes (Continued)

The fiscal year 2023 effective tax rate of 13.0% applied to pretax book income was different than the statutory Federal income tax rate of 21% primarily due to the conclusion of a state income tax settlement, resulting in a net income tax benefit of \$15.1 million.

The fiscal year 2022 effective tax rate of 29.3% applied to pretax book income was different than the statutory Federal income tax rate of 21% due to the state and local income taxes and the non-deductibility of executive compensation. The effective tax rate further increased due to the increase in the effective state tax rate applied to revaluing deferred tax balances. The increase in the effective state tax rate was due to the non-recurring refranchising of 69 Applebee's company-operated restaurants in the fourth quarter of 2022 and various state legislative changes.

The fiscal year 2021 effective tax rate of 19.7% applied to pretax book loss was different than the statutory Federal income tax rate of 21% primarily due to the one-time recognition of excess tax benefits on stock-based compensation, offset by non-deductibility of executive compensation and state and local income taxes.

The Company files federal income tax returns and the Company or one of its subsidiaries file income tax returns in various state and international jurisdictions. With few exceptions, the Company is no longer subject to federal tax examinations by tax authorities for years before 2020 and state or non-United States tax examinations by tax authorities for years before 2018. The Company believes that adequate reserves have been recorded relating to all matters contained in the tax periods open to examination.

Net deferred tax assets (liabilities) at December 31, 2023 and 2022 consisted of the following components:

	2023	2022
	(In millions)	
Lease liabilities	\$ 93.2	\$ 93.6
Employee compensation	9.4	9.7
Revenue recognition	37.2	37.1
Tax attributes	14.9	5.3
Other	4.5	3.1
Deferred tax assets	159.2	148.8
Valuation allowance	(4.4)	(3.5)
Total deferred tax assets after valuation allowance	154.8	145.3
Recognition of franchise and equipment sales	(4.9)	(6.7)
Capitalization and depreciation ⁽¹⁾	(123.7)	(121.0)
Lease assets	(85.5)	(90.8)
Other	(1.5)	(1.5)
Deferred tax liabilities	(215.6)	(220.0)
Net deferred tax liabilities	<u>\$ (60.8)</u>	<u>\$ (74.7)</u>

⁽¹⁾ Primarily related to the 2007 Applebee's acquisition.

As of each reporting date, the Company considers new evidence, both positive and negative, that could impact management's view with regards to future realization of deferred tax assets. Management believes that the future realizability of benefits arising from foreign tax credit carryforwards and certain state net operating loss carryforwards does not meet the more-likely-than-not threshold. In recognition of this risk, there is a valuation allowance of \$4.4 million as of December 31, 2023.

The Company had gross operating loss carryforwards for state tax purposes of \$127.8 million and \$37.9 million as of December 31, 2023 and 2022, respectively. Certain net operating loss carryforwards will expire in 2029 if not utilized. The Company had income tax credit carryforwards of \$7.4 million and \$3.4 million as of December 31, 2023 and 2022, respectively. Certain income tax credit carryforwards will begin to expire in 2029 if not utilized. The increase in gross operating loss carryforwards and income tax credit carryforwards compared to prior year is primarily due to the conclusion of a state income tax audit settlement.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

Note 16. Income Taxes (Continued)

The total gross unrecognized tax benefit as of December 31, 2023 and 2022 was \$3.5 million and \$2.1 million, respectively, excluding interest, penalties and related income tax benefits. If recognized, these amounts would affect the Company's effective income tax rates.

The Company estimates the unrecognized tax benefits may decrease over the upcoming 12 months by \$0.4 million related to settlements with taxing authorities and statute of limitations expirations. For the remaining liability, due to the uncertainties related to these tax matters, the Company is unable to make a reasonable estimate as to when cash settlement with a taxing authority will occur. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Year Ended December 31,		
	2023	2022	2021
	(In millions)		
Unrecognized tax benefit as of January 1	\$ 2.1	\$ 1.9	\$ 2.2
Changes for tax positions of prior years	—	0.1	0.5
Increases for tax positions related to the current year	1.9	0.4	0.3
Decreases relating to settlements and lapsing of statutes of limitations	(0.5)	(0.3)	(1.1)
Unrecognized tax benefit as of December 31	<u>\$ 3.5</u>	<u>\$ 2.1</u>	<u>\$ 1.9</u>

As of December 31, 2023, the accrued interest was \$0.9 million and accrued penalties were less than \$0.1 million, excluding any related income tax benefits. As of December 31, 2022, the accrued interest and penalties were \$0.7 million and less than \$0.1 million, respectively, excluding any related income tax benefits. The Company recognizes interest accrued related to unrecognized tax benefits and penalties as a component of the income tax provision recognized in the Consolidated Statements of Comprehensive Income.

17. Net Income Per Share

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

	Year Ended December 31,		
	2023	2022	2021
	(in thousands, except per share data)		
Numerator for basic and diluted income per common share			
Net income	\$ 97,176	\$ 81,111	\$ 97,864
Less: Net income allocated to unvested participating restricted stock	(2,317)	(2,174)	(2,295)
Net income available to common stockholders - basic	94,859	78,937	95,569
Effect of unvested participating restricted stock	—	1	13
Numerator - income available to common shareholders - diluted	<u>\$ 94,859</u>	<u>\$ 78,938</u>	<u>\$ 95,582</u>
Denominator			
Weighted average outstanding shares of common stock - basic	15,233	15,873	16,799
Effect of dilutive securities:			
Stock options	9	28	91
Weighted average outstanding shares of common stock - diluted	<u>15,242</u>	<u>15,901</u>	<u>16,890</u>
Net income per common share			
Basic	<u>\$ 6.23</u>	<u>\$ 4.97</u>	<u>\$ 5.69</u>
Diluted	<u>\$ 6.22</u>	<u>\$ 4.96</u>	<u>\$ 5.66</u>

18. Segment Reporting

Information on segments and a reconciliation of gross profit to income before income taxes is as follows:

	Year Ended December 31,		
	2023	2022	2021
	(In millions)		
Revenues			
Franchise operations	\$ 706.4	\$ 662.4	\$ 631.9
Rental operations	120.0	116.5	113.9
Company restaurants	2.1	126.9	146.0
Financing operations	2.6	3.6	4.3
Total	<u>\$ 831.1</u>	<u>\$ 909.4</u>	<u>\$ 896.2</u>
Gross profit (loss), by segment			
Franchise operations	\$ 362.0	\$ 340.5	\$ 336.0
Rental operations	32.5	28.5	26.1
Company restaurants	0.0	5.1	9.3
Financing operations	2.2	3.2	3.8
Total gross profit	396.7	377.3	375.2
Corporate and unallocated expenses, net	(285.0)	(262.6)	(253.3)
Income before income taxes	<u>\$ 111.7</u>	<u>\$ 114.8</u>	<u>\$ 121.9</u>
Interest expense			
Rental operations	\$ 4.0	\$ 4.3	\$ 4.9
Company restaurants	—	2.6	3.3
Corporate	70.0	60.7	63.3
Total	<u>\$ 74.0</u>	<u>\$ 67.6</u>	<u>\$ 71.5</u>
Depreciation and amortization			
Franchise operations	\$ 9.8	\$ 10.0	\$ 10.1
Rental operations	10.5	10.7	11.1
Company restaurants	0.0	4.3	7.0
Corporate	15.3	13.0	11.7
Total	<u>\$ 35.6</u>	<u>\$ 38.0</u>	<u>\$ 39.9</u>
Goodwill and intangible assets, closure and other impairment charges			
Franchise operations	\$ 1.6	\$ 3.1	\$ 1.7
Company restaurants	1.7	—	3.7
Corporate	0.3	—	—
Total	<u>\$ 3.6</u>	<u>\$ 3.1</u>	<u>\$ 5.4</u>
Capital expenditures			
Company restaurants	\$ 0.3	\$ 4.3	\$ 6.5
Corporate	36.9	31.0	10.3
Total	<u>\$ 37.2</u>	<u>\$ 35.3</u>	<u>\$ 16.8</u>

18. Segment Reporting (Continued)

	Year Ended December 31,		
	2023	2022	2021
	(In millions)		
Goodwill			
Franchise operations	\$ 254.1	\$ 254.0	\$ 247.0
Company restaurants	—	—	4.6
Total	<u>\$ 254.1</u>	<u>\$ 254.0</u>	<u>\$ 251.6</u>
Total assets			
Franchise operations	\$ 1,090.2	\$ 1,123.0	\$ 991.0
Rental operations	375.3	390.6	426.6
Company restaurants	1.4	3.3	117.2
Financing operations	25.4	31.8	39.7
Corporate	248.0	332.8	424.9
Total	<u>\$ 1,740.3</u>	<u>\$ 1,881.5</u>	<u>\$ 1,999.4</u>

19. Business Acquisition

On December 13, 2022, the Company purchased all of the issued and outstanding membership interests of Fuzzy's for approximately \$80 million in cash, pursuant to the Membership Interest Purchase Agreement, dated as of December 2, 2022, with Fuzzy's becoming a wholly-owned subsidiary of the Company. Fuzzy's is a dining company that develops, franchises and operates casual dining restaurants that offer a specialized menu of Baja-style Mexican food under the Fuzzy's Taco Shop brand. The Company acquired Fuzzy's as part of the Company's goal to investing in a high growth concept to accelerate growth.

The Company reviewed the SEC guidance in Regulation S-X on the significance of an acquired business that determines if an acquired business is required to provide financial statements and pro forma statements if the business exceeds 20% significance to the Company. Based on the three required tests (asset, investment and income) that were performed by the Company, the acquisition was not deemed to be a significant acquisition, and therefore the required disclosures are limited in these Consolidated Financial Statements. The results of operations related to Fuzzy's have been included in the consolidated results of the Company subsequent to the acquisition date.

The acquisition of Fuzzy's has been accounted for using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*, with the Company treated as the accounting acquirer, which requires that the assets acquired, and liabilities assumed be recognized at their acquisition date fair value. The Company received a third-party actuarial valuation report to determine the fair value assigned to the assets acquired and liabilities assumed.

The intangible assets acquired include franchising rights with a useful life of 20 years and a tradename with an indefinite useful life (see *Note 7 - Other Intangible Assets*). The fair value of franchising rights was estimated based on the estimated future cash flows to be generated from these franchise agreements. The earnings expected to be generated by the franchising rights were forecasted over the estimated duration of the intangible asset. The earnings were then discounted to present value at a rate commensurate with the risk of the asset. The fair value of the tradename was based on the multi-period excess earnings method, a variation of the income approach, using cash flows ("excess earnings") attributable only to the tradename intangible asset. These excess earnings were discounted to present value at a rate commensurate with the risk of the asset.

The fair value of the tangible personal property and other working capital assets and liabilities was assumed to approximate book value.

Operating lease liabilities were calculated using the present value of lease payments not yet paid and operating lease assets were calculated based upon the operating lease liabilities adjusted for prepayments or accrued lease payments. The contractual rent payments were determined to approximate market rates.

18. Segment Reporting (Continued)

The following table summarizes the estimated fair value of net assets acquired at December 13, 2022:

	(In millions)
Receivables and other current assets	\$ 1.1
Property and equipment and other non-current assets	2.1
Tradename	57.2
Franchise agreements	14.8
Other intangible assets	0.5
Goodwill	7.0
Accounts payable and other liabilities	(4.4)
Net cash paid for acquisition	<u>\$ 78.3</u>

The excess of the purchase price over the fair value of identifiable net assets acquired amounted to approximately \$7.0 million. The acquisition goodwill arises from the expected synergies from combining the operations of the Company and Fuzzy's. During the allowable allocation period in 2023, the Company recorded a \$0.1 million purchase price adjustment.

20. Subsequent Events

On February 26, 2024, our Board of Directors declared a first quarter 2024 cash dividend of \$0.51 per share of common stock, payable on April 5, 2024 to the stockholders of record as of the close of business on March 20, 2024.

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 of 1934, as 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 report, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

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, 2023 based on the framework in *Internal Control—Integrated Framework (2013)* 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, 2023.

The effectiveness of our internal control over financial reporting as of December 31, 2023 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

To the Stockholders and the Board of Directors of Dine Brands Global, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Dine Brands Global, Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Dine Brands Global, Inc. and Subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and January 1, 2023, the related consolidated statements of comprehensive income, stockholders' deficit and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and our report dated February 28, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's 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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. 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.

Definition and Limitations of Internal Control Over Financial Reporting

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.

/s/ ERNST & YOUNG LLP

Los Angeles, California

February 28, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Dine Brands Global, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Dine Brands Global, Inc. and Subsidiaries (the Company) as of January 1, 2023 and January 2, 2022, the related consolidated statements of comprehensive income (loss), stockholders' deficit and cash flows for each of the three years in the period ended January 1, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at January 1, 2023 and January 2, 2022, and the results of its operations and its cash flows for each of the three years in the period ended January 1, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 1, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 1, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Acquisition of Fuzzy's Taco Shop

Description of the Matter

During 2022, the Company completed its acquisition of FTO Holding Company, LLC for total consideration of \$80 million, as disclosed in Notes 1, 7 and 19 to the consolidated financial statements. The transaction was accounted for as a business combination, which requires that the assets acquired and liabilities assumed be recognized at their acquisition date fair values.

Auditing the Company's accounting for its acquisition of FTO Holding Company, LLC was complex due to the significant estimation required in management's determination of the fair value of the tradename intangible asset of \$57.2 million. The estimate was based on a complex discounted cash flow valuation model and was sensitive to changes in the significant underlying assumptions. The significant assumptions used included discount rates and future revenue growth rates, which are forward looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the Company's controls over its accounting for business combinations. For example, we tested controls over the review of the valuation model and significant assumptions used to estimate the fair value of tradename intangible asset.

Our procedures to test the estimated fair value of the tradename intangible asset included, among others, evaluating the Company's selection of the valuation methodology, testing the significant assumptions used in the model, and evaluating the completeness and accuracy of the underlying data. For example, we compared the significant assumptions to market trends, to the historical results of the acquired entity, and to the Company's historical results. Further, we involved our valuation specialists to assist in the evaluation of the methodology and certain significant assumptions used in the valuation model, and to perform an independent estimate of the fair value.

/s/ ERNST & YOUNG LLP

We have served as the Company's auditor since 2004.

Los Angeles, California
March 1, 2023

Dine Brands Global, Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands, except share amounts)

Assets	December 31,	
	2022	2021
Current assets:		
Cash and cash equivalents	\$ 269,655	\$ 361,412
Receivables, net of allowance of \$4,806 (2022) and \$4,959 (2021)	119,981	119,968
Restricted cash	38,929	47,541
Prepaid gift card costs	30,235	28,175
Prepaid income taxes	3,063	10,529
Other current assets	17,901	6,728
Total current assets	479,764	574,353
Other intangible assets, net	597,028	539,390
Operating lease right-of-use assets	289,123	335,428
Goodwill	253,956	251,628
Property and equipment, net	145,277	179,411
Deferred rent receivable	42,329	50,257
Long-term receivables, net of allowance of \$5,529 (2022) and \$6,897 (2021)	39,697	42,493
Non-current restricted cash	16,400	16,400
Other non-current assets, net	17,917	10,006
Total assets	<u>\$ 1,881,491</u>	<u>\$ 1,999,366</u>
Liabilities and Stockholders' Deficit		
Current liabilities:		
Current maturities of long-term debt	\$ 100,000	\$ —
Accounts payable	52,067	55,956
Gift card liability	171,966	165,530
Current maturities of operating lease obligations	59,071	72,079
Current maturities of finance lease and financing obligations	7,542	10,693
Accrued employee compensation and benefits	23,456	40,785
Accrued advertising expenses	24,157	33,752
Dividends payable	8,017	6,919
Other accrued expenses	24,446	25,016
Total current liabilities	470,722	410,730
Long-term debt, net, less current maturities	1,241,914	1,279,623
Operating lease obligations, less current maturities	275,120	320,848
Finance lease obligations, less current maturities	30,377	59,625
Financing obligations, less current maturities	28,358	31,967
Deferred income taxes, net	74,651	76,228
Deferred franchise revenue, long-term	42,343	46,100
Other non-current liabilities	19,090	17,052
Total liabilities	<u>2,182,575</u>	<u>2,242,173</u>
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock, \$1 par value, 10,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.01 par value; shares: 40,000,000 authorized; 2022 -24,959,972 issued, 15,599,239 outstanding; 2021 - 24,992,275 issued, 17,163,946 outstanding	250	250
Additional paid-in-capital	259,339	256,189
Retained earnings	84,538	35,415
Accumulated other comprehensive loss	(65)	(59)
Treasury stock, at cost; shares: 2022 - 9,360,733; 2021 - 7,828,329	(645,146)	(534,602)
Total stockholders' deficit	<u>(301,084)</u>	<u>(242,807)</u>
Total liabilities and stockholders' deficit	<u>\$ 1,881,491</u>	<u>\$ 1,999,366</u>

See the accompanying notes to the consolidated financial statements.

Dine Brands Global, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)
(In thousands, except per share amounts)

	Year Ended December 31,		
	2022	2021	2020
Revenues:			
Franchise revenues:			
Royalties, franchise fees and other	\$ 373,110	\$ 357,146	\$ 267,959
Advertising revenues	289,328	274,790	201,494
Total franchise revenues	662,438	631,936	469,453
Company restaurant sales	126,869	146,000	108,054
Rental revenues	116,491	113,933	105,939
Financing revenues	3,604	4,298	5,822
Total revenues	909,402	896,167	689,268
Cost of revenues:			
Franchise expenses:			
Advertising expenses	287,063	272,303	202,012
Bad debt expense (credit)	261	(4,928)	12,756
Other franchise expenses	34,584	28,512	24,204
Total franchise expenses	321,908	295,887	238,972
Company restaurant expenses	121,722	136,748	111,550
Rental expenses:			
Interest expense from finance leases	2,962	3,446	4,563
Other rental expenses	85,033	84,397	84,939
Total rental expenses	87,995	87,843	89,502
Financing expenses	419	464	528
Total cost of revenues	532,044	520,942	440,552
Gross profit	377,358	375,225	248,716
General and administrative expenses	190,746	171,838	144,791
Interest expense, net	60,742	63,331	66,895
Closure and impairment charges	3,062	5,409	132,620
Amortization of intangible assets	10,559	10,679	10,903
(Gain) loss on disposition of assets	(2,536)	2,045	2,069
Income (loss) before income taxes	114,785	121,923	(108,562)
Income tax (provision) benefit	(33,674)	(24,059)	4,568
Net income (loss)	81,111	97,864	(103,994)
Other comprehensive (loss) income, net of tax:			
Foreign currency translation adjustment	(6)	(4)	3
Total comprehensive income (loss)	\$ 81,105	\$ 97,860	\$ (103,991)
Net income (loss) available to common stockholders:			
Net income (loss)	\$ 81,111	\$ 97,864	\$ (103,994)
Less: Net income allocated to unvested participating restricted stock	(2,174)	(2,295)	(420)
Net income (loss) available to common stockholders	\$ 78,937	\$ 95,569	\$ (104,414)
Net income (loss) available to common stockholders per share:			
Basic	\$ 4.97	\$ 5.69	\$ (6.43)
Diluted	\$ 4.96	\$ 5.66	\$ (6.43)
Weighted average shares outstanding:			
Basic	15,873	16,799	16,230
Diluted	15,901	16,890	16,230

See the accompanying notes to the consolidated financial statements.

Dine Brands Global, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Deficit
(In thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock		
	Shares Outstanding	Amount				Shares	Cost	Total
Balance at December 31, 2019	16,522	\$ 249	\$ 246,192	\$ 61,653	\$ (58)	8,404	\$ (549,810)	\$ (241,774)
Adoption of credit loss accounting guidance	—	—	—	(497)	—	—	—	(497)
Net loss	—	—	—	(103,994)	—	—	—	(103,994)
Other comprehensive gain	—	—	—	—	3	—	—	3
Purchase of common stock	(460)	—	—	—	—	460	(26,527)	(26,527)
Reissuance of treasury stock	433	—	1,102	—	—	(433)	19,420	20,522
Net use of shares for stock plans	(8)	—	—	—	—	—	—	—
Repurchase of restricted shares for taxes	(36)	—	(2,479)	—	—	—	—	(2,479)
Stock-based compensation	—	—	12,508	—	—	—	—	12,508
Dividends on common stock	—	—	507	(12,715)	—	—	—	(12,208)
Tax payments for share settlement of restricted stock units	—	—	(205)	—	—	—	—	(205)
Balance at December 31, 2020	16,452	249	257,625	(55,553)	(55)	8,430	(556,917)	(354,651)
Net income	—	—	—	97,864	—	—	—	97,864
Other comprehensive loss	—	—	—	—	(4)	—	—	(4)
Purchase of common stock	(59)	—	—	—	—	59	(4,480)	(4,480)
Reissuance of treasury stock	661	1	(1,459)	—	—	(661)	26,795	25,337
Net use of shares for stock plans	132	—	—	—	—	—	—	—
Repurchase of restricted shares for taxes	(22)	—	(1,771)	—	—	—	—	(1,771)
Stock-based compensation	—	—	11,577	—	—	—	—	11,577
Dividends on common stock	—	—	—	(6,896)	—	—	—	(6,896)
Tax payments for share settlement of restricted stock units	—	—	(9,783)	—	—	—	—	(9,783)
Balance at December 31, 2021	17,164	250	256,189	35,415	(59)	7,828	(534,602)	(242,807)
Net income	—	—	—	81,111	—	—	—	81,111
Other comprehensive loss	—	—	—	—	(6)	—	—	(6)
Purchase of common stock	(1,738)	—	—	—	—	1,738	(120,163)	(120,163)
Reissuance of treasury stock	205	—	(9,378)	—	—	(205)	9,619	241
Net use of shares for stock plans	7	—	—	—	—	—	—	—
Repurchase of restricted shares for taxes	(39)	—	(2,867)	—	—	—	—	(2,867)
Stock-based compensation	—	—	16,131	—	—	—	—	16,131
Dividends on common stock	—	—	219	(31,988)	—	—	—	(31,769)
Tax payments for share settlement of restricted stock units	—	—	(955)	—	—	—	—	(955)
Balance at December 31, 2022	15,599	\$ 250	\$ 259,339	\$ 84,538	\$ (65)	9,361	\$ (645,146)	\$ (301,084)

See the accompanying notes to the consolidated financial statements.

Dine Brands Global, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2022	2021	2020
Cash flows from operating activities			
Net income (loss)	\$ 81,111	\$ 97,864	\$ (103,994)
Adjustments to reconcile net income (loss) to cash flows provided by operating activities:			
Depreciation and amortization	37,952	39,885	42,829
Non-cash stock-based compensation expense	16,131	11,577	12,508
Non-cash closure and impairment charges	2,927	5,324	132,501
Non-cash interest expense	3,016	2,852	2,698
Deferred income taxes	(1,071)	(2,065)	(20,049)
Deferred revenue	(4,474)	(6,573)	(7,111)
(Gain) loss on disposition of assets	(2,536)	2,041	2,069
Other	(5,160)	(1,593)	(1,246)
Changes in operating assets and liabilities:			
Accounts receivable, net	(2,574)	7,301	(9,750)
Deferred rent receivable	7,928	6,192	13,859
Current income tax receivables and payables	8,326	(3,837)	16,143
Operating lease assets and liabilities	(11,823)	(18,212)	(15,179)
Gift card receivables and payables	2,783	14,759	12,231
Other current assets	(12,706)	(629)	(2,191)
Accounts payable	(3,665)	13,131	6,455
Accrued employee compensation and benefits	(16,264)	19,714	(1,909)
Accrued advertising expenses	(10,020)	12,111	12,881
Other current liabilities	(545)	(4,007)	3,758
Cash flows provided by operating activities	<u>89,336</u>	<u>195,835</u>	<u>96,503</u>
Cash flows from investing activities			
Principal receipts from notes, equipment contracts and other long-term receivables	17,057	20,230	31,155
Net additions to property and equipment	(35,318)	(16,849)	(10,927)
Proceeds from sale of property and equipment	17,028	946	537
Additions to long-term receivables	(1,069)	—	(1,475)
Acquisition of business, net of cash acquired	(78,264)	—	—
Other	(338)	(466)	(565)
Cash flows (used in) provided by investing activities	<u>(80,904)</u>	<u>3,861</u>	<u>18,725</u>
Cash flows from financing activities			
Repayment of long-term debt	(38,768)	(9,750)	(3,250)
Borrowings from revolving credit facility	100,000	—	220,000
Repayments of revolving credit facility	—	(220,000)	—
Payment of debt issuance costs	(6,289)	—	—
Dividends paid on common stock	(30,765)	—	(23,934)
Repurchase of common stock	(120,452)	(4,191)	(29,853)
Principal payments of finance lease obligations	(8,946)	(10,238)	(12,451)
Proceeds from stock options exercised	241	25,337	20,523
Repurchase of restricted stock for tax payments upon vesting	(2,867)	(1,771)	(2,480)
Tax payments for share settlement of restricted stock units	(955)	(9,783)	(205)
Cash flows (used in) provided by financing activities	<u>(108,801)</u>	<u>(230,396)</u>	<u>168,350</u>
Net change in cash, cash equivalents and restricted cash	<u>(100,369)</u>	<u>(30,700)</u>	<u>283,578</u>
Cash, cash equivalents and restricted cash at beginning of year	425,353	456,053	172,475
Cash, cash equivalents and restricted cash at end of year	<u>\$ 324,984</u>	<u>\$ 425,353</u>	<u>\$ 456,053</u>
Supplemental disclosures			
Interest paid	\$ 64,599	\$ 65,229	\$ 69,208
Income taxes paid	\$ 28,085	\$ 31,300	\$ 11,873
Non-cash conversion of accounts receivable to notes receivable	\$ 84	\$ 4,258	\$ 1,307

See the accompanying notes to the consolidated financial statements.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

1. The Company

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. The Company was incorporated as IHOP Corp. under the laws of the State of Delaware in 1976. In November 2007, the Company acquired Applebee's International, Inc., which became a wholly-owned subsidiary of the Company. Effective June 2, 2008, the name of the Company was changed to DineEquity, Inc. and on February 20, 2018, the name of the Company was changed to Dine Brands Global, Inc.® (“Dine Brands Global”). In December 2022, the Company acquired FTO Holding Company, LLC (“Fuzzy's”), which owns the Fuzzy's Taco Shop® concept and became a wholly-owned subsidiary of the Company.

The Company owns, franchises and operates three restaurant concepts: Applebee's Neighborhood Grill + Bar® (“Applebee's”), in the American full-service restaurant segment within the casual dining category of the restaurant industry; IHOP®, in the family dining mid-scale full-service category of the restaurant industry; and Fuzzy's Taco Shop®, in the Mexican food segment within the fast-casual dining category of the restaurant industry.

As of December 31, 2022, there were 1,781 IHOP restaurants, of which 1,625 were subject to franchise agreements and 156 were subject to area license agreements. These IHOP restaurants were located in all 50 states of the United States, the District of Columbia, two United States territories and nine countries outside the United States. As of December 31, 2022, there were 1,678 Applebee's® restaurants, all of which were subject to franchise agreements. These Applebee's restaurants were located in 49 states of the United States, two United States territories and 11 countries outside the United States. As of December 31, 2022, the Company had 137 Fuzzy restaurants in 18 states of the United States, of which 134 were subject to franchise agreements and three were company-operated.

References herein to Applebee's, IHOP, and Fuzzy's restaurants are to these restaurant concepts, whether operated by franchisees, area licensees or the Company. Retail sales at restaurants that are owned by franchisees and area licensees are not attributable to the Company.

2. Basis of Presentation and Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Dine Brands Global, Inc. and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Fiscal Periods

The Company has a 52/53 week fiscal year that ends on the Sunday nearest to December 31 of each year. In a 52-week fiscal year, each fiscal quarter contains 13 weeks, comprised of two, four-week fiscal months followed by a five-week fiscal month. In a 53-week fiscal year, the last month of the fourth fiscal quarter contains six weeks. For convenience, the Company refers to its fiscal years as ending on December 31 and its fiscal quarters as ending on March 31, June 30 and September 30. The December 31, 2022 fiscal year ended January 1, 2023 and contained 52 weeks. The 2021 fiscal year ended January 2, 2022 contained 52 weeks. The 2020 fiscal year ended January 3, 2021 contained 53 weeks.

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles (“U.S. GAAP”) requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, if any, at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates are made in the calculation and assessment of the following: impairment of tangible and intangible assets and goodwill; income taxes; allowance for doubtful accounts and notes receivables; lease accounting estimates; contingencies; and stock-based compensation. On an ongoing basis, the Company evaluates its estimates based on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from those estimates.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

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

Risks and Uncertainties

The Company is subject to risks and uncertainties as a result of the outbreak of a novel strain of coronavirus, designated “COVID-19” and declared to be a pandemic in March 2020. The Company first began to experience impacts from COVID-19 in March 2020, as federal, state and local governments reacted to the public health crisis by encouraging and/or requiring social distancing, instituting shelter-in-place orders, and requiring, in varying degrees, restaurant dine-in limitations and other restrictions that largely limited the restaurants of the Company's franchisees and its company-operated restaurants to take-out and delivery sales during the initial stages of the pandemic. Subsequently, government-imposed dine-in restrictions have been relaxed, removed and reinstated as incidents of infection decrease or increase within the respective governmental jurisdictions. As of December 31, 2022, almost all of the restaurants were open and operating without government-mandated restriction.

We cannot predict how long the pandemic will last, whether/when recurrences of the virus and its variants may arise, what restrictions on in-restaurant dining may be enacted or re-enacted, the availability and acceptance of vaccines, the timing and extent of customer re-engagement with the Company's brands and, in general, what the short- and long-term impact on consumer discretionary spending the COVID-19 pandemic might have on the Company and the restaurant industry as a whole, all of which are uncertain and cannot be predicted. As such, the extent to which the COVID-19 pandemic may continue to materially impact the Company's financial condition, liquidity, or results of operations remains highly uncertain.

Concentration of Credit Risk

The Company's cash, cash equivalents, restricted cash and accounts receivable are potentially subject to concentration of credit risk. Cash and cash equivalents are placed with financial institutions that management believes are creditworthy. The Company does not believe that it is exposed to any significant credit risk on cash, cash equivalents and restricted cash. At times, cash, cash equivalents and restricted cash balances may be in excess of FDIC insurance limits.

Accounts receivable are derived from revenues earned from franchisees and area licensees located primarily in the United States. Financing receivables arise from the financing of restaurant equipment, real estate leases or franchise fees with the Company by IHOP franchisees. The Company is subject to a concentration of credit risk with respect to receivables from franchisees that own a large number of Applebee's or IHOP restaurants. As of December 31, 2022, two franchisees (one Applebee's franchisee and one franchisee with cross-brand ownership) operated a combined total of 825 Applebee's and IHOP restaurants in the United States, which comprised 25.4% of the total Applebee's and IHOP franchise and area license restaurants in the United States. Revenues from these two franchisees represented 18.8%, 18.0%, and 17.1% of total consolidated revenue for the years ended December 31, 2022, 2021 and 2020, respectively. One franchisee represented 12.5%, 11.8%, and 11.0% of total consolidated revenue for the years ended December 31, 2022, 2021 and 2020, respectively. Receivables from these franchisees totaled \$20.9 million and \$19.7 million at December 31, 2022 and 2021, respectively.

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. Cash held related to IHOP advertising funds and the Company's gift card programs is not considered to be restricted cash as there are no restrictions on the use of these funds. The components of cash and cash equivalents were as follows:

	December 31,	
	2022	2021
	(In millions)	
Money market funds	\$ 75.0	\$ 30.0
IHOP advertising funds and gift card programs	96.7	101.5
Other depository accounts	98.0	229.9
Total cash and cash equivalents	<u>\$ 269.7</u>	<u>\$ 361.4</u>

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

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

Restricted Cash

Current

Current restricted cash primarily consisted of funds required to be held in trust in connection with the Company's securitized debt and funds from Applebee's and Fuzzy's franchisees pursuant to franchise agreements, usage of which was restricted to advertising activities. The components of current restricted cash were as follows:

	December 31,	
	2022	2021
	(In millions)	
Securitized debt reserves	\$ 32.4	\$ 29.9
Applebee's advertising funds	5.4	17.5
Other	1.1	0.1
Total current restricted cash	<u>\$ 38.9</u>	<u>\$ 47.5</u>

Non-current

Non-current restricted cash of \$16.4 million and \$16.4 million at December 31, 2022 and 2021, respectively, represents interest reserves set aside for the duration of the securitized debt. The required reserve is approximately one quarter's interest payment on the Company's securitized debt. The Company voluntarily increased the amount held in non-current cash to twice the required amount during the year ended December 31, 2020 and reduced the reserve back to the minimum amount during the year ended December 31, 2021.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Properties under finance leases are 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 properties under finance leases are amortized on a straight-line basis over their estimated useful lives or the lease term, if less. The general ranges of depreciable and amortizable lives are as follows:

Category	Depreciable Life
Buildings and improvements	25 to 40 years
Leaseholds and improvements	Shorter of primary lease term or between three to 40 years
Equipment and fixtures	Three to five years
Internal-use software	Three to 10 years
Properties under finance leases	Primary lease term or remaining primary lease term

Long-Lived Assets

On a regular basis, the Company assesses whether events or changes in circumstances have occurred that potentially indicate the carrying value of long-lived assets (primarily assets related to property and equipment leased or subleased to franchisees) may not be recoverable. The analysis is performed at the restaurant level for indicators of impairment. The Company tests for impairment using current and historical operating results and cash flows as well as other relevant facts and circumstances as the primary basis for estimates of future cash flows. The Company considers factors such as the number of years the franchisee's restaurant has been in operation, sales trends, cash flow trends, remaining lease life and other factors which apply on a case-by-case basis. Continuing losses associated with an asset are an indicator of impairment.

If it is decided that there has been an impairment, the carrying amount of the asset is written down to the estimated fair value as determined in accordance with U.S. GAAP governing fair value measurements. The primary method of estimating fair value is based on a discounted cash flow analysis. Any loss resulting from impairment is recognized as a charge against operations.

See *Note 13 - Closure and Long-lived Tangible Asset Impairment Charges*, of the Notes to the Consolidated Financial Statements for additional information.

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

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 an acquisition are accounted for using the purchase method of accounting and are estimated by management based on the fair value of the assets received. The Company's identifiable intangible assets are comprised primarily of the Applebee's tradename and Applebee's franchise agreements and as of December 2022, the Fuzzy's tradename and Fuzzy's franchise agreements. Identifiable intangible assets with finite lives (franchise agreements) are amortized over the period of estimated benefit using the straight-line method and estimated useful lives. Goodwill and intangible assets considered to have an indefinite life (primarily the tradenames) are not subject to amortization. The determination of indefinite life is subject to reassessment if changes in facts and circumstances indicate the period of benefit has become finite.

Goodwill has been allocated to four reporting units. The significant majority of the Company's goodwill resulted from the November 29, 2007 acquisition of Applebee's and was allocated to the Applebee's franchised restaurants unit ("Applebee's franchise unit"). Smaller amounts of goodwill arising from other business combinations have been allocated to the Fuzzy's franchised restaurants unit ("Fuzzy's franchise unit"), the IHOP franchised restaurants unit ("IHOP franchise unit") and the Applebee's company restaurants unit ("Applebee's company unit"). See *Note 6 - Goodwill*, of the Notes to the Consolidated Financial Statements for additional information.

The Company evaluates the goodwill of the Applebee's franchise and company units and the indefinite-lived Applebee's tradename for impairment as of October 31 of each year. The Company evaluates the goodwill of the IHOP franchise unit and the Fuzzy's franchise unit for impairment as of December 31 of each year. In addition to the annual evaluation for impairment, goodwill and indefinite-lived intangible assets are evaluated more frequently if the Company believes indicators of impairment exist.

When evaluating goodwill and indefinite-lived intangible assets for impairment, under U.S. GAAP, the Company may first perform an assessment of qualitative factors to determine if the fair value of the reporting unit or the intangible asset is more-likely-than-not greater than the carrying amount. Such qualitative factors include, but are not limited to, macro-economic conditions, market and industry conditions, cost considerations, current and future income tax rates, the competitive environment, fluctuations in the market value of the Company's common stock, absolute and relative to peers, overall financial performance and results of past impairment tests. If, based on a review of the qualitative factors, the Company determines it is more-likely-than-not that the fair value is greater than the carrying value, the Company may bypass a quantitative test for impairment.

In performing the quantitative test for impairment of goodwill, the Company primarily uses the income approach method of valuation that includes the discounted cash flow method and the market approach that includes the guideline public company method. Significant assumptions used to determine fair value under the discounted cash flow method include expected future trends in sales, operating expenses, overhead expenses, capital expenditures and changes in working capital, along with an appropriate discount rate based on the Company's estimated cost of equity capital and after-tax cost of debt. Significant assumptions used to determine fair value under the guideline public company method include the selection of guideline companies and the valuation multiples applied. The Company measures impairment as the excess of a reporting unit's carrying amount over its fair value as determined by the quantitative test described above.

In the process of performing its quantitative impairment review of intangible assets considered to have an indefinite life, the Company primarily uses the relief of royalty method under the income approach method of valuation. Significant assumptions used to determine fair value under the relief of royalty method include future trends in sales, a royalty rate and an appropriate discount rate based on the Company's estimated cost of equity capital and after-tax cost of debt to be applied to the forecast revenue stream.

Business Combinations

From time to time, we may enter into business combinations. In accordance with Accounting Standards Codification ("ASC") 805, Business Combinations, the Company applies the acquisition method for acquisitions that meet the definition of a business combination. Under the acquisition method, the Company estimates the fair value of the identifiable assets and liabilities of the acquired entity on the acquisition date. Acquired intangible assets are valued using different methods under the income approach, including but not limited to, the multi-period excess earnings method for tradenames and franchising rights and the relief-from-royalty method for recipes. The Company measures goodwill as the excess of consideration transferred over the net of the acquisition date fair values of the identifiable assets acquired and liabilities assumed. Goodwill is assigned to each reporting unit that is expected to benefit from the synergies of the business combination. Acquisition-related expenses and

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

transaction costs associated with business combinations are expensed in the period incurred which is included in the transaction-related expenses line item of the Consolidated Statements of Comprehensive Income (Loss).

Revenue Recognition

The Company's revenues are recorded in four categories: franchise operations, company restaurant operations, rental operations and financing operations. Franchise revenue (which comprises most of the Company's revenues) and revenue from company-operated restaurants are recognized in accordance with ASC 606 - Revenue from Contracts with Customers ("ASC 606"). Under ASC 606, revenue is recognized upon transfer of control of promised services or goods to customers in an amount that reflects the consideration the Company expects to receive for those services or goods. The Company's rental and financing revenues are recognized in accordance with other U.S. GAAP accounting standards and are not subject to ASC 606.

Franchise Revenues

The Company franchises the Applebee's, IHOP and Fuzzy's restaurant concepts. The franchise arrangement for the brands is documented in the form of a franchise agreement and, in most cases, a development agreement. The franchise arrangement between the Company as the franchisor and the franchisee as the customer requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all the utility is derived from its association with the Company's past or ongoing activities. The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

The transaction price in a standard franchise arrangement for the brands primarily consists of (a) initial franchise/development fees; (b) continuing franchise fees (royalties); and (c) advertising fees. Since the Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required. Additionally, all domestic IHOP franchise agreements require franchisees to purchase proprietary pancake and waffle dry mix from the Company.

The Company recognizes the primary components of the transaction price as follows:

- Franchise and development fees are recognized as revenues ratably on a straight-line basis over the term of the franchise agreement commencing with the restaurant opening date. As these fees are typically received in cash at or near the beginning of the franchise term, the cash received is initially recorded as a contract liability until recognized as revenue over time;
- The Company is entitled to royalties and advertising fees based on a percentage of the franchisee's gross sales as defined in the franchise agreement. Royalty and advertising revenues are recognized when the franchisee's reported sales occur. Depending on timing within a fiscal period, the recognition of revenue results in either a contract asset (unbilled receivable) or, once billed, accounts receivable, on the balance sheet;
- Revenue from the sales of proprietary pancake and waffle dry mix is recognized in the period in which distributors ship the franchisee's order; recognition of revenue results in accounts receivable on the balance sheet.

In determining the amount and timing of revenue from contracts with customers, the Company exercises judgment with respect to collectibility of the amount; however, the timing of recognition does not require significant judgment as it is based on either the franchise term, the month of sale as reported by the franchisee or the date of product shipment, none of which require estimation.

The Company does not incur a significant amount of contract acquisition costs in conducting its franchising activities. The Company believes its franchising arrangements do not contain a significant financing component.

Company Restaurant Revenues

Company restaurant revenues comprise retail sales at company-operated restaurants. 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 that are remitted to the appropriate taxing authorities, with no significant judgments required.

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

Rental Revenues

Rental operations revenues include revenues from operating leases and interest income from real estate leases. See *Basis of Presentation and Summary of Significant Accounting Policies - Leases*.

Financing Revenues

Financing operations revenues consist primarily of interest income from the financing of franchise fees and equipment leases, other notes receivable from franchisees and sales of equipment associated with refranchised IHOP restaurants. Interest income is recorded as earned.

Gift Card

The Company administers gift card programs for each restaurant concept. The Company records a liability in the period in which a gift card is sold and recognizes costs associated with its administration of the gift card programs as prepaid assets when the costs are incurred. The liability and prepaid asset recorded on the Company's books are relieved when gift cards are redeemed. If redemption occurs at a franchisee-operated restaurant, the gift card revenue, net of costs, is remitted to the franchisee. The Company receives gift card breakage revenue only from gift cards redeemed at company-operated restaurants. Breakage revenue for gift cards estimated to be redeemable at company-operated restaurants for the years ended December 31, 2022, 2021 and 2020 was \$0.3 million in each year.

Allowance for Credit Losses

The allowance for credit losses is the Company's best estimate of the amount of probable credit losses incurred on existing receivables; however, changes in circumstances relating to receivables may result in changes to the allowance in the future. The Company determines the allowance based on historical losses, current conditions, and reasonable and supportable forecasts used in assessing the franchisee's or area licensee's ability to pay outstanding balances. The primary indicator of credit quality is delinquency, which is considered to be a receivable balance greater than 90 days past due. The Company continually reviews the allowance for credit losses. Past due balances and future obligations are reviewed individually for collectability. Account balances are charged against the allowance after all collection efforts have been exhausted and the potential for recovery is considered remote. See *Note 4, Current Expected Credit Losses*, of the Notes to the Consolidated Financial Statements for additional information.

Leases

The Company accounts for its leasing activities in accordance with accounting guidance for leases, as codified in Accounting Standards Topic 842 ("ASC 842"), adopted as of the beginning of its 2019 fiscal year. In adopting ASC 842, the Company utilized expedients that allowed it to retain the classification, as either an operating lease or a finance lease, that was previously determined under prior accounting guidance for leases. The Company reassesses this classification upon renewal, extension or the modification of an existing lease agreement. The Company determines the appropriate classification upon entering into a new contract determined to contain a lease.

Operating lease assets and liabilities are recognized at the lease commencement date, or were recognized upon adoption of ASC 842. Operating lease liabilities represent the present value of lease payments not yet paid. Operating lease assets represent the Company's right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepayments or accrued lease payments, initial direct costs, lease incentives and impairment of operating lease assets.

The Company's lease agreements generally do not provide information to determine the implicit interest rate in the agreements. This requires the Company to estimate an incremental borrowing rate to be used in calculating operating lease liabilities as of the adoption or commencement date. The Company estimates the incremental borrowing rate primarily by reference to (i) yield rates on debt issuances by companies of a similar credit rating as the Company; (ii) U.S. Treasury rates as of the adoption or commencement date; and (iii) adjustments for differences between these rates and the lease term.

The cost of an operating lease is recognized over the lease term on a straight-line basis. The lease term commences on the date the Company has the right to control the use of the leased property. Certain leases may contain provisions for rent holidays and fixed-step escalations in payments over the base lease term, as well as renewal periods. The effects of the holidays and fixed-step escalations are reflected in rent expense on a straight-line basis over the expected lease term. Differences between amounts paid and amounts expensed are recorded as deferred rent. Certain leases may include rent escalations based on inflation indexes and fair market value adjustments. Certain leases may contain contingent rental provisions that include a fixed

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

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

base rent plus an additional percentage of the restaurant's sales. Subsequent escalations subject to such an index and contingent rental payments are recognized as variable lease expense.

The rental payments (as lessee) or receipts (as lessor) on those property leases that meet the finance lease criteria result in the recognition of interest expense or interest income and a reduction of finance lease obligation or financing lease receivable, respectively. Finance lease obligations are amortized based on the Company's incremental borrowing rate and real estate leases receivable are amortized using the implicit interest rate.

Pre-opening Expenses

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

Advertising

Advertising expense reflected in the Consolidated Statements of Comprehensive Income (Loss) includes contributions to the national advertising funds made by Applebee's and IHOP, local marketing advertising costs incurred by company-operated restaurants, and certain advertising costs incurred by the Company to benefit future franchise operations. Costs of advertising typically are expensed either as incurred or the first time the advertising takes place. Any excess or deficiency of advertising fee revenue compared to advertising expenditures, is recognized in the fourth quarter of the Company's fiscal year. Any excess of revenue over expenditures is recognized only to the extent of previously recognized deficits. When advertising revenues exceed the related advertising expenses and there is no recovery of a previously recognized deficit of advertising revenues, advertising costs are accrued up to the amount of revenues.

Advertising expense included in company restaurant operations for the years ended December 31, 2022, 2021 and 2020 was \$5.6 million, \$6.8 million and \$5.2 million, respectively.

Fair Value Measurements

The Company determines the fair market values of its financial assets and liabilities, as well as non-financial assets and liabilities that are recognized or disclosed at fair value on a recurring basis, based on the fair value hierarchy established in U.S. GAAP. As necessary, the Company measures its financial assets and liabilities using inputs from the following three levels of the fair value hierarchy:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are observable for the asset or liability, either directly or indirectly, including quoted prices in active markets for similar assets or liabilities.
- Level 3 inputs are unobservable and reflect the Company's own assumptions.

The Company does not have a material amount of financial assets or liabilities that are required under U.S. GAAP to be measured at fair value on a recurring basis. None of the Company's non-financial assets or non-financial liabilities is required to be measured at fair value on a recurring basis. Assets recognized or disclosed at fair value in the consolidated financial statements on a nonrecurring basis include items such as property and equipment, operating lease assets, goodwill and other intangible assets, which are measured at fair value if determined to be impaired. The Company has not elected to use fair value measurement for any assets or liabilities for which fair value measurement is not presently required.

The Company believes the fair values of cash and cash equivalents, restricted cash, accounts receivable and accounts payable approximate their carrying amounts due to their short duration.

The fair values of non-current financial instruments, determined based on Level 2 inputs, are shown in the following table:

	December 31,	
	2022	2021
	(In millions)	
Face value of Series 2019-1 Fixed Rate Senior Secured Notes	<u>\$ 1,247.0</u>	<u>\$ 1,287.0</u>
Fair value of Series 2019-1 Fixed Rate Senior Secured Notes	<u>\$ 1,167.0</u>	<u>\$ 1,312.9</u>

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

Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax basis of assets and liabilities using enacted tax rates. A valuation allowance is recorded when it is more likely than not that some or all of the deferred tax assets will not be realized. The Company records estimated tax liabilities to the extent the contingencies are probable and can be reasonably estimated. The Company recognizes interest accrued related to unrecognizable tax benefits and penalties as a component of the income tax provision recognized in the Consolidated Statements of Comprehensive Income (Loss).

The Company is taxed on global intangible low-tax income ("GILTI") earned by certain foreign subsidiaries and recognizes the current tax on GILTI as an expense in the period the tax is incurred. The Company includes the current tax impact of GILTI in our effective tax rate.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by taxing authorities based on its technical merits, including all appeals or litigation processes. 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. For each reporting period, management applies a consistent methodology to measure and adjust all uncertain tax positions based on the available information.

Stock-Based Compensation

Members of the Board of Directors and certain employees are eligible to receive stock options, restricted stock, restricted stock units and performance units pursuant to the Dine Brands Global, Inc. 2019 Stock Incentive Plan. Shares of unvested restricted stock are subject to restrictions on transfer and forfeiture under certain circumstances. The holder of unvested restricted stock has the right to vote and receive regular cash dividends with respect to the shares of unvested restricted stock.

The Company accounts for all stock-based payments to employees and non-employee directors, including grants of stock options, restricted stock, restricted stock units and performance units to be recognized in the financial statements, based on their respective grant date fair values. 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 grant date fair value of restricted stock and stock-settled restricted stock units is determined based on the Company's stock price on the grant date. The Company estimates the grant date fair value of stock option awards using the Black-Scholes option pricing model, which considers, among other factors, a risk-free interest rate, the expected life of the award and the historical volatility of the Company's stock price. The Company estimates the grant date fair value of awards with performance-based market conditions using a Monte Carlo simulation method which considers, among other factors, the performance-based market condition, a risk-free interest rate, the expected life of the award and the historical volatility of the Company's stock price. Awards of cash-settled restricted stock units are classified as liabilities with the liability and compensation expense related to cash-settled awards adjusted to fair value at each balance sheet date.

Net Income (Loss) Per Share

Net income (loss) per share is calculated using the two-class method prescribed in U.S. GAAP. Basic net income (loss) per share is computed by dividing the net income (loss) available to common stockholders for the period by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) 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. The Company uses the treasury stock method to calculate the weighted average shares used in the diluted earnings per share calculation. Potentially dilutive common shares include the assumed exercise of stock options and assumed vesting of restricted stock.

Other Comprehensive Income (Loss)

For the years ended December 31, 2022, 2021 and 2020, the income tax benefit or provision allocated to items of other comprehensive income (loss) was not significant.

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

Treasury Stock

The Company may from time to time utilize treasury stock when vested stock options are exercised, when restricted stock awards are granted and when restricted stock units settle in stock upon vesting. The cost of treasury stock re-issued is determined using the first-in, first-out method.

Dividends

Dividends declared on common stock are recorded as a reduction of retained earnings to the extent retained earnings are available at the close of the period prior to the date of the dividend declaration. Dividends declared in excess of retained earnings are recorded as a reduction of additional paid-in capital.

Reporting Segments

The Company identifies its reporting segments based on the organizational units used by management to monitor performance and make operating decisions. The Company has six operating segments: Applebee's franchise operations, IHOP franchise operations, Fuzzy's franchise operations, rental operations, financing operations and company-operated restaurant operations. The Company has four reporting segments: franchise operations, (an aggregation of each restaurant concept's franchise operations), rental operations, financing operations and company-operated restaurant operations. The Company considers these to be its reportable segments, regardless of whether any segment exceeds 10% of consolidated revenues, income before income tax provision or total assets.

Franchise Segment

As of December 31, 2022, the franchise operations reportable segment consisted of 1,678 restaurants operated by Applebee's franchisees in the United States, two United States territories and 11 countries outside the United States; 1,781 restaurants operated by IHOP franchisees and area licensees in the United States, two United States territories and nine countries outside the United States; and 134 restaurants operated by Fuzzy's franchisees in the United States. Franchise operations revenue consists primarily of royalties and advertising fees based on a percentage of the franchisee's gross sales, sales of proprietary products (primarily IHOP pancake and waffle dry mixes) and other franchise fees.

Franchise operations expenses include advertising expense, the cost of proprietary products, pre-opening training expenses and other franchise-related costs.

Rental Segment

Rental operations revenue includes revenue from operating leases and interest income from real estate leases. Rental operations expenses are costs of operating leases and interest expense of finance leases on franchisee-operated restaurants. The rental operations revenue and expenses are primarily generated by IHOP. Applebee's has an insignificant amount of rental activity.

Financing Segment

Financing operations revenue primarily consists of interest income from the financing of IHOP franchise fees and equipment leases, notes receivable from Applebee's and IHOP franchisees and sales of equipment associated with refranchised IHOP restaurants. Financing expenses are the cost of restaurant equipment.

Company Segment

As of December 31, 2022, the company-operated three Fuzzy's restaurants that were acquired in December 2022. During 2022, 2021 and 2020, the company-operated 69 Applebee's restaurants that were acquired from a former franchisee in December 2018. The 69 Applebee's company-operated restaurants were sold in October 2022. All company-operated restaurants were located in the United States. Company restaurant sales are retail sales at company-operated restaurants. Company restaurant expenses are operating expenses at company-operated restaurants and include food, beverage, labor, benefits, utilities, rent and other operating costs.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

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

Accounting Standards Adopted in the Current Fiscal Year

In July 2021, the FASB issued guidance which affect lessors with lease contracts that (i) have variable lease payments that do not depend on a reference index or a rate and (ii) would have resulted in the recognition of a selling loss at lease commencement if classified as sales-type or direct financing. The amendments are effective for fiscal years beginning after December 15, 2021. Adoption did not have any material effect on the consolidated financial statements.

In March 2020, with an update in January 2021, the FASB issued guidance which provides optional expedients and exceptions for applying current U.S. GAAP to contracts, hedging relationships, and other transactions affected by the discontinuation of the London Interbank Offered Rate ("LIBOR") or by another reference rate expected to be discontinued. The guidance can be adopted immediately and is applicable to contracts entered into on or before December 31, 2022. Adoption did not have any material effect on the consolidated financial statements.

Additional new accounting guidance became effective for the Company as of the beginning of fiscal 2022 that the Company reviewed and concluded was either not applicable to its operations or had no material effect on its consolidated financial statements in the current or future fiscal years.

Newly Issued Accounting Standards Not Yet Adopted

The Company reviewed all other newly issued accounting pronouncements and concluded that they either are not applicable to the Company's operations or that no material effect is expected on the Company's financial statements when adoption is required in the future.

3. Revenue

The following table disaggregates our franchise revenues by major type for the years ended December 31, 2022, 2021 and 2020:

	Year ended December 31,		
	2022	2021	2020
<i>Franchise Revenues</i>	(In thousands)		
Royalties	\$ 303,724	\$ 292,372	\$ 215,214
Advertising fees	289,328	274,790	201,494
Pancake and waffle dry mix sales and other	60,749	51,250	38,936
Franchise and development fees	8,637	13,524	13,809
Total franchise revenues	<u>\$ 662,438</u>	<u>\$ 631,936</u>	<u>\$ 469,453</u>

Accounts and other receivables related to franchise revenues as of December 31, 2022 and 2021 were \$69 million (net of allowance of \$1.3 million) and \$66 million (net of allowance of \$1.1 million), respectively, and were included in receivables, net in the Consolidated Balance Sheets.

Changes in the Company's deferred franchise revenue during the year ended December 31, 2022 were as follows:

	Revenue (short- and long-term)
	(In thousands)
Balance at December 31, 2021	\$ 53,346
Recognized as revenue during the year ended December 31, 2022	(8,518)
Fees deferred during the year ended December 31, 2022	4,044
Acquisition addition	621
Balance at December 31, 2022	<u>\$ 49,493</u>

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

3. Revenue (Continued)

The balance of deferred franchise revenue as of December 31, 2022 is expected to be recognized as follows:

	(In thousands)
2023	\$ 7,150
2024	6,478
2025	5,699
2026	4,850
2027	3,954
Thereafter	21,362
Total	\$ 49,493

4. Current Expected Credit Losses (“CECL”)

The CECL reserve methodology requires companies to measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instrument. Under the CECL model, reserves may be established against financial asset balances even if the risk of loss is remote or has not yet manifested itself.

In applying the CECL methodology, the Company developed its estimated loss reserves in the following manner. The Company continued to record specific reserves against account balances of franchisees deemed “at-risk” when a potential loss is likely or imminent as a result of prolonged payment delinquency (greater than 90 days past due) and where notable credit deterioration has become evident. For financial assets that are not currently deemed “at-risk,” an allowance is recorded based on expected loss rates derived pursuant to the following CECL methodology that assesses four components: (1) historical losses, (2) current conditions, (3) reasonable and supportable forecasts, and (4) reversion to history, if applicable.

Historical Losses

Historical loss rates over a five-year span were calculated for financial assets with common risk characteristics. The Company determined historical loss rate data for each franchise brand concept was more relevant than a single blended rate. Historical losses were determined based on the average charge-off method. Historical loss rates are further adjusted by factors related to current conditions and forecasts of future economic conditions.

Current Conditions

The Company identified three metrics that it believes provide the most relevant reflection of the current risks inherent in the Company’s franchisee-based restaurant business, as follows: (1) delinquency status, (2) system-wide same-restaurant sales, and (3) restaurant unit-level economics. The current conditions adjustment factor was adjusted to account for the impact of the COVID-19 pandemic.

Reasonable and Supportable Forecasts

The third component in the CECL methodology involves consideration of macroeconomic conditions that can impact the estimate of expected credit losses in the future. The Company has not developed an internal methodology in this regard; rather, the Company utilizes existing, publicly accessible sources of economic data, primarily forecasts of overall unemployment rate as well as consumer spending based on the personal consumption expenditure index.

Reversion to History

The Company has determined that reversion to history was not required since the remaining average lives of the Company’s financial assets are not exceedingly lengthy.

The Company considers its portfolio segments to be the following:

Accounts Receivable (Franchise-Related)

Most of the Company’s short-term receivables due from franchisees are derived from royalty, advertising and other franchise-related fees.

4. Current Expected Credit Losses (Continued)

Gift Card Receivables

Gift card receivables consist primarily of amounts due from third-party vendors. Receivables related to gift card sales are subject to seasonality and usually peak around year end as a result of the December holiday season.

Notes Receivable

Notes receivable balances primarily relate to the conversion of certain Applebee's franchisee accounts receivable to notes receivable, cash loans to franchisees for working capital purposes, a note receivable in connection with the sale of IHOP company restaurants in June 2017, and IHOP franchise fee and other notes. The notes are typically collateralized by the franchise. The notes generally have a term from one to eight years and bear interest averaging 5.3% and 4.0% per annum at December 31, 2022 and 2021, respectively. Due to the risk inherent in Applebee's notes that were converted from previously delinquent franchisee accounts receivable balances, a significant portion of these notes have specific reserves recorded against them totaling \$8.8 million as of December 31, 2022.

Equipment Leases Receivable

Equipment leases receivable primarily relate to IHOP franchise development activity prior to 2003. IHOP provided the financing for the leasing of the equipment. Equipment lease contracts are collateralized by the equipment in the restaurant. Equipment lease contracts are due in equal weekly installments, and bear interest averaging 9.8% and 9.9% per annum at December 31, 2022 and 2021, respectively. The term of an equipment lease contract typically coincides with the term of the corresponding restaurant building lease. The weighted average remaining life of the Company's equipment leases is 3.9 years as of December 31, 2022. The estimated fair value of the equipment collateralizing these lease contracts are not deemed to be significant given the very seasoned and mature nature of this portfolio.

Real Estate Leases Receivable

Real estate lease receivable also primarily relate to IHOP franchise development activity prior to 2003 when IHOP typically leased or purchased the restaurant site, built and equipped the restaurant, and then franchised the restaurant to a franchisee. IHOP provided the financing for leasing or subleasing the site. Real estate lease receivables at December 31, 2022, were comprised of 48 leases with a weighted average remaining life of 10.2 years, and relate to locations that IHOP is leasing from third parties and subleasing to franchisees. Where applicable, building leases and equipment contracts contain cross-default provisions wherein a default under one constitutes a default under all.

Distributor Receivables

Receivables due from distributors are related to the sale of IHOP's proprietary pancake and waffle dry mix to franchisees through the Company's network of suppliers and distributors and are included as part of Other receivables.

Total receivables balances at December 31, 2022 and 2021 were as follows:

<i>Receivables</i>	2022	2021
	(In millions)	
Accounts receivable	\$ 67.5	\$ 63.6
Gift card receivables	34.6	33.4
Notes receivable	17.2	19.7
Financing receivables:		
Equipment leases receivable	26.6	33.4
Real estate leases receivable	18.5	16.7
Other receivables	5.6	7.6
	<u>170.0</u>	<u>174.4</u>
Less: allowance for doubtful accounts and notes receivable	(10.3)	(11.9)
	<u>159.7</u>	<u>162.5</u>
Less: current portion	(120.0)	(120.0)
Long-term receivables	<u>\$ 39.7</u>	<u>\$ 42.5</u>

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

4. Current Expected Credit Losses (Continued)

Changes in the allowance for credit losses during the years ended December 31, 2022 and 2021 were as follows:

	Accounts Receivable	Notes receivable, short-term	Notes receivable, long-term	Lease Receivables	Equipment Receivables	Other ⁽¹⁾	Total
	(In millions)						
Balance, December 31, 2020	\$ 11.2	\$ 3.6	\$ 5.3	\$ 0.4	\$ 2.3	\$ 0.3	\$ 23.1
Bad debt (credit) expense	(8.2)	1.4	1.1	0.1	0.8	(0.1)	(4.9)
Advertising provision adjustment	(1.8)	(0.3)	0.2	—	—	—	(1.9)
Write-offs	(0.2)	(0.9)	—	(0.5)	(3.0)	—	(4.6)
Recoveries	0.0	—	—	0.2	—	—	0.2
Balance, December 31, 2021	\$ 1.0	\$ 3.8	\$ 6.6	\$ 0.2	\$ 0.1	\$ 0.2	\$ 11.9
Bad debt (credit) expense	(0.1)	1.4	(1.1)	0.0	(0.0)	0.0	0.3
Advertising provision adjustment	0.5	(0.8)	(0.2)	—	—	—	(0.5)
Write-offs	(0.3)	(0.9)	—	(0.0)	(0.0)	(0.3)	(1.5)
Recoveries	0.1	—	—	0.0	0.0	0.0	0.1
Balance, December 31, 2022	\$ 1.2	\$ 3.5	\$ 5.3	\$ 0.2	\$ 0.1	\$ (0.1)	\$ 10.3

⁽¹⁾ Primarily consists of distributor receivables, gift card receivables, and credit card receivables.

The Company's primary credit quality indicator for all portfolio segments is delinquency. The delinquency status of receivables (other than accounts receivable, gift card receivables and distributor receivables) at December 31, 2022 was as follows:

	Notes receivable, short-term	Notes receivable, long-term	Lease Receivables	Equipment Receivables	Other ⁽¹⁾	Total
	(In millions)					
Current	\$ 4.9	\$ 10.7	\$ 18.5	\$ 26.6	\$ 0.0	\$ 60.7
30-59 days	—	—	—	—	—	—
60-89 days	—	—	—	—	—	—
90-119 days	—	—	—	—	—	—
120+ days	1.6	—	—	—	—	1.6
Total	\$ 6.5	\$ 10.7	\$ 18.5	\$ 26.6	\$ 0.0	\$ 62.3

⁽¹⁾ Primarily consists of credit card receivables.

The year of origination of the Company's financing receivables at December 31, 2022 as follows:

	Notes receivable, short and long- term	Lease Receivables	Equipment Receivables	Total
	(In millions)			
2022	\$ 1.6	\$ 8.5	\$ —	\$ 10.1
2021	10.1	2.5	—	12.6
2020	0.4	1.3	—	1.7
2019	—	0.7	—	0.7
2018	—	—	—	0.0
Prior	5.1	5.5	26.6	37.2
Total	\$ 17.2	\$ 18.5	\$ 26.6	\$ 62.3

The Company does not place its financing receivables in non-accrual status.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

5. Property and Equipment

Property and equipment by category at December 31, 2022 and 2021 were as follows:

	2022	2021
	(In millions)	
Leaseholds and improvements	\$ 211.5	\$ 221.1
Properties under finance leases	56.7	94.6
Equipment and fixtures	41.5	52.5
Buildings and improvements	51.3	54.2
Land	47.8	51.3
Internal-use software	52.6	55.7
Construction in progress	17.6	5.5
Property and equipment, gross	479.0	534.9
Less: accumulated depreciation and amortization	(333.7)	(355.5)
Property and equipment, net	<u>\$ 145.3</u>	<u>\$ 179.4</u>

The Company recorded depreciation expense on property and equipment of \$27.4 million, \$29.2 million and \$31.9 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Accumulated depreciation and amortization includes accumulated amortization for properties under finance leases in the amount of \$45.3 million and \$52.7 million at December 31, 2022 and 2021, respectively.

6. Goodwill

The significant majority of the Company's goodwill arose from the November 29, 2007 acquisition of Applebee's. In October 2022, the disposition of assets of \$4.6 million was related to the refranchising and sale of the restaurant assets of 69 Applebee's company-operated restaurants. In December 2022, the addition to goodwill of \$7.0 million arose from the acquisition of Fuzzy's, which was determined to be a separate reporting unit. Changes in the carrying amount of goodwill for the years ended December 31, 2022, 2021 and 2020 are as follows:

	Applebee's Franchise Unit	Applebee's Company Unit	IHOP Franchise Unit	Fuzzy's Franchise Unit	Total
	(In millions)				
Balance at December 31, 2019	\$ 328.4	\$ 4.6	\$ 10.8	\$ —	\$ 343.8
Impairment loss	(92.2)	—	—	—	(92.2)
Balance at December 31, 2020	\$ 236.2	\$ 4.6	\$ 10.8	\$ —	\$ 251.6
Balance at December 31, 2021	\$ 236.2	\$ 4.6	\$ 10.8	\$ —	\$ 251.6
Disposition of assets	—	(4.6)	—	—	(4.6)
Business acquisition	—	—	—	7.0	7.0
Balance at December 31, 2022	<u>\$ 236.2</u>	<u>\$ —</u>	<u>\$ 10.8</u>	<u>\$ 7.0</u>	<u>\$ 254.0</u>

Gross and net carrying amounts of goodwill at December 31, 2022 and 2021 are as follows:

	December 31, 2022			December 31, 2021		
	Gross	Accumulated Impairment Loss	Net	Gross	Accumulated Impairment Loss	Net
	(In millions)					
Applebee's Franchise Unit	\$ 686.7	\$ (450.5)	236.2	\$ 686.7	\$ (450.5)	236.2
Applebee's Company Unit	4.6	(4.6)	—	4.6	—	4.6
IHOP Franchise Unit	10.8	—	10.8	10.8	—	10.8
Fuzzy's Franchise Unit	7.0	—	7.0	—	—	—
Total	<u>\$ 709.1</u>	<u>\$ (455.1)</u>	<u>\$ 254.0</u>	<u>\$ 702.1</u>	<u>\$ (450.5)</u>	<u>\$ 251.6</u>

6. Goodwill (Continued)

The Company assesses goodwill for impairment in accordance with its policy described in *Note 2 - Basis of Presentation and Summary of Significant Accounting Policies*.

The Company evaluates its goodwill and the indefinite-lived tradenames for impairment annually in the fourth quarter of each year or on an interim basis if events or changes in circumstances between annual tests indicate a potential impairment. Definite-lived intangible assets and long-lived tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable based on estimated undiscounted future cash flows.

2022 and 2021 Assessments

In the fourth quarters of 2022 and 2021, the Company performed qualitative assessments of its goodwill in accordance with its accounting policies. As result of the qualitative assessment, the Company concluded it was more likely than not that the fair values of each unit exceeded the respective carrying amounts and therefore, a quantitative test of impairment was not necessary.

2020 Assessment

Because of the risks and uncertainties associated with the COVID-19 pandemic, the Company performed an interim assessment to determine whether the impact of COVID-19 indicated a potential impairment to its goodwill and intangible assets. In the second quarter of 2020, the Company noted that its common stock had recovered less of its early March 2020 (pre-pandemic) market value than the overall U.S. stock market had recovered. The Company also was able to assess several months of data as to the impact of the COVID-19 pandemic on its operations and, in turn, assess the impact that might have on the risk premium incorporated into its discount rate. Based on these developments, the Company determined that an interim quantitative test for impairment of the goodwill of the Applebee's Franchise and Company units should be performed as of May 24, 2020. In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The fair value technique used in this instance is classified as Level 3, where unobservable inputs are used when little or no market data is available.

In performing the quantitative test for impairment of goodwill, the Company used the income approach method of valuation that includes the discounted cash flow method and the market approach that includes the guideline public company method to determine the fair value of goodwill and intangible assets. Significant assumptions made by management in estimating fair value under the discounted cash flow model include future trends in sales, operating expenses, overhead expenses, depreciation, capital expenditures and changes in working capital, along with an appropriate discount rate based on the Company's estimated cost of equity capital and after-tax cost of debt. Significant assumptions used to determine fair value under the guideline public company method include the selection of guideline companies and the valuation multiples applied.

As a result of performing the quantitative test of impairment, the Company recognized an impairment loss of \$92.2 million in 2020 to the goodwill of the Applebee's Franchise unit. The majority of the impairment was due to an increase in the assessed risk premium incorporated into the discount rate assumption. There was no impairment of the Applebee's Company unit.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

7. Other Intangible Assets

The significant majority of the Company's other intangible assets arose from the November 29, 2007 acquisition of Applebee's. Changes in the carrying amounts for the years ended December 31, 2022, 2021 and 2020 are as follows:

	Not Subject to Amortization		Subject to Amortization			
	Tradenames	Other	Franchising Rights	Reacquired Franchise Rights	Favorable Leaseholds	Total
	(In millions)					
Balance at December 31, 2019	\$ 479.0	\$ 3.2	\$ 79.0	\$ 9.8	\$ 4.1	\$ 575.1
Impairment	(11.0)	—	—	(3.3)	(0.8)	(15.1)
Amortization expense	—	—	(10.0)	(0.8)	(0.1)	(10.9)
Additions	—	0.6	—	—	—	0.5
Balance at December 31, 2020	468.0	3.8	69.0	5.7	3.2	549.7
Amortization expense	—	—	(10.0)	(0.6)	(0.1)	(10.7)
Additions	—	0.4	—	—	—	0.4
Balance at December 31, 2021	468.0	4.2	59.0	5.1	3.1	539.4
Amortization expense	—	—	(10.0)	(0.4)	(0.1)	(10.6)
Additions	57.2	0.8	14.8	—	—	72.8
Disposition	—	—	—	(4.7)	—	(4.7)
Balance at December 31, 2022	\$ 525.2	\$ 5.0	\$ 63.8	\$ —	\$ 3.0	\$ 597.0

In December 2022, the Company acquired Fuzzy's and recorded \$57.2 million of tradename, \$14.8 million of franchising rights and \$0.5 million of recipes as intangible assets. Additions of other intangibles for the years ended December 31, 2022, 2021 and 2020 are individually insignificant. In October 2022, the \$4.7 million disposition of assets was related to the refranchising and sale of the restaurant assets of 69 Applebee's company-operated restaurants.

Impairments in 2020

As discussed in *Note 6 - Goodwill*, the Company determined that indicators of impairment existed prior to the annual test for impairment and performed an interim quantitative test for impairment of Applebee's tradename and reacquired franchise rights in the second quarter of 2020. In performing the impairment test of the tradename, the Company used the relief of royalty method under the income approach method of valuation. Significant assumptions used to determine fair value under the relief of royalty method include future trends in sales, a royalty rate and a discount rate applied to the forecast revenue stream. As a result of performing the quantitative test of impairment, the Company recognized an impairment of \$11.0 million to Applebee's tradename. The majority of the impairment was due to an increase in the assessed risk premium incorporated into the discount rate assumption. In addition, the Company determined that the carrying amounts of reacquired franchise rights and favorable leaseholds exceeded the estimated fair value by \$3.3 million and \$0.8 million, respectively, and recorded impairments to those intangible assets.

Annual amortization expense for the next five fiscal years is estimated to be approximately \$14.4 million per year.

Gross and net carrying amounts of intangible assets subject to amortization at December 31, 2022 and 2021 are as follows:

	December 31, 2022			December 31, 2021		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
(In millions)						
Franchising rights	\$ 214.8	\$ (151.0)	\$ 63.8	\$ 200.0	\$ (141.0)	\$ 59.0
Reacquired franchise rights	—	—	—	8.3	(3.2)	5.1
Favorable leaseholds	3.4	(0.4)	3.0	3.4	(0.3)	3.1
Total	<u>\$ 218.2</u>	<u>\$ (151.4)</u>	<u>\$ 66.8</u>	<u>\$ 211.7</u>	<u>\$ (144.5)</u>	<u>\$ 67.2</u>

In the fourth quarter of fiscal 2022 and 2021, the Company performed a qualitative assessment of the Applebee's tradename and concluded the fair value exceeded the carrying amount.

8. Long-Term Debt

Long-term debt at December 31, 2022 and 2021 consists of the following components:

	2022	2021
	(In millions)	
Series 2019-1 4.194% Fixed Rate Senior Secured Notes, Class A-2-I	\$ 653.0	\$ 693.0
Series 2019-1 4.723% Fixed Rate Senior Secured Notes, Class A-2-II	594.0	594.0
Series 2022-1 Variable Funding Class A-1, Variable Rate of 5.50% at December 31, 2022	100.0	—
Debt issuance costs	(5.1)	(7.4)
Long-term debt, net of debt issuance costs	1,341.9	1,279.6
Current portion of long-term debt	(100.0)	—
Long-term debt	<u>\$ 1,241.9</u>	<u>\$ 1,279.6</u>

Long-Term Debt

On June 5, 2019, Applebee's Funding LLC and IHOP Funding LLC (the "Co-Issuers"), each a special purpose, wholly-owned indirect subsidiary of the Company, issued two tranches of fixed rate senior secured notes, the Series 2019-1 4.194% Fixed Rate Senior Secured Notes, Class A-2-I ("Class A-2-I Notes") in an initial aggregate principal amount of \$700 million and the Series 2019-1 4.723% Fixed Rate Senior Secured Notes, Class A-2-II ("Class A-2-II Notes") in an initial aggregate principal amount of \$600 million (the "Class A-2-II Notes" and, together with the Class A-2-I Notes, the "2019 Class A-2 Notes"). The 2019 Class A-2 Notes were issued pursuant to an offering exempt from registration under the Securities Act of 1933, as amended.

On August 12, 2022, the Co-Issuers established a new revolving financing facility, the 2022-1 Variable Funding Notes, Class A-1 (the "Credit Facility"), that allows for drawings up to \$325 million of variable funding notes on a revolving basis and the issuance of letters of credit. In connection with this transaction, the Co-Issuers terminated their \$225 million revolving financing facility, the 2019-1 Variable Funding Notes, Class A-1 (the "Previous Credit Facility"). The Credit Facility and the 2019 Class A-2 Notes are referred to collectively herein as the "Notes." The Notes were issued in securitization transactions pursuant to which substantially all the domestic revenue-generating assets and domestic intellectual property held by the Co-Issuers and certain other special-purpose, wholly-owned indirect subsidiaries of the Company (the "Guarantors") were pledged as collateral to secure the Notes.

The Notes were issued under a Base Indenture, dated as of September 30, 2014, and amended and restated as of June 5, 2019 (the "Base Indenture"). In addition, the 2019 Class A-2 Notes were issued under the related Series 2019-1 Supplement to the Base Indenture, dated June 5, 2019 (the "Series 2019-1 Supplement"), among the Co-Issuers and Citibank, N.A., as the trustee (in such capacity, the "Trustee") and securities intermediary and the Credit Facility was issued under the related Series 2022-1 Supplement to the Base Indenture, dated August 12, 2022 ("Series 2022-1 Supplement"), among the Co-Issuers and Citibank, N.A., as Trustee and securities intermediary. The Base Indenture, Series 2019-1 Supplement and Series 2022-1 Supplement (collectively, the "Indenture") will allow the Co-Issuers to issue additional series of notes in the future subject to certain conditions set forth therein.

2019 Class A-2 Notes

The legal final maturity of the 2019 Class A-2 Notes is in June 2049, but it is anticipated that, unless earlier prepaid to the extent permitted under the Indenture, the Class A-2-I Notes will be repaid in June 2024 (the "Class A-2-I Anticipated Repayment Date") and the Class A-2-II Notes will be repaid in June 2026 (the "Class A-2-II Anticipated Repayment Date"). If the Co-Issuers have not repaid or refinanced the Class A-2-I Notes by the Class A-2-I Anticipated Repayment Date or the Class A-2-II Notes by the Class A-2-II Anticipated Repayment Date, then additional interest will accrue on the Class A-2-I Notes and the Class A-2-II Notes, as applicable, at the greater of: (A) 5.0% and (B) the amount, if any, by which the sum of the following exceeds the applicable Class A-2 Note interest rate: (x) the yield to maturity (adjusted to a quarterly bond-equivalent basis) on the applicable anticipated repayment date of the United States Treasury Security having a term closest to 10 years plus (y) 5.0%, plus (z) 2.15% for the Class A-2-I Notes and 2.64% for the Class A-2-II Notes.

While the 2019 Class A-2 Notes are outstanding, payment of principal and interest is required to be made on the 2019 Class A-2 Notes on a quarterly basis. The payment of principal on the 2019 Class A-2 Notes may be suspended when the leverage ratio for the Company and its subsidiaries is less than or equal to 5.25x. Exceeding the leverage ratio of 5.25x does not violate any covenant related to the Notes. In general, the leverage ratio is the Company's indebtedness (as defined in the

8. Long-Term Debt (Continued)

Indenture) divided by adjusted EBITDA (as defined in the Indenture) for the four preceding quarterly periods. The complete definitions of all calculation elements of the leverage ratio are contained in the Indenture.

As of December 31, 2022 the Company's leverage ratio was 4.4x. As a result, quarterly principal payments on the 2019 Class A-2 Notes of \$3.25 million currently are not required. During fiscal 2021, the Company's leverage ratio exceeded 5.25x until the quarterly payment period ended September 30, 2021. Accordingly, the Company made three principal payments totaling \$9.75 million in fiscal 2021.

The Company may voluntarily repay the 2019 Class A-2 Notes at any time; however, if the 2019 Class A-2 Notes are repaid prior to certain dates, the Company would be required to pay make-whole premiums. As of December 31, 2022, the make-whole premium associated with voluntary prepayment of the Class A-2-I Notes was zero and will remain as such. As of December 31, 2022, the make-whole premium associated with voluntary prepayment of the Class A-2-II Notes was approximately \$0.5 million; this amount declines each quarter to zero in June 2024. The Company would also be subject to a make-whole premium in the event of a mandatory prepayment required following a Rapid Amortization Event (as defined in the Indenture) or certain asset dispositions. The mandatory make-whole premium requirements are considered derivatives embedded in the New Notes that must be bifurcated for separate valuation. The Company estimated the fair value of these derivatives to be immaterial as of December 31, 2022, based on the probability-weighted discounted cash flows associated with either event.

2019 Class A-1 Notes

The Previous Credit Facility allowed for drawings up to \$225 million of variable funding notes on a revolving basis and the issuance of letters of credit. In March 2020, the Company borrowed \$220.0 million against the Previous Credit Facility. The \$220.0 million was repaid on March 5, 2021, and as of December 31, 2021, there were no outstanding borrowings under the Previous Credit Facility.

The interest rate for borrowings under the Previous Credit Facility was the three-month LIBOR rate plus 2.15% for 60% of the advances and the commercial paper funding rate of our conduit investor plus 2.15% for 40% of the advances. The weighted average interest rate for the period outstanding during the year ended December 31, 2021 was 2.42%.

2022 Class A-1 Notes

In August 2022, the Co-Issuers entered into the Credit Facility that allows for drawings up to \$325 million of variable funding notes on a revolving basis and the issuance of letters of credit. The applicable interest rate under the Credit Facility depends on the type of borrowing by the Co-Issuers. The applicable interest rate for advances is generally calculated at a per annum rate equal to the commercial paper funding rate or one-, two-, three- or six-month Term SOFR Rate, in either case, plus 2.50%. The applicable interest rate for swingline advances and unreimbursed draws on outstanding letters of credit is a per annum base rate equal to the sum of (a) the greatest of (i) the Prime Rate in effect from time to time; (ii) the Federal Funds Rate in effect from time to time plus 0.50%; and (iii) Term SOFR for a one-month tenor in effect at such time plus 0.50% plus (b) 2.00%.

The legal final maturity of the Credit Facility is June 2052, but amortization will apply if there are outstanding amounts under the Credit Facility after June 2027 (the "Class A-1 Renewal Date"). The Class A-1 Renewal Date may be extended at the Co-Issuers' election for up to two successive one-year periods if certain conditions are met. If the Co-Issuers have not repaid or refinanced the Credit Facility by the Class A-1 Renewal Date (after giving effect to any extensions), then interest will accrue on the Credit Facility at a rate equal to 5.00% in addition to the regular interest rate applicable to the Credit Facility.

In August 2022, the Company borrowed \$100 million against the Credit Facility, all of which was outstanding at December 31, 2022. The amount of \$3.4 million was pledged against the Credit Facility for outstanding letters of credit, leaving \$221.6 million of the Credit Facility available for borrowing at December 31, 2022. It is anticipated that any principal and interest on the Credit Facility outstanding will be repaid in full on or prior to the quarterly payment date in June 2027, subject to two additional one-year extensions at the option of the Company upon the satisfaction of certain conditions. The letters of credit are used primarily to satisfy insurance-related collateral requirements. The weighted average interest rate for the period outstanding during the year ended December 31, 2022 was 3.64%.

Management Agreement

Under the terms of the Management Agreement, dated September 30, 2014, as amended and restated as of September 5, 2018, as further amended and restated as of June 5, 2019 and as amended by that certain Amendment No. 1 to Management Agreement dated November 21, 2019, among the Co-Issuers and the Guarantors (collectively, the "Securitization Entities"), the Company, Applebee's Services, Inc., International House of Pancakes, LLC and the Trustee, the Company will act as the

8. Long-Term Debt (Continued)

manager with respect to substantially all of the assets of the Securitization Entities (the “Securitized Assets”). The primary responsibilities of the manager will be to perform certain franchising, distribution, intellectual property and operational functions on behalf of the Securitization Entities with respect to the Securitized Assets pursuant to the Management Agreement. The manager will be entitled to the payment of the weekly management fee, as set forth in the Management Agreement and will be subject to the liabilities set forth in the Management Agreement. The Company, as Manager, voluntarily began waiving its receipt of the weekly management fee in April 2020 and resumed its receiving the weekly management fee in July 2020.

Covenants and Restrictions

The New Notes are subject to a series of covenants and restrictions customary for transactions of this type, including: (i) that the Co-Issuers maintain specified reserve accounts to be used to make required payments in respect of the New Notes, (ii) provisions relating to optional and mandatory prepayments, and the related payment of specified amounts, including specified call redemption premiums in the case of Class A-2 Notes under certain circumstances; (iii) certain indemnification payments in the event, among other things, the transfers of the assets pledged as collateral for the New Notes are in stated ways defective or ineffective and (iv) covenants relating to recordkeeping, access to information and similar matters. The New Notes are subject to customary rapid amortization events provided for in the Indenture, including events tied to failure of the Securitization Entities to maintain the stated debt service coverage ratio (“DSCR”), the sum of domestic retail sales for all restaurants being below certain levels on certain measurement dates, certain manager termination events, certain events of default and the failure to repay or refinance the Class A-2 Notes on the anticipated repayment dates. The New Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal or other amounts due on or with respect to the New Notes, failure of the Securitization Entities to maintain the stated DSCR, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties and certain judgments.

In general, the DSCR ratio is Net Cash Flow (as defined in the Indenture) for the four quarters preceding the calculation date divided by the total debt service payments (as defined in the Indenture) of the preceding four quarters. The complete definitions of the DSCR and all calculation elements are contained in the Indenture. Failure to maintain a prescribed DSCR can trigger a Cash Flow Sweeping Event, a Rapid Amortization Event, a Manager Termination Event or a Default Event as described below. In a Cash Flow Sweeping Event, the Trustee is required to retain 50% of excess Cash Flow (as defined in the Indenture) in a restricted account. In a Rapid Amortization Event, all excess Cash Flow is retained and used to retire principal amounts of debt. In a Manager Termination Event, the Company may be replaced as manager of the assets securitized under the Indenture. In a Default Event, the outstanding principal amount and any accrued but unpaid interest can be called to become immediately due and payable. Key DSCRs are as follows:

- DSCR less than 1.75x - Cash Flow Sweeping Event
- DSCR less than 1.20x - Rapid Amortization Event
- Interest-only DSCR less than 1.20x - Manager Termination Event
- Interest-only DSCR less than 1.10x - Default Event

The Company's DSCR for the reporting period ended December 31, 2022 was approximately 4.1x.

(Gain)/Loss on Extinguishment of Debt

In connection with the termination of the Previous Credit Facility during the year ended December 31, 2022, the Company recognized a loss on extinguishment of debt of \$1.2 million, representing the remaining unamortized debt issuance costs associated with the Previous Credit Facility. In addition, the Company purchased \$40.0 million of its 2019 Class A-2 Notes under par and recognized a \$1.4 million gain on extinguishment of debt during the three months ended December 31, 2022.

Debt Issuance Costs

2022 Class A-1 Notes

In August 2022, the Company incurred costs of approximately \$6.3 million in connection with the issuance of the Credit Facility. These debt issuance costs are being amortized over the estimated life of the Credit Facility. Amortization of \$0.4 million of these costs was included in interest expense for the year ended December 31, 2022. Unamortized debt issuance costs of \$5.9 million related to the Credit Facility are classified as other non-current assets in the Consolidated Balance Sheets.

8. Long-Term Debt (Continued)

2019 Class A-2 Notes

The Company incurred costs of approximately \$12.9 million in connection with the issuance of the 2019 Class A-2 Notes. These debt issuance costs are being amortized using the effective interest method over estimated life of each tranche of the 2019 Class A-2 Notes. Amortization costs of \$2.4 million, \$2.2 million, and \$2.1 million included in interest expense for the years ended December 31, 2022, 2021 and 2020, respectively. Unamortized debt issuance costs of \$5.1 million are reported as a direct reduction of the Class A-2 Notes in the Consolidated Balance Sheets.

Amortization costs incurred in connection with the Previous Credit Facility of \$0.4 million, \$0.6 million, and \$0.6 million were included in interest expense for the years ended December 31, 2022, 2021 and 2020, respectively.

Total unamortized debt issuance costs of \$1.5 million related to the Previous Credit Facility were classified as other long-term assets because there are no borrowings outstanding against the Credit Facility at December 31, 2021.

Maturities of Long-term Debt

- The legal final maturity of the Class A-2 Notes is in June 2049, but it is anticipated that, unless repaid earlier, the Class A-2-I Notes will be repaid in June 2024 and the Class A-2-II Notes will be repaid in June 2026.
- The renewal date of the Credit Facility is June 2027, subject to two additional one-year extensions at the option of the Company upon the satisfaction of certain conditions.
- Quarterly principal payments on the Class A-2-I and Class A-2-II Notes totaling \$3.25 million (\$13.0 million per annum) are required if the Company's leverage ratio is greater than 5.25x.

9. Financing Obligations

On May 19, 2008, the Company entered into a Purchase and Sale Agreement relating to the sale and leaseback of 181 parcels of real property (the "Sale-Leaseback Transaction"), each of which is improved with a restaurant operating as an Applebee's Neighborhood Grill and Bar (the "Properties"). On June 13, 2008, the closing date of the Sale-Leaseback Transaction, the Company entered into a Master Land and Building Lease ("Master Lease") for the Properties. The proceeds received from the transaction were \$337.2 million. The Master Lease calls for an initial term of twenty years and four, five-year options to extend the term.

The Sale-Leaseback Transaction does not qualify as a sale under current U.S. GAAP. Accordingly, the Sale-Leaseback Transaction continues to be recorded under the financing method. The value of the land and leasehold improvements will remain on the Company's books and the leasehold improvements will continue to be depreciated over their remaining useful lives. The net proceeds received were recorded as a financing obligation. A portion of the lease payments is recorded as a decrease to the financing obligation and a portion is recognized as interest expense. In the event the lease obligation of any individual property or group of properties is assumed by a qualified franchisee, the portion of the transaction related to that property or group of properties is recorded as a sale in accordance with U.S. GAAP and the net book value of those properties will be removed from the Company's books, along with a ratable portion of the remaining financing obligation.

As of December 31, 2022, the portion of the original Sale-Leaseback Transaction related to 160 of the 181 Properties has qualified as a sale by assignment of the lease obligation to a qualified franchisee or a release from the lessor. In accordance with the accounting described above, the property and equipment and financing obligations have each been cumulatively reduced by approximately \$286.9 million.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

As of December 31, 2022, future minimum lease payments under financing obligations during the initial terms of the leases related to the sale-leaseback transactions are as follows:

Fiscal Years	(In millions)
2023	\$ 4.0
2024	4.6
2025	4.6
2026	4.9
2027	4.6
Thereafter	22.5
Total minimum lease payments	45.2
Less: interest	(15.8)
Total financing obligations	29.4
Less: current portion ⁽¹⁾	(1.0)
Long-term financing obligations	\$ 28.4

⁽¹⁾ Included in current maturities of finance lease and financing obligations on the consolidated balance sheets.

10. Leases

The Company engages in leasing activity as both a lessee and a lessor. The majority of the Company's lease portfolio originated when the Company was actively involved in the development and financing of IHOP restaurants prior to the franchising of the restaurant to the franchisee. This activity included the Company's purchase or leasing of the site on which the restaurant was located and subsequently leasing/subleasing the site to the franchisee. With a few exceptions, the Company ended this practice in 2003 and the Company's current lease activity is predominantly comprised of renewals of existing lease arrangements and exercises of options on existing lease arrangements.

The Company currently leases from third parties the real property on which approximately 530 IHOP franchisee-operated restaurants and one Applebee's franchisee-operated restaurant are located; the Company (as lessor) subleases the property to the franchisees that operate those restaurants. The Company also leases property it owns to the franchisees that operate 52 IHOP restaurants and one Applebee's restaurant. The Company leases from third parties the real property on which company-operated restaurants are located. The Company also leases office space for its principal corporate office in Glendale, California and will be moving to Pasadena, California. In addition, the Company leases office space for restaurant support centers in Leawood, Kansas and Irving, Texas. The Company does not have a significant amount of non-real estate leases.

The Company's existing leases/subleases related to IHOP restaurants generally provide for an initial term of 20 to 25 years, with most having one or more five-year renewal options. Leases related to Applebee's restaurants generally have an initial term of 10 to 20 years, with renewal terms of five to 20 years. Option periods were not included in determining liabilities and right-of-use assets related to operating leases. Restaurants associated with approximately 325 of the Company's leases met the sales levels that required variable rent payments to the Company (as lessor), based on a percentage of restaurant sales in 2022. Restaurants associated with approximately 65 of the Company's leases met the sales levels that required variable rent payments by the Company (as lessee), based on a percentage of restaurant sales in 2022.

The individual lease agreements do not provide information to determine the implicit interest rate in the agreements. The Company made significant judgments in determining the incremental borrowing rates that were used in calculating operating lease liabilities. Due to the large number of leases, the Company applied a portfolio approach by grouping the leases based on the original lease term. The Company estimated the interest rate for each grouping primarily by reference to (i) yield rates on debt issuances by companies of a similar credit rating as the Company; (ii) U.S. Treasury rates as of the adoption date; and (iii) adjustments for differences in years to maturity.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

10. Leases (Continued)

The Company's lease cost for the years ended December 31, 2022, 2021, and 2020 was as follows:

	Year Ended December 31,		
	2022	2021	2020
	(In millions)		
Finance lease cost:			
Amortization of right-of-use assets	\$ 3.6	\$ 4.6	\$ 5.0
Interest on lease liabilities	4.5	5.4	6.6
Operating lease cost ⁽¹⁾	83.5	84.4	90.6
Variable lease cost	7.6	7.0	0.8
Short-term lease cost	0.0	0.1	0.0
Sublease income	(106.8)	(104.6)	(96.8)
Lease cost	<u>\$ (7.6)</u>	<u>\$ (3.1)</u>	<u>\$ 6.2</u>

⁽¹⁾ Operating lease cost for the years ended December 31, 2021 and 2020 previously disclosed as \$98.7 million and \$109.8 million, respectively, were overstated due to the inclusion of certain finance lease activity. The correct operating lease cost for the years ended December 31, 2021 and 2020 was \$84.4 million and \$90.6 million, respectively, as reflected in the above table. The overstatement only impacted this note disclosure, and there was no impact to the Consolidated Statement of Comprehensive Income.

Future minimum lease payments under noncancellable leases as lessee as of December 31, 2022 were as follows:

	Finance Leases	Operating Leases
	(In millions)	
2023	\$ 8.8	\$ 63.7
2024	7.3	74.3
2025	5.9	63.9
2026	5.3	55.3
2027	4.3	37.1
Thereafter	16.3	110.0
Total minimum lease payments	<u>47.9</u>	<u>404.3</u>
Less: interest/imputed interest	<u>(10.9)</u>	<u>(70.1)</u>
Total obligations	<u>37.0</u>	<u>334.2</u>
Less: current portion	<u>(6.6)</u>	<u>(59.1)</u>
Long-term lease obligations	<u>\$ 30.4</u>	<u>\$ 275.1</u>

The weighted average remaining lease term as of December 31, 2022 was 7.41 years for finance leases and 6.25 years for operating leases. The weighted average discount rate as of December 31, 2022 was 10.5% for finance leases and 5.5% for operating leases.

During the years ended December 31, 2022, 2021 and 2020, the Company made the following cash payments for leases:

	Year Ended December 31,		
	2022	2021	2020
	(In millions)		
Principal payments on finance lease obligations	\$ 8.9	\$ 10.2	\$ 12.5
Interest payments on finance lease obligations	\$ 4.5	\$ 5.4	\$ 6.6
Payments on operating leases	\$ 83.5	\$ 91.7	\$ 101.1
Variable lease payments	\$ 7.6	\$ 6.2	\$ 0.7

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

10. Leases (Continued)

The Company's income from operating leases for the years ended December 31, 2022, 2021 and 2020 was as follows:

	Year Ended December 31,		
	2022	2021	2020
	(In millions)		
Minimum lease payments	\$ 96.4	\$ 96.0	\$ 97.2
Variable lease income	16.9	15.3	5.2
Total operating lease income	<u>\$ 113.3</u>	<u>\$ 111.3</u>	<u>\$ 102.4</u>

Future minimum payments to be received as lessor under noncancellable operating leases as of December 31, 2022 were as follows:

	(In millions)
2023	\$ 103.6
2024	94.8
2025	82.1
2026	67.6
2027	49.5
Thereafter	122.0
Total minimum rents receivable	<u>\$ 519.6</u>

The Company's income from real estate leases receivable at December 31, 2022, 2021 and 2020 was as follows:

	Year Ended December 31,		
	2022	2021	2020
	(In millions)		
Selling profit	\$ 0.9	\$ —	\$ —
Interest income	1.5	2.1	3.4
Variable lease income	0.7	0.5	0.3
Total financing lease income	<u>\$ 3.1</u>	<u>\$ 2.6</u>	<u>\$ 3.7</u>

Future minimum payments to be received as lessor under noncancellable real estate leases as of December 31, 2022 were as follows:

	(In millions)
2023	\$ 4.7
2024	2.6
2025	1.8
2026	1.8
2027	1.8
Thereafter	12.4
Total minimum rents receivable	<u>25.1</u>
Less: unearned income	<u>(6.6)</u>
Total real estate leases receivable	<u>18.5</u>
Less: current portion	<u>(3.6)</u>
Long-term real estate leases receivable	<u>\$ 14.9</u>

11. Commitments and Contingencies

Purchase Commitments

In some instances, the Company enters into commitments to purchase advertising and other items. Most of these agreements are fixed price purchase commitments. At December 31, 2022, the outstanding purchase commitments were \$95.6 million, of which \$86.3 million related to advertising commitments over the next twelve months.

Lease Guarantees

In connection with the sale of Applebee's restaurants to franchisees and other parties, the Company has, in certain cases, guaranteed or had potential continuing liability for lease payments. The Company had outstanding lease guarantees or was contingently liable for approximately \$445.1 million and \$223.1 million as of December 31, 2022 and 2021, respectively. These amounts represent the maximum potential liability of future payments under these leases. These leases have been assigned to the buyers and expire at the end of the respective lease terms, which range from 2023 through 2058. Excluding unexercised option periods, the Company's potential liability for future payments under these leases as of December 31, 2022 was \$102.9 million. In the event of default, the indemnity and default clauses in our sale or assignment agreements govern our ability to pursue and recover damages incurred. No material liabilities for these guarantees have been recorded as of December 31, 2022.

Litigation, Claims and Disputes

The Company is subject to various lawsuits, governmental inspections, administrative proceedings, audits, and claims arising in the ordinary course of business. Some of these lawsuits purport to be class actions and/or seek substantial damages. The Company is required to record an accrual for litigation loss contingencies that are both probable and reasonably estimable. Legal fees and expenses associated with the defense of the Company's litigation are expensed as such fees and expenses are incurred. 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. Management regularly assesses the Company's insurance deductibles, analyzes litigation information with the Company's attorneys and evaluates its loss experience in connection with pending legal proceedings. While the Company does not presently believe that any of the legal proceedings to which the Company is currently a party will ultimately have a material adverse impact on the Company, there can be no assurance that the Company will prevail in all the proceedings the Company is party to, or that the Company will not incur material losses from them.

Letters of Credit

The Company provides letters of credit, primarily to various insurance carriers to collateralize obligations for outstanding claims. As of December 31, 2022, the Company had approximately \$3.4 million of unused letters of credit outstanding that reduce the Company's available borrowing under its 2022 Class A-1 Notes. These letters of credit expire on various dates in 2023 and are automatically renewed for an additional year if no cancellation notice is submitted.

12. Stockholders' Deficit

Stock Repurchase Programs

In February 2019, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to \$200 million of the Company's common stock (the "2019 Repurchase Program") on an opportunistic basis from time to time in the open market or in privately negotiated transactions based on business, market, applicable legal requirements and other considerations. The 2019 Repurchase Program, as approved by the Board of Directors, does not require the repurchase of a specific number of shares and can be terminated at any time.

On February 17, 2022, the Company's Board of Directors authorized a new share repurchase program, effective April 1, 2022, of up to \$250 million (the "2022 Repurchase Program"). In connection with the approval of the 2022 Repurchase Program, the 2019 Repurchase Program terminated effective April 1, 2022. In 2022, the Company repurchased 588,108 shares of common stock at a cost of \$41.4 million under the 2019 Repurchase Program through April 1, 2022.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

12. Stockholders' Deficit (Continued)

A summary of shares repurchased under the 2022 Repurchase Program and the 2019 Repurchase Program, during the years ended December 31, 2022, 2021 and 2020, and cumulatively for each program, is as follows:

	<u>Shares</u>	<u>Cost of shares</u> (In millions)
2022 Repurchase Program		
Repurchased during the year ended December 31, 2022	1,149,589	\$ 78.7
Cumulative (life-of-program) repurchases	1,149,589	\$ 78.7
Remaining dollar value of shares that may be repurchased	n/a	\$ 171.3
2019 Repurchase Program		
Repurchased during the year ended December 31, 2022	588,108	\$ 41.4
Repurchased during the year ended December 31, 2021	59,099	\$ 4.5
Repurchased during the year ended December 31, 2020	459,899	\$ 26.5
Cumulative (life-of-program) repurchases	2,344,804	\$ 175.8
Remaining dollar value of shares that may be repurchased	n/a	\$ 24.2

Dividends

During the fiscal years ended December 31, 2022, 2021 and 2020, the Company declared and paid dividends on common stock as follows:

<u>Year ended December 31, 2022</u>	<u>Declaration Date</u>	<u>Payment Date</u>	<u>Dividends declared per share</u>	<u>Dividends paid per share</u>	<u>Total dividends paid⁽¹⁾</u> (In millions)
Payment of prior year declaration	(3)	January 7, 2022	\$ —	\$ 0.40	\$ 6.9
First quarter	February 17, 2022	April 1, 2022	0.46	0.46	7.8
Second quarter	May 12, 2022	July 8, 2022	0.51	0.51	8.2
Third quarter	September 9, 2022	September 30, 2022	0.51	0.51	8.1
Fourth quarter	December 2, 2022	(2)	0.51	—	—
Total			<u>\$ 1.99</u>	<u>\$ 1.88</u>	<u>\$ 31.0</u>
<u>Year ended December 31, 2021</u>	<u>Declaration Date</u>	<u>Payment Date</u>	<u>Dividends declared per share</u>	<u>Dividends paid per share</u>	<u>Total dividends paid⁽¹⁾</u>
Fourth quarter	December 20, 2021	(3)	\$ 0.40	\$ —	\$ —
Total			<u>\$ 0.40</u>	<u>\$ —</u>	<u>\$ —</u>
<u>Year ended December 31, 2020</u>	<u>Declaration Date</u>	<u>Payment Date</u>	<u>Dividends declared per share</u>	<u>Dividends paid per share</u>	<u>Total dividends paid⁽¹⁾</u>
Payment of prior year declaration	(4)	January 10, 2020	\$ —	\$ 0.69	\$ 11.7
First quarter	February 20, 2020	April 3, 2020	0.76	0.76	12.7
Total			<u>\$ 0.76</u>	<u>\$ 1.45</u>	<u>\$ 24.4</u>

(1) Includes dividend equivalents paid on restricted stock units.

(2) The fourth quarter 2022 dividend of \$8.0 million was paid on January 6, 2023.

(3) The fourth quarter 2021 dividend of \$6.9 million was paid on January 7, 2022.

(4) The fourth quarter 2019 dividend of \$11.7 million was paid on January 10, 2020.

Dividends declared on common stock are recorded as a reduction of retained earnings to the extent retained earnings are available at the close of the period prior to the date of the declared dividend. Dividends in excess of retained earnings are recorded as a reduction of additional paid-in capital. All dividends declared during the fiscal years ended December 31, 2022, 2021 and 2020 were declared from retained earnings.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

12. Stockholders' Deficit (Continued)

Treasury Stock

Repurchases of the Company's common stock are included in treasury stock at the cost of shares repurchased plus any transaction costs. Treasury stock may be re-issued when vested stock options are exercised, when restricted stock awards are granted and when restricted stock units settle in stock upon vesting. The cost of treasury stock re-issued is determined on the first-in, first-out ("FIFO") method. The Company re-issued 205,293 shares, 660,718 shares and 433,477 shares, respectively, during the years ended December 31, 2022, 2021 and 2020 at a total FIFO cost of \$9.6 million, \$26.8 million and \$19.4 million, respectively.

13. Closure and Long-lived Tangible Asset Impairment Charges

Closure and long-lived tangible asset impairment charges for the years ended December 31, 2022, 2021 and 2020 were as follows:

	Year Ended December 31,		
	2022	2021	2020
	(In millions)		
Closure charges	\$ 1.7	\$ 3.7	\$ 3.0
Long-lived tangible asset impairment	1.4	1.7	22.3
Total closure and long-lived tangible asset impairment charges	<u>\$ 3.1</u>	<u>\$ 5.4</u>	<u>\$ 25.3</u>

Closure Charges

The closure charges of \$1.7 million for the year ended December 31, 2022 comprised \$0.4 million related to three IHOP restaurants closed in fiscal 2022 and \$1.3 million for revisions to existing closure reserves, including accretion, primarily for approximately 40 IHOP restaurants closed prior to December 31, 2021.

The closure charges of \$3.7 million for the year ended December 31, 2021 comprised \$2.1 million related to 20 IHOP restaurants closed in 2021 and \$1.6 million for revisions to existing closure reserves, including accretion, primarily for 28 IHOP restaurants closed prior to December 31, 2020. Approximately \$1.6 million of closure charges for the year ended December 31, 2020 related to seven IHOP restaurants closed during 2020, with the remainder primarily related to adjustments to the reserve for IHOP and Applebee's restaurants closed prior to 2020.

Long-lived Tangible Asset Impairment

The long-lived asset impairment of \$1.4 million for the year ended December 31, 2022 related to five IHOP franchisee-operated restaurants for which the carrying amount exceeded the future projected cash flows. The primary method of estimating fair value is based on a discounted cash flow analysis. The Company also 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. For locations owned by the Company, current purchase offers, if any, or valuations from independent third party sources are utilized, if available. The analysis is performed at the restaurant level for indicators of permanent impairment. The impairment recorded represented the difference between the carrying value and the estimated fair value. The impairments primarily related to operating lease right-of-use assets.

The long-lived asset impairment of \$1.7 million for the year ended December 31, 2021 related to five IHOP franchisee-operated restaurants for which the carrying amount exceeded the future projected cash flows. The long-lived asset impairment of \$22.3 million for the year ended December 31, 2020 related to 29 Applebee's company-operated restaurants and 29 IHOP franchisee-operated restaurants for which the carrying amount exceeded the undiscounted cash flows. Approximately \$15.1 million of the total impairment related to operating lease right-of-use assets, while \$7.2 million related to impairments of land, building, leasehold improvements and finance leases. The impairments by individual property varied in amount, ranging from the largest single-property impairment of \$1.3 million to less than \$5,000.

14. Stock-Based Incentive Plans

General Description

Currently, the Company is authorized to grant stock options, stock appreciation rights, restricted stock, cash-settled and stock-settled restricted stock units and performance units to officers, other employees and non-employee directors under the Dine Brands Global, Inc. 2019 Stock Incentive Plan (the “2019 Plan”). The 2019 Plan was approved by stockholders on May 14, 2019 to permit the issuance of up to 2,050,000 shares (subject to adjustment as defined in the 2019 Plan for shares that may become available from prior plans) of the Company’s common stock for incentive stock awards. The 2019 Plan will expire in May 2029.

The Dine Brands Global, Inc. 2016 Stock Incentive Plan (the “2016 Plan”) was adopted in 2016 to permit the issuance of up to 3,750,000 shares of the Company’s common stock for incentive stock awards. The 2016 Plan was terminated upon adoption of the 2019 Plan, but there are stock options (vested and unvested) and unvested restricted stock and restricted stock units issued under the 2016 Plan that are outstanding as of December 31, 2022.

The DineEquity, Inc. 2011 Stock Incentive Plan (the “2011 Plan”) was adopted in 2011 to permit the issuance of up to 1,500,000 shares of the Company’s common stock for incentive stock awards. The 2011 Plan was terminated upon adoption of the 2016 Plan, but there are vested stock options issued under the 2011 Plan that are outstanding as of December 31, 2022.

The 2019 Plan, 2016 Plan and the 2011 Plan are collectively referred to as the “Plans.”

Stock-Based Compensation Expense

From time to time, the Company has granted non-qualified stock options, restricted stock, cash-settled and stock-settled restricted stock units and performance units to officers, other employees and non-employee directors of the Company under the Plans. The non-qualified stock options generally vest ratably over a three-year period in one-third increments and have a maturity of ten years from the grant date. Options vest immediately upon a change in control of the Company, as defined in the Plans. Option exercise prices equal the closing price of the Company's common stock on the New York Stock Exchange on the date of grant. Restricted stock and restricted stock units are issued at no cost to the holder and vest over terms determined by the Compensation Committee of the Company's Board of Directors, generally either three years from the date of grant or in one-third increments over three years, as well as immediately upon a change in control of the Company, as defined in the Plans. The Company either utilizes treasury stock or issues new shares from its authorized but unissued share pool when vested stock options are exercised, when restricted stock awards are granted and when restricted stock units settle in stock upon vesting. See *Note 12, Stockholders' Deficit*, of Notes to the Consolidated Financial Statements, for treasury shares utilized related to equity grants during the years ended December 31, 2022, 2021 and 2020.

The following table summarizes the Company's stock-based compensation expense included as a component of general and administrative expenses in the consolidated financial statements:

	Year Ended December 31,		
	2022	2021	2020
	(In millions)		
<i>Stock-based compensation expense</i>			
Equity classified awards expense	\$ 16.2	\$ 11.6	\$ 12.6
Liability classified awards expense	1.4	2.3	1.0
Total pretax stock-based compensation expense	17.6	13.9	13.6
Book income tax benefit	(3.5)	(3.5)	(3.4)
Total stock-based compensation expense, net of tax	<u>\$ 14.1</u>	<u>\$ 10.4</u>	<u>\$ 10.2</u>

As of December 31, 2022, total unrecognized compensation cost related to restricted stock and restricted stock units of \$17.5 million and \$2.7 million related to stock options is expected to be recognized over a weighted average period of approximately 1.5 years for restricted stock and restricted stock units and 1.3 years for stock options.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

14. Stock-Based Incentive Plans (Continued)

Equity Classified Awards - Stock Options

The per share fair values of the stock options granted have been estimated as of the date of grant using the Black-Scholes option pricing model. The Black-Scholes model considers, among other factors, the expected life of the option and the historical volatility of the Company's stock price. The Black-Scholes model meets the requirements of U.S. GAAP, 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 in the Black-Scholes model for stock options granted in the years ended December 31, 2022, 2021 and 2020:

	2022	2021	2020
Risk free interest rate	1.7 %	0.5 %	1.2 %
Weighted average historical volatility	70.1 %	67.7 %	30.5 %
Dividend yield	2.6 %	— %	3.5 %
Expected years until exercise	4.5	4.5	4.6
Weighted average fair value of options granted	\$ 33.23	\$ 40.25	\$ 17.53

Stock option activity for the years ended December 31, 2022, 2021 and 2020 is summarized as follows:

	Number of Shares Under Option	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2019	1,217,438	\$ 66.43		
Granted	167,969	87.17		
Exercised	(270,024)	76.01		
Forfeited	(45,247)	86.39		
Expired	(55,466)	107.78		
Outstanding at December 31, 2020	1,014,670	64.16		
Granted	95,891	75.28		
Exercised	(524,536)	48.79		
Forfeited	(59,468)	88.39		
Expired	(50,653)	98.61		
Outstanding at December 31, 2021	475,904	76.65		
Granted	75,795	70.08		
Exercised	(3,505)	68.80		
Forfeited	(6,171)	81.13		
Expired	(2,448)	94.43		
Outstanding at December 31, 2022	539,575	\$ 75.65	6.8	\$ 3.5
Vested and Expected to Vest at December 31, 2022	528,037	\$ 75.72	5.9	\$ 1.5
Exercisable at December 31, 2022	378,811	\$ 75.95	4.9	\$ 1.3

The total intrinsic value of options exercised during the years ended December 31, 2022, 2021 and 2020 was \$37 thousand, \$17.9 million and \$4.3 million, respectively.

Cash received from options exercised under all stock-based payment arrangements for the years ended December 31, 2022, 2021 and 2020 was \$0.2 million, \$25.3 million and \$20.5 million, respectively. The actual tax benefit realized for the tax deduction from option exercises under the stock-based payment arrangements totaled \$9 thousand, \$4.5 million and \$1.1 million, respectively, for the years ended December 31, 2022, 2021 and 2020.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

14. Stock-Based Incentive Plans (Continued)

Equity Classified Awards - Restricted Stock and Restricted Stock Units

Activity in equity classified awards of restricted stock and restricted stock units for the years ended December 31, 2022, 2021 and 2020 is as follows:

	Shares of Restricted Stock	Weighted Average Grant-Date Per Share Fair Value	Restricted Stock Units	Weighted Average Grant-Date Per Share Fair Value
Outstanding at December 31, 2019	224,515	\$ 70.52	357,807	\$ 30.35
Granted	163,522	73.68	30,997	77.33
Released	(95,211)	55.75	(33,234)	63.98
Forfeited	(38,495)	85.03	—	—
Outstanding at December 31, 2020	254,331	76.50	355,570	28.01
Granted	141,264	83.24	68,998	63.04
Released	(60,407)	66.90	(318,976)	23.19
Forfeited	(58,577)	82.09	—	—
Outstanding at December 31, 2021	276,611	80.85	105,592	71.00
Granted	201,789	70.12	60,914	49.36
Released	(98,864)	86.36	(42,611)	66.63
Forfeited	(23,636)	75.89	—	—
Outstanding at December 31, 2022	355,900	\$ 73.57	123,895	\$ 62.11

Liability Classified Awards - Cash-settled Restricted Stock Units

The Company has granted cash-settled restricted stock units to certain employees. These instruments are recorded as liabilities at fair value as of the respective period end.

	Cash-Settled Restricted Stock Units
Outstanding at December 31, 2019	63,852
Granted	2,658
Released	(1,426)
Forfeited	(12,128)
Outstanding at December 31, 2020	52,956
Granted	—
Released	(38,916)
Forfeited	(1,241)
Outstanding at December 31, 2021	12,799
Granted	67
Released	(12,866)
Forfeited	—
Outstanding at December 31, 2022	—

For the years ended December 31, 2022, 2021 and 2020, \$0.2 million, \$1.5 million and, \$0.3 million respectively, was included as stock-based compensation expense related to cash-settled restricted stock units. At December 31, 2022 and 2021, liabilities of zero and \$0.9 million, respectively, related to cash-settled restricted stock units were included as part of accrued employee compensation and benefits in the Consolidated Balance Sheets.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

14. Stock-Based Incentive Plans (Continued)

Liability Classified Awards - Long-Term Incentive Awards

The Company has granted cash long-term incentive awards to certain employees ("LTIP awards"). Annual LTIP awards vest over a three-year period and are determined using a multiplier from 0% to 200% of the target award based on the total stockholder return of the Company's common stock compared to the total stockholder returns of a peer group of companies. Though LTIP awards are only paid in cash, since the multiplier is primarily based on the price of the Company's common stock, the awards are considered stock-based compensation in accordance with U.S. GAAP and are classified as liabilities. For the years ended December 31, 2022, 2021 and 2020, expense of \$1.2 million, \$0.8 million and \$0.7 million, respectively, was included in stock-based compensation expense related to the LTIP awards. At December 31, 2022 and 2021, liabilities of \$2.1 million and \$1.5 million, respectively, were included as accrued employee compensation and benefits in the Consolidated Balance Sheets.

15. Employee Benefit Plans

401(k) Savings and Investment Plan

Effective January 1, 2013, the Company amended the Dine Brands Global, Inc. 401(k) Plan to (i) modify the Company matching formula and (ii) eliminate the one-year completed service requirement that previously had to be met to become eligible for Company matching contributions. As amended, the Company matches 100% of the first four percent of the employee's eligible compensation deferral and 50% of the next two percent of the employee's eligible compensation deferral. All contributions under this plan vest immediately. Company common stock is not an investment option for employees in the 401(k) Plan, other than shares transferred from a prior employee stock ownership plan. Substantially all of the administrative cost of the 401(k) plan is borne by the Company. The Company's matching contribution expense was \$3.3 million, \$2.9 million and \$2.8 million for the years ended December 31, 2022, 2021 and 2020, respectively.

16. Income Taxes

The provision (benefit) for income taxes for the years ended December 31, 2022, 2021 and 2020 was as follows:

	Year Ended December 31,		
	2022	2021	2020
	(In millions)		
<i>Provision (benefit) for income taxes</i>			
Current			
Federal	\$ 27.5	\$ 20.2	\$ 11.0
State	5.5	4.6	3.1
Foreign	1.8	1.4	1.3
	<u>34.8</u>	<u>26.2</u>	<u>15.4</u>
Deferred			
Federal	(3.8)	(2.3)	(17.3)
State	2.7	0.2	(2.7)
	<u>(1.1)</u>	<u>(2.1)</u>	<u>(20.0)</u>
Provision (benefit) for income taxes	<u>\$ 33.7</u>	<u>\$ 24.1</u>	<u>\$ (4.6)</u>

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

Note 16. Income Taxes (Continued)

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

	Year Ended December 31,		
	2022	2021	2020
Statutory federal income tax rate	21.0 %	21.0 %	21.0 %
Non-deductibility of goodwill	0.8	—	(17.9)
Non-deductibility of officer's compensation	2.9	2.2	(0.9)
State and other taxes, net of federal tax benefit	3.1	3.1	1.2
Excess tax deficiencies or benefits	(0.5)	(7.1)	0.1
Change in unrecognized tax benefits	—	(0.1)	2.0
Change in valuation allowance	(0.3)	0.5	(1.5)
Changes in tax rates and state tax laws	3.4	0.2	(0.4)
General business credits	(1.4)	(0.9)	0.8
Other	0.3	0.8	(0.2)
Effective tax rate	<u>29.3 %</u>	<u>19.7 %</u>	<u>4.2 %</u>

The fiscal year 2022 effective tax rate of 29.3% applied to pretax book income was different than the statutory Federal income tax rate of 21% due to the state and local income taxes and the non-deductibility of executive compensation. The effective tax rate further increased due to the increase in the effective state tax rate applied to revaluing deferred tax balances. The increase in the effective state tax rate was due to the non-recurring refranchising of 69 Applebee's company-operated restaurants in the fourth quarter of 2022 and various state legislative changes.

The fiscal year 2021 effective tax rate of 19.7% applied to pretax book income was different than the statutory Federal income tax rate of 21% primarily due to the one-time recognition of excess tax benefits on stock-based compensation, offset by non-deductibility of executive compensation and state and local income taxes.

The fiscal year 2020 effective tax rate of 4.2% applied to pretax book loss was significantly different than the statutory Federal income tax rate of 21% primarily because of the \$92.2 million impairment of goodwill incurred, which was not deductible for income tax purposes and therefore had no associated tax benefit.

The Company files federal income tax returns and the Company or one of its subsidiaries file income tax returns in various state and international jurisdictions. With few exceptions, the Company is no longer subject to federal tax examinations by tax authorities for years before 2018 and state or non-United States tax examinations by tax authorities for years before 2011. The Company believes that adequate reserves have been recorded relating to all matters contained in the tax periods open to examination.

Net deferred tax assets (liabilities) at December 31, 2022 and 2021 consisted of the following components:

	2022	2021
	(In millions)	
Lease liabilities	\$ 93.6	\$ 112.9
Employee compensation	9.7	12.1
Revenue recognition	37.1	35.4
Other	8.4	8.4
Deferred tax assets	<u>148.8</u>	<u>168.8</u>
Valuation allowance	<u>(3.5)</u>	<u>(4.2)</u>
Total deferred tax assets after valuation allowance	<u>145.3</u>	<u>164.6</u>
Recognition of franchise and equipment sales	<u>(6.7)</u>	<u>(8.2)</u>
Capitalization and depreciation ⁽¹⁾	<u>(121.0)</u>	<u>(122.7)</u>
Lease assets	<u>(90.8)</u>	<u>(108.6)</u>
Other	<u>(1.5)</u>	<u>(1.3)</u>
Deferred tax liabilities	<u>(220.0)</u>	<u>(240.8)</u>
Net deferred tax liabilities	<u>\$ (74.7)</u>	<u>\$ (76.2)</u>

⁽¹⁾ Primarily related to the 2007 Applebee's acquisition.

As of each reporting date, the Company considers new evidence, both positive and negative, that could impact management's view with regards to future realization of deferred tax assets. During fiscal 2022, we released a valuation

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

Note 16. Income Taxes (Continued)

allowance of \$1.1 million related to state deferred tax assets based on positive evidence which suggests that deferred tax assets will be more likely than not to be realizable in the future. We also believe that the future realizability of benefits arising from foreign tax credit carryforwards and certain state net operating loss carryforwards does not meet the more-likely-than-not threshold. In recognition of this risk, there is a valuation allowance of \$3.5 million as of December 31, 2022.

The Company had gross operating loss carryforwards for state tax purposes of \$37.9 million and \$23.6 million as of December 31, 2022 and 2021, respectively. Certain net operating loss carryforwards will expire in 2029 if not utilized.

The total gross unrecognized tax benefit as of December 31, 2022 and 2021 was \$2.1 million and \$1.9 million, respectively, excluding interest, penalties and related income tax benefits. If recognized, these amounts would affect the Company's effective income tax rates.

The Company estimates the unrecognized tax benefits may decrease over the upcoming 12 months by an amount up to less than \$0.5 million related to settlements with taxing authorities and statute of limitations expirations. For the remaining liability, due to the uncertainties related to these tax matters, the Company is unable to make a reasonable estimate as to when cash settlement with a taxing authority will occur. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Year Ended December 31,		
	2022	2021	2020
	(In millions)		
Unrecognized tax benefit as of January 1	\$ 1.9	\$ 2.2	\$ 7.6
Changes for tax positions of prior years	0.1	0.5	—
Increases for tax positions related to the current year	0.4	0.3	0.2
Decreases relating to settlements and lapsing of statutes of limitations	(0.3)	(1.1)	(5.6)
Unrecognized tax benefit as of December 31	<u>\$ 2.1</u>	<u>\$ 1.9</u>	<u>\$ 2.2</u>

As of December 31, 2022, the accrued interest was \$0.7 million and accrued penalties were less than \$0.1 million, excluding any related income tax benefits. As of December 31, 2021, the accrued interest and penalties were \$0.6 million and less than \$0.1 million, respectively, excluding any related income tax benefits. The Company recognizes interest accrued related to unrecognized tax benefits and penalties as a component of the income tax provision recognized in the Consolidated Statements of Comprehensive Income (Loss).

17. Net Income (Loss) Per Share

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

	Year Ended December 31,		
	2022	2021	2020
	(in thousands, except per share data)		
Numerator for basic and diluted income (loss) per common share			
Net income (loss)	\$ 81,111	\$ 97,864	\$ (103,994)
Less: Net income allocated to unvested participating restricted stock	(2,174)	(2,295)	(420)
Net income (loss) available to common stockholders - basic	78,937	95,569	(104,414)
Effect of unvested participating restricted stock	1	13	—
Numerator - income (loss) available to common shareholders - diluted	<u>\$ 78,938</u>	<u>\$ 95,582</u>	<u>\$ (104,414)</u>
Denominator			
Weighted average outstanding shares of common stock - basic	15,873	16,799	16,230
Effect of dilutive securities:			
Stock options	28	91	—
Weighted average outstanding shares of common stock - diluted	<u>15,901</u>	<u>16,890</u>	<u>16,230</u>
Net income (loss) per common share			
Basic	<u>\$ 4.97</u>	<u>\$ 5.69</u>	<u>\$ (6.43)</u>
Diluted	<u>\$ 4.96</u>	<u>\$ 5.66</u>	<u>\$ (6.43)</u>

For the year ended December 31, 2020, diluted loss per common share was computed using the basic weighted average number of shares outstanding during the period as the 100,056 shares from common stock equivalents would have been antidilutive.

Dine Brands Global, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements (Continued)

18. Segment Reporting

Information on segments and a reconciliation of gross profit to income (loss) before income taxes is as follows:

	Year Ended December 31,		
	2022	2021	2020
	(In millions)		
Revenues			
Franchise operations	\$ 662.4	\$ 631.9	\$ 469.5
Rental operations	116.5	113.9	105.9
Company restaurants	126.9	146.0	108.1
Financing operations	3.6	4.3	5.8
Total	<u>\$ 909.4</u>	<u>\$ 896.2</u>	<u>\$ 689.3</u>
Gross profit (loss), by segment			
Franchise operations	\$ 340.5	\$ 336.0	\$ 230.5
Rental operations	28.5	26.1	16.4
Company restaurants	5.1	9.3	(3.5)
Financing operations	3.2	3.8	5.3
Total gross profit	<u>377.3</u>	<u>375.2</u>	<u>248.7</u>
Corporate and unallocated expenses, net	<u>(262.6)</u>	<u>(253.3)</u>	<u>(357.3)</u>
Income (loss) before income taxes	<u>\$ 114.8</u>	<u>\$ 121.9</u>	<u>\$ (108.6)</u>
Interest expense			
Rental operations	\$ 4.3	\$ 4.9	\$ 6.3
Company restaurants	2.6	3.3	2.7
Corporate	60.7	63.3	66.9
Total	<u>\$ 67.6</u>	<u>\$ 71.5</u>	<u>\$ 75.9</u>
Depreciation and amortization			
Franchise operations	\$ 10.0	\$ 10.1	\$ 10.1
Rental operations	10.7	11.1	12.3
Company restaurants	4.3	7.0	7.0
Corporate	13.0	11.7	13.4
Total	<u>\$ 38.0</u>	<u>\$ 39.9</u>	<u>\$ 42.8</u>
Goodwill and intangible assets, closure and other impairment charges			
Franchise operations	\$ 3.1	\$ 1.7	\$ 122.1
Company restaurants	—	3.7	10.5
Total	<u>\$ 3.1</u>	<u>\$ 5.4</u>	<u>\$ 132.6</u>
Capital expenditures			
Company restaurants	\$ 4.3	\$ 6.5	\$ 2.7
Corporate	31.0	10.3	8.2
Total	<u>\$ 35.3</u>	<u>\$ 16.8</u>	<u>\$ 10.9</u>
Goodwill			
Franchise operations	\$ 254.0	\$ 247.0	\$ 247.0
Company restaurants	—	4.6	4.6
Total	<u>\$ 254.0</u>	<u>\$ 251.6</u>	<u>\$ 251.6</u>
Total assets			
Franchise operations	\$ 1,123.0	\$ 991.0	\$ 997.7
Rental operations	390.6	426.6	451.5
Company restaurants	3.3	117.2	121.1
Financing operations	31.8	39.7	49.9
Corporate	332.8	424.9	454.7
Total	<u>\$ 1,881.5</u>	<u>\$ 1,999.4</u>	<u>\$ 2,074.9</u>

19. Business Acquisition

On December 13, 2022, the Company purchased all of the issued and outstanding membership interests of Fuzzy's for approximately \$80 million in cash, pursuant to the Membership Interest Purchase Agreement, dated as of December 2, 2022, with Fuzzy's becoming a wholly-owned subsidiary of the Company. Fuzzy's is a dining company that develops, franchises and operates casual dining restaurants that offer a specialized menu of Baja-style Mexican food under the Fuzzy's Taco Shop brand. The Company acquired Fuzzy's as part of the Company's goal to investing in a high growth concept to accelerate growth.

The Company reviewed the SEC guidance in Regulation S-X on the significance of an acquired business that determines if an acquired business is required to provide financial statements and pro forma statements if the business exceeds 20% significance to the Company. Based on the three required tests (asset, investment and income) that were performed by the Company, the acquisition was not deemed to be a significant acquisition, and therefore the required disclosures are limited in these Consolidated Financial Statements. The results of operations related to Fuzzy's have been included in the consolidated results of the Company subsequent to the acquisition date.

The acquisition of Fuzzy's has been accounted for using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*, with the Company treated as the accounting acquirer, which requires that the assets acquired, and liabilities assumed be recognized at their acquisition date fair value. The Company received a third-party actuarial valuation report to determine the fair value assigned to the assets acquired and liabilities assumed.

The intangible assets acquired include franchising rights with an estimated useful life of 20 years and a tradename with an indefinite useful life (see Note 7). The fair value of franchising rights was estimated based on the estimated future cash flows to be generated from these franchise agreements. The earnings expected to be generated by the franchising rights were forecasted over the estimated duration of the intangible asset. The earnings were then discounted to present value at a rate commensurate with the risk of the asset. The fair value of the tradename was estimated based on the multi-period excess earnings method, a variation of the income approach, using cash flows ("excess earnings") attributable only to the tradename intangible asset. These excess earnings were discounted to present value at a rate commensurate with the risk of the asset.

The fair value of the tangible personal property and other working capital assets and liabilities was assumed to approximate book value.

Operating lease liabilities were calculated using the present value of lease payments not yet paid and operating lease assets were calculated based upon the operating lease liabilities adjusted for prepayments or accrued lease payments. The contractual rent payments were determined to approximate market rates.

The following table summarizes the estimated fair value of net assets acquired at December 13, 2022:

	(In millions)
Receivables and other current assets	\$ 1.1
Property and equipment and other non-current assets	2.1
Tradename	57.2
Franchise agreements	14.8
Other intangible assets	0.5
Goodwill	7.0
Accounts payable and other liabilities	(4.4)
Net cash paid for acquisition	<u>\$ 78.3</u>

The excess of the purchase price over the fair value of identifiable net assets acquired amounted to approximately \$7.0 million. The acquisition goodwill arises from the expected synergies from combining the operations of the Company and Fuzzy's. The allocation of the purchase price is subject to potential changes due to working capital adjustments expected to be completed within approximately 90 days of the acquisition date. The Company's goodwill balance also may change during the allowable allocation period, which is up to one year from the acquisition date if additional information becomes available.

20. Subsequent Events

On February 16, 2023, the Company's Board of Directors authorized a debt repurchase program of up to \$100 million.

SUBLEASE

EXHIBIT H

SUBLEASE

This Sublease is made and entered into as of _____, 20____, by and between _____ (“Subtenant”) and IHOP LEASING LLC, a Delaware limited liability company (“Sublandlord”).

WITNESSETH

I

DESCRIPTION OF PREMISES; CONDITION OF PREMISES; TERM

1.1 **Premises.** Sublandlord does hereby sublease to Subtenant on the terms and conditions hereinafter set forth, subject to and incorporating herein the terms, conditions and covenants of that certain Lease dated _____ by and between _____ (“Landlord”) and Sublandlord and related documents consisting of _____ (collectively, the “Master Lease”), a true and correct photocopy of which has been separately provided to Subtenant, the receipt of which is hereby acknowledged, those certain premises described in the Master Lease and the rights appurtenant thereto together with the INTERNATIONAL HOUSE OF PANCAKES or IHOP building on said premises (the “Premises”). Subtenant agrees (i) to be bound by all of the provisions of the Master Lease, except to the extent those provisions have been expressly modified herein, (ii) that all of the obligations and all sums required to be paid as provided in the Master Lease which are the obligations of the tenant thereunder shall be the obligations of Subtenant, except to the extent those obligations have been expressly modified herein, and (iii) that all such obligations run from Subtenant to Sublandlord as well as to Landlord. Anything contained in this Sublease to the contrary notwithstanding, Subtenant’s duties and obligations hereunder shall not be less than that of the tenant under the Master Lease.

1.2 **Condition of Premises.** Sublandlord makes no warranties or representations of any kind concerning the condition of the Premises. Subtenant acknowledges that Subtenant has had an opportunity to inspect the Premises and accepts same “AS IS,” in its present condition without any warranty of Sublandlord whatsoever, express or implied, in fact or by law.

1.3 **Term.** The term of this Sublease shall commence on the date of possession of the Premises by Subtenant (the “Commencement Date”), and shall expire on _____ (the “Term”); provided, however, that notwithstanding any provision of this Sublease to the contrary, the Term of this Sublease shall not extend beyond one (1) day prior to the termination of the Master Lease. It is expressly understood and agreed that this Sublease may be terminated, at the option of Sublandlord, in the event of any termination, for any cause, of the Franchise Agreement (as defined in Section 4.1 below).

II RENT

2.1 **Weekly Rent.** Subtenant shall pay to Sublandlord on Monday of each week following the week that Subtenant takes possession of the Premises, the sum of \$_____ per week or a percentage rental of _____ percent (___%) of Subtenant's gross sales for the preceding week, whichever is greater. Weekly rent shall be paid to Sublandlord at 450 N. Brand Boulevard, 7th Floor, Glendale, California 91203 or such other address as Sublandlord may from time to time designate to Subtenant in writing. "Gross sales" shall mean the total revenues derived by Subtenant in and from the Premises, whether for cash sales of food and other merchandise or otherwise, or charge sales thereof, or revenues from any source arising out of the operation of the Premises, deducting therefrom: (a) all refunds and allowances, if any; (b) any sales or excise taxes which are separately stated and which Subtenant collects from customers and pays to any federal, state or local taxing authority; and (c) any amounts deposited in any vending machines or pay telephones which are located in or about the Premises, if said vending machines and/or pay telephones are leased and not owned by Subtenant, in which case Gross Sales shall include only the commissions Subtenant receives therefrom. Each sale, and the amount thereof, shall be recorded when the sale is made. The books and records of Subtenant shall be made available for inspection by Sublandlord and its affiliates or agents at any time during business hours. Such books and records, including cash register tapes, shall be preserved by Subtenant for a period of 36 months after the end of each year.

2.2 **Additional Rent.** Subtenant shall pay to Sublandlord as additional rent, when billed therefor, all real and personal property taxes (including assessments) which are levied or assessed against the Premises and the personal property and equipment located on the Premises. Sublandlord may designate a third person, from time to time hereafter, as the direct recipient of payment by Subtenant of said real property taxes, such third person to be either the taxing authorities, the Landlord, or such other person that Sublandlord may designate, by advance periodic impoundment or otherwise. Further, Subtenant shall pay to Sublandlord or Sublandlord's designee as additional rent as required under the Master Lease, when billed therefor, all charges, fees, costs, expenses, contractual undertakings and the expense of the performance of all covenants which Sublandlord may be required to expend or make under the Master Lease including, without limitation, all common area maintenance expenses and all merchant's association fees and dues as required under the Master Lease.

2.3 **No Deduction or Set-Off.** All rent required hereunder shall be paid without deduction or set-off, and Subtenant shall not be entitled to any credit against any rent notwithstanding anything contained in the Master Lease.

2.4 **Inspection and Verification.** Sublandlord and its affiliates or agents shall have the right at any time to enter the Premises to inspect (including the right to take readings of all registers, documenters, pre-checkers and point of sale systems at any time), audit, verify sales and make or request copies of books of account, bank statements, documents, records, tax returns, papers and files of Subtenant relating to gross sales and business transacted and, upon request by Sublandlord, Subtenant shall make any such materials available for inspection by Sublandlord and its affiliates or agents or Landlord and its affiliate or agents at the Premises. Such audit and/or sales verification may include the on-site presence of one or more personnel of Sublandlord and its affiliates or agents

or Landlord and its affiliate or agents for seven (7) full consecutive days. If Sublandlord should cause an audit to be made and the gross sales and business transacted as shown by Subtenant's statements should be found to be understated by any amount, Subtenant shall immediately pay to Sublandlord the additional amount payable as shown by such audit, plus interest thereon at the highest rate of interest allowed by law, and if they are found to be understated by two percent (2%) or more, Subtenant shall also immediately pay to Sublandlord the cost of such audit; otherwise, the cost of the audit shall be paid by Sublandlord. If Subtenant should at any time cause an audit of Subtenant's business to be made by a public accountant, Subtenant shall furnish Sublandlord with a copy of said audit, without any cost or expense to Sublandlord. Subtenant also agrees to allow Sublandlord access to the state, federal and local income tax returns of Subtenant and Subtenant hereby waives any privilege pertaining thereto.

2.5 **Utilities.** Subtenant, at Subtenant's sole cost, shall, as due, post all deposits and pay all bills for utilities delivered to the Premises during the Term (including, without limitation by specification, gas, electric, fuel, water, sewer, telephone and trash), unless otherwise agreed to in writing by Sublandlord. Sublandlord shall not be liable in any way for any payment, deposit or other charges for utilities delivered during the term of this Sublease.

III REPAIRS AND MAINTENANCE; LIENS

3.1 **Repairs and Maintenance.** Subtenant agrees to, at its own cost and expense, keep and maintain in good condition and repair the Premises including, without limitation, the interior of the building, windows and other glass, and all of the exterior of the Premises including, without limitation, the roof and exterior walls, the parking area and exterior lighting, all signs, landscaping and exterior doors, at all times during the Term. Should the Master Lease provide for maintenance of any or all of the Premises, common areas and/or the parking area by the Landlord (which maintenance may include, but need not be limited to, taxes, snow removal, lighting, insurance and other facilities) at Sublandlord's cost, Subtenant shall pay, as additional rent, the amounts required by the Master Lease.

If at any time during the Term it shall be required by any governmental agency that certain improvements be made to the Premises or fixtures or equipment be furnished or replaced as may be prescribed by such agency, Subtenant shall bear the cost of making the improvements and/or furnishing or replacing such equipment without reimbursement from Sublandlord.

Landlord, Sublandlord, and their respective agents may at any time enter and inspect the Premises to determine the manner in which they are being used, maintained and repaired.

Should the Subtenant at any time during the Term fail to maintain or repair the Premises as required herein, or should Subtenant fail to pay any amounts required by this Sublease, Sublandlord may, at its sole option, perform the repairs or pay such amounts and demand reimbursement thereof from Subtenant within seven (7) days after Subtenant has been notified in writing of the nature and amount of such expenditure by Sublandlord.

Upon expiration or earlier termination of this Sublease, Subtenant shall promptly return the Premises to Sublandlord in as good condition as when received, reasonable wear and tear excepted.

3.2 **Liens.** If, at any time during the Term, the Premises becomes subject to a lien for labor or materials furnished to Subtenant, within twenty (20) days after Subtenant's receipt of written notice informing Subtenant of the lien, Subtenant shall cause the lien to be bonded or discharged, and shall otherwise save Sublandlord and Landlord harmless on account thereof.

IV USE OF PREMISES

4.1 **Permitted Use.** The Premises shall be used only for the purpose of conducting thereon an INTERNATIONAL HOUSE OF PANCAKES or IHOP restaurant franchised by IHOP Franchisor LLC, a Delaware limited liability company, or its predecessor(s) in interest ("Franchisor"), and shall be used solely in conformity with the provisions of the Master Lease and that certain franchise agreement (the "Franchise Agreement") made and entered into between Subtenant and Franchisor pertaining to the Premises.

V INSURANCE

5.1 **Liability Insurance.** In addition to any other requirement set forth in the Franchise Agreement with Franchisor or that certain equipment lease (the "Equipment Lease") made and entered into as of the date hereof between Subtenant and IHOP Franchisor LLC, a Delaware limited liability company, or its predecessor in interest, Subtenant agrees that on or before the Commencement Date it will obtain and maintain, for the mutual benefit of Landlord, Sublandlord and Subtenant, commercial general liability insurance covering the Premises from an insurance company authorized or admitted to do business in the state in which the Premises are located. Such insurance shall provide coverage of at least Two Million Dollars (\$2,000,000) combined single limit for death or injury to one or more persons and property damage and shall name Landlord and Sublandlord as additional insureds.

5.2 **Property Insurance.** In addition to any other requirement set forth in the Franchise Agreement with Franchisor or the Equipment Lease, Subtenant agrees that on or before the Commencement Date it will obtain and maintain, for the mutual benefit of Landlord, Sublandlord, Subtenant and Landlord's mortgagee, if any, so-called "All Risk" property insurance with a code upgrade endorsement covering the Premises from an insurance company authorized or admitted to do business in the state in which the Premises are located in an amount equal to at least one hundred percent (100%) of the full replacement cost thereof, excluding foundation and excavation costs.

5.3 **Business Interruption Insurance.** Notwithstanding any damage or destruction of the Premises, all rent, taxes and additional rent and charges payable hereunder shall not abate even though the Premises may be closed for restoration. In order to assure the payment of all rent, taxes and additional rent and charges payable hereunder, Subtenant agrees to obtain and maintain business interruption insurance coverage naming Sublandlord as a co-insured and loss payee, in an amount sufficient to cover all of Subtenant's continuing obligations including but not limited to the rent, taxes and additional rent and charges payable hereunder for at least the minimum period required by Sublandlord which as of the date hereof is eight (8) months. In connection therewith, Subtenant hereby assigns to Sublandlord the proceeds of any proof of loss under such business

interruption policy to the extent of the rent, taxes and additional rent and charges payable hereunder for the period of the loss, together with any and all arrearages hereunder at any time.

5.4 **Other Insurance; Higher Coverage.** In addition to the insurance required hereunder, Subtenant agrees to obtain and maintain, at its sole cost and expense, such other insurance or higher coverage amounts as may be required by the Master Lease or by Sublandlord including, without limitation, higher amounts of coverage for the liability, property or business interruption insurance required above, earthquake or flood insurance.

5.5 **Policy Standards.** All insurance required hereunder shall (a) be maintained in full force and effect during the entire Term at Subtenant's sole cost and expense; (b) be carried and maintained with insurance companies satisfactory to and approved by Sublandlord; and (c) be cancelable only upon at least ten days' prior written notice by the insurance carrier to Sublandlord. Subtenant shall provide evidence of coverage required hereunder to Sublandlord annually and at any other time as Sublandlord may request same. Subtenant may, at its option, bring its obligations to insure under this Article 5 within the coverage of a "blanket" policy of insurance which it may now or hereafter carry, by appropriate amendment, rider, endorsement, or otherwise; provided, however, that the interest of Landlord (and its mortgage, if any) and Sublandlord shall thereby be as fully protected as if Subtenant obtained individual policies of insurance.

VI DAMAGE AND DESTRUCTION; CONDEMNATION

6.1 **Damage and Destruction.** Notwithstanding any statute or rule of law of the state in which the Premises are located, in the event of damage or destruction to the Premises, or any portion thereof, at any time during the Term, this Sublease shall continue in full force and effect and Subtenant shall continue to pay all rent, additional rent and other charges payable hereunder by Subtenant. Subtenant shall proceed as soon as possible but no later than thirty (30) days after the date of the occurrence of any damage or destruction to repair, replace and restore the Premises to its condition prior to such damage or destruction. If Subtenant is proceeding diligently and through no fault of Subtenant, Subtenant is unable to commence the repair, replacement or restoration within the 30 day period, Sublandlord shall allow Subtenant such additional reasonable period of time as Sublandlord deems reasonably necessary to commence same. Such Construction shall be completed and the IHOP restaurant on the Premises shall reopen for business not later than twelve (12) months following the date of such damage or destruction. If Subtenant is proceeding diligently and through no fault of Subtenant, Subtenant is unable to complete the construction and reopen for business within twelve (12) months following the date of such damage or destruction, Sublandlord shall allow Subtenant such additional reasonable period of time as Sublandlord deems reasonably necessary to complete same and reopen for business. Subtenant shall make every effort to have the repaired or reconstructed IHOP restaurant on the Premises reflect the then-current image, design and specifications of new IHOP restaurants. Subtenant shall have available to it the proceeds, if any, from the policy or policies of insurance maintained by Subtenant pursuant to Article 5 above to pay for such repair, replacement and restoration of the Premises, subject to the provisions of the Master Lease. In the event the proceeds from such insurance are insufficient or not available to pay for any repair, replacement or restoration of the Premises, Subtenant shall, at its sole cost and expense, complete the repair, replacement and restoration of the Premises, and provide to Sublandlord, within fifteen (15) days of a request by Sublandlord, such written assurances as Sublandlord may

require, in its sole and absolute discretion, that Subtenant will pay for the cost of such repair, replacement and restoration. In the event Subtenant shall fail to provide Sublandlord with satisfactory assurances that Subtenant shall pay for the total cost of any repair, replacement or restoration of the Premises, Sublandlord may, in its sole and absolute discretion, in writing delivered to Subtenant within ninety (90) days after such damage or destruction, terminate this Sublease as of the date of such damage or destruction. In the event Sublandlord shall terminate this Sublease pursuant to the foregoing sentence, Subtenant hereby assigns to Sublandlord all proceeds which may be available from insurance policies maintained by Subtenant to repair, replace or restore the Premises.

6.2 **Condemnation.** In the event that the Premises or any portion thereof or interest therein is taken by any governmental authority under power of eminent domain or a sale by Landlord or Sublandlord of the Premises or any portion thereof or any interest therein to or as directed by any authority having the power of eminent domain either under the threat of condemnation or while condemnation proceedings are pending, then subject to the provisions of the Master Lease and unless the purpose of this Sublease is frustrated by said taking or sale of a portion of the Premises, (a) this Sublease shall terminate as and only as to the Premises or any portion thereof or interest therein so taken or sold as to the date of such taking or sale, (b) the rental due hereunder shall be reduced as of the date of the taking or sale so that for the remainder of the Term, Subtenant shall pay (i) only such portion of the fixed weekly rent referred to in Section 2.1 above as the rental value of the part of the Premises remaining after the taking bears to the rental value of the Premises at the date of the taking, or (ii) the percentage rental referred to in Section 2.1 above, whichever is greater, and (c) Sublandlord shall be exclusively entitled to any and all compensation, damages, income, rent, awards and any other interest thereon whatsoever which may be paid or made in connection therewith and Subtenant shall have no claim whatsoever against Sublandlord for the value of the unexpired term or otherwise; provided, however, that Subtenant shall be exclusively entitled to any award made expressly for and only for the unamortized portion of any improvement costs to the Premises paid by Subtenant, subject to the terms of the Master Lease.

VII ASSIGNMENT; SUBLETTING

7.1 **Assignment or Subletting.** Subtenant shall not voluntarily or involuntarily, by operation of law or otherwise, assign or hypothecate this Sublease or any interest therein, or any portion thereof, nor shall Subtenant sublet any portion of the Premises nor permit any other person to occupy or use the Premises or any part thereof, without first having obtained the written consent of Sublandlord, subject to the terms of Article XI of the Franchise Agreement.

VIII REMEDIES OF SUBLANDLORD IN THE EVENT OF DEFAULT

8.1 **Remedies.** In the event of any breach by Subtenant of this Sublease, the Franchise Agreement, the Equipment Lease or the promissory note(s) in favor of Sublandlord executed by Subtenant in connection with the Franchise Agreement, then Sublandlord, besides any other rights or remedies it may have at law or in equity, may:

(A) Reenter the Premises with or without process of law and take possession of the same and of all equipment and fixtures of Subtenant therein, and expel or remove Subtenant and all other parties occupying the Premises, using such force as may be reasonably necessary to do so, without being liable for any prosecution for such reentry or for the use of such force, and without terminating this Sublease, may at any time and from time to time relet the Premises or any part thereof for the account of Subtenant, for such term, upon such conditions and at such rental as Sublandlord may deem proper. In such event Sublandlord may receive and collect the rent from such reletting and apply it against any amounts due from Subtenant hereunder (including, without limitation, such expenses as Sublandlord may have incurred in recovering possession of the Premises, placing the same in good order and condition, altering or repairing the same for reletting, and all other expenses, commissions and charges, including attorneys' fees, which Sublandlord may have paid or incurred in connection with such repossession and reletting). Sublandlord may execute any sublease made pursuant hereto in Sublandlord's name or in the name of Subtenant, as Sublandlord may see fit, and the subtenant thereunder shall be under no obligation to see to the application by Sublandlord of any rent collected by Sublandlord, nor shall Subtenant have any right to collect any rent thereunder. Whether or not the Premises are relet, Subtenant shall pay Sublandlord all amounts required to be paid by Subtenant up to the date of Sublandlord's reentry, and thereafter Subtenant shall pay Sublandlord, until the end of the Term hereof, the amount of all rent and other charges required to be paid by Subtenant hereunder, less the proceeds of such reletting during the Term hereof, if any, after payment of Sublandlord's expenses as provided above. Such payments by Subtenant shall be due at such times as are provided elsewhere in this Sublease, and Sublandlord need not wait until the termination of this Sublease to recover them by legal action or otherwise. Sublandlord shall not, by any reentry or other act, be deemed to have terminated this Sublease or the liability of Subtenant for the total rent hereunder unless Sublandlord shall give Subtenant written notice of Sublandlord's election to terminate this Sublease.

(B) Give written notice to Subtenant of Sublandlord's election to terminate this Sublease, reenter the Premises with or without process of law and take possession of the same and of all equipment and fixtures therein, and expel or remove Subtenant and all other parties occupying the Premises, using such force as may be reasonably necessary to do so, without being liable for any prosecution for such reentry or for the use of such force. In such event, Sublandlord shall thereupon be entitled to recover from Subtenant:

(1) the worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(2) the worth at the time of award of the amount by which (a) the unpaid rent which would have been earned after termination until the time of award exceeds (b) the amount of such rental loss that Subtenant proves could have been reasonably avoided; plus

(3) the worth at the time of award of the amount by which (a) the unpaid rent for the balance of the Term after the time of award exceeds (b) the amount of such rental loss that Subtenant proves could be reasonably avoided; plus

(4) any other amount necessary to compensate Sublandlord for all the detriment proximately caused by Subtenant's failure to perform its obligations under this Sublease or which, in the ordinary course of things, would be likely to result therefrom.

As used in subsections (1) and (2) above, the “worth at the time of award” is computed by allowing interest at the rate of ten percent (10%) per annum. As used in subsection (3) above, the “worth at the time of award” is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one percent (1%).

The remedies herein stated shall not be deemed to be exclusive, but are cumulative of and in addition to all other remedies Sublandlord may have at law or in equity, hereunder or under the Master Lease or under any other agreement between Subtenant and Sublandlord or any affiliate of Sublandlord.

IX SUBORDINATION

9.1 **Subordination.** This Sublease and the rights of Subtenant hereunder are expressly subordinate and subject to the lien of the Master Lease and any mortgage, deed of trust, or other voluntary hypothecation now or hereafter encumbering the Premises or any land, building, or improvements included therein, or of which the Premises are a part, or any portions thereof. Subtenant hereby covenants and agrees without the necessity of any further action whatsoever to subordinate in writing all of its beneficial and legal right, title and interest in and to this Sublease to any deed of trust or mortgage encumbrance at any time now or in the future in any way affecting the Premises or any portion thereof, provided, however, that the beneficiary or mortgagee agree in writing delivered to Sublandlord to recognize all of Sublandlord’s beneficial and legal right, title and interest in and under the Master Lease (and, thus, the Sublease) so long as Sublandlord performs and complies with each and all of its covenants, agreements, terms and conditions of the Master Lease. Subtenant shall execute and deliver to Sublandlord such documents and take such further action as Sublandlord in its sole and absolute discretion deems necessary or advisable to effect or maintain such subordination within ten (10) days after written request of Sublandlord or such beneficiary or mortgagee to do so. If applicable, upon Subtenant’s failure to execute any such documents, at Sublandlord’s request, Sublandlord shall be, and hereby is, appointed Subtenant’s attorney-in-fact to do so. This power of attorney granted by Subtenant is a special power of attorney coupled with an interest and is irrevocable and shall survive the death or disability of Subtenant.

Subtenant also hereby covenants and agrees, without the necessity of any further action whatsoever, to subordinate all of its beneficial and legal right, title and interest in and to this Sublease to any new lease (“New Lease”) made by Sublandlord, as landlord thereunder, in substitution of, or in addition to, the Master Lease in connection with any sale, sale/leaseback or lease/leaseback transaction of the Premises; provided, however, that the New Lease shall not change the weekly rent by Subtenant under Section 2.1 of this Sublease or materially increase any of Subtenant’s other obligations under this Sublease. Subtenant shall execute and deliver to Sublandlord such documents and take such further action as Sublandlord in its sole and absolute discretion deems necessary or advisable to effect such substitution of the Master Lease or additional New Lease and effect or maintain such subordination within ten (10) days after written request of Sublandlord to do so. Upon the substitution of the New Lease for the Master Lease, all references in this Sublease to “Master Lease” shall be deemed a reference to the New Lease.

X
NOTICES AND DEMANDS

10.1 **Notices; Demands.** Any notice, demand or other communication required or permitted by law or any provision of the Lease to be given or served on either party shall be in writing, addressed (a) to Sublandlord in duplicate, with one copy addressed to Sublandlord c/o IHOP Franchisor LLC at 450 North Brand Boulevard, 7th Floor, Glendale, California 91203, Attention: Legal Department, and the other copy addressed to Sublandlord at the regional office of Sublandlord closest to the Premises, and (b) to Subtenant at the address of the Premises, and (i) deposited in the United States mail, registered or certified, return receipt requested, postage prepaid, (ii) delivered by an overnight private mail service which provides delivery confirmation such as; without limitation, Federal Express, Airborne or UPS, or (iii) personally delivered at such addresses. Either party may designate additional addresses for the receipt of notices or demands at any time by written notice to the other.

XI
ATTORNEYS' FEES

11.1 **Paid to Prevailing Party.** If any action or proceeding, whether judicial or non-judicial, is commenced with respect to any claim or controversy arising from a breach of this Sublease or seeking the interpretation or enforcement of this Sublease, including any exhibits attached hereto, in addition to any and all other relief, the prevailing party or parties in such action or proceeding shall receive and be entitled to recover all costs and expenses, including reasonable attorneys' fees and costs, incurred by it on account of or related to such action or proceeding.

XII
INDEMNITY

12.1 **Subtenant's Indemnity.** Subtenant agrees to protect, defend (with counsel satisfactory to Sublandlord), indemnify and hold Sublandlord harmless from and against all claims, losses, costs, expenses, damages and liabilities of any kind and nature, including attorneys' fees, costs and expenses, arising out of Subtenant's (a) possession, use, control or management of the Premises), (b) failure to comply with the obligations and responsibilities set forth herein, or (c) failure to comply with the obligations and responsibilities of the tenant under the Master Lease.

XIII
MERCHANTS' ASSOCIATION

Where required or provided for in the Master Lease, Subtenant shall become and remain a member in good standing of the Merchants' Association presently existing or which may be formed or organized hereafter for the purpose of promoting and/or advertising the shopping facility of which the Premises comprises a component part in accordance with terms and conditions contained therein. Subtenant shall abide by any rules or regulations promulgated by such Association, provided the same are not inconsistent with any other terms of the Master Lease or the Franchise Agreement. Subtenant shall pay to the Merchants' Association, each year during the term hereof, dues and/or assessments for promotional and/or advertising purposes provided in said Master Lease.

XIV
INTEREST ON LATE PAYMENTS

In addition to the other remedies available to Sublandlord, in the event that Subtenant shall fail or refuse to make any of the payments due under this Sublease, Subtenant shall pay interest at the highest rate permitted by law, or 1.5% per month, whichever is less, of such late obligations to defray the cost of maintaining Subtenant's account in arrears, it being expressly understood that payment of this charge shall not forgive or excuse any arrearage.

XV
GENERAL PROVISIONS

15.1 **Binding Effect.** This Sublease shall inure to the benefit of and bind the parties hereto and their respective heirs, successors, representatives and assigns.

15.2 **Severability.** If any term or provision of this Sublease or the application thereof to any person or circumstance shall be invalid or unenforceable, to any extent, the remainder of this Sublease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Sublease shall be valid and enforceable to the maximum extent permitted by law.

15.3 **Captions.** The captions used in this Sublease are inserted as a matter of convenience only, in no way define, limit or described the scope of this Sublease or the intentions of the parties hereto, and shall not in any way affect the interpretation or construction of this Sublease.

15.4 **No Waiver.** A waiver by Sublandlord of any breach of any provision of this Sublease shall not be deemed a waiver of any breach of any other provision hereof or of any subsequent breach by Subtenant of the same or any other provision.

15.5 **Holdover.** If Subtenant holds over after the Term with the consent, express or implied, of Sublandlord, such holding over shall be construed to be a tenancy from week to week only, and Subtenant shall pay the rent, taxes, additional rent and other sums as herein required for such further time as Subtenant continues its occupancy. The foregoing provision shall not affect Sublandlord's right of reentry or any rights of Sublandlord hereunder or as otherwise provided by law.

15.6 **Time of Essence.** Time is of the essence with regard to every provision of this Sublease and the exhibits attached hereto.

15.7 **No Third Party Rights.** The terms and provisions of this Sublease shall not be deemed to confer any rights upon, nor obligate any party hereto to, any person or entity other than the parties hereto.

15.8 **Designee.** Sublandlord may direct Subtenant to pay any sums required to be paid hereunder directly to a third party, including without limitation, an affiliate of Sublandlord, and Subtenant agrees to do so.

15.9 **Delegation.** Sublandlord shall have the right to delegate to one or more of its Affiliates some or all of Sublandlord's duties to Subtenant under this Agreement; provided, however, Sublandlord shall remain fully responsible to Subtenant for the full and faithful performance of all of its obligations to Subtenant hereunder.

IN WITNESS WHEREOF, the parties have executed this Sublease as of the date first written above.

SUBLANDLORD:
IHOP LEASING LLC

By: _____
Its: _____

SUBTENANT:

GUARANTEE OF OBLIGATIONS (FRANCHISE AGREEMENT)

EXHIBIT I-1

GUARANTEE OF OBLIGATIONS

THIS GUARANTEE OF OBLIGATIONS (this “**Guarantee**”) is given by [_____] [an individual] [a [_____] (“**Guarantor**”), to IHOP FRANCHISOR LLC, a Delaware limited liability company (“**IHOP**”), in consideration of the execution of the franchise agreement pertaining to IHOP #[_____] located at [_____] (the “**Restaurant**”) by [_____] a [_____] (“**Franchisee**”).

Guarantor hereby covenants with IHOP that if any default shall, at any time, be made by Franchisee in the payment of any sums of money due to IHOP pursuant to the franchise agreement or the addendum thereto between IHOP and Franchisee, dated concurrently herewith (the “**Franchise Agreement**”; the Franchise Agreement, collectively with any other agreement that has been, may now, or is in the future entered into between IHOP or any affiliate thereof and Franchisee, including without limitation any lease, sublease, or equipment lease, the “**Franchise Documents**”), or if Franchisee shall default in fulfilling any of the covenants, agreements or conditions of the Franchise Documents to be performed by Franchisee, Guarantor shall: (a) pay to IHOP or its successors or assigns, any and all sums of money which may be owing under the Franchise Documents, (b) take such action as may be required to cure the default in any of the covenants, agreements or conditions of the Franchise Documents to be performed by Franchisee, and (c) pay any and all damages that may arise as a consequence thereof.

This Guarantee shall be a continuing guarantee, and the liability of Guarantor hereunder shall in no way be affected or diminished in any manner whatsoever by reason of: (a) the assertion by IHOP against Franchisee of any of the rights or remedies reserved to IHOP pursuant to the Franchise Documents, (b) the waiver by IHOP, or the failure of IHOP, to enforce any of the provisions, covenants, or conditions of the Franchise Documents, or (c) the granting by IHOP of any indulgence or extension of time to Franchisee. The liability hereunder shall in no way be affected or diminished by reason of any amendment, modification, renewal or extension of the Franchise Documents, or the abandonment or surrender of the Restaurant by Franchisee.

Guarantor hereby expressly waives the following:

- i. notice of the acceptance of this Guarantee by any person or entity, and
- ii. any and all notices to which Guarantor might otherwise be entitled to in connection with this Guarantee and the Franchise Documents. It shall not be necessary for IHOP, in order to enforce this Guarantee, to first institute any suit or proceeding or exhaust legal remedies against Franchisee.

Guarantor hereby expressly waives any right to require, as a condition precedent to bringing action on this Guarantee:

- i. proceeding against Franchisee under the Franchise Documents,
- ii. proceeding against any other person or entity, or
- iii. pursuing any other remedy in IHOP’s or its successors’ or assigns’ power whatsoever.

This Guarantee shall not be discharged or affected by the dissolution, liquidation or bankruptcy of Franchisee, the merger of Franchisee with another corporation or business entity, or any change in the ownership of Stock of Franchisee.

This Guarantee is an absolute guaranty of payment and not of collection. Guarantor agrees to pay reasonable attorneys' fees, court costs and any and all other costs and expenses which may be incurred in the enforcement of this Guarantee, whether or not suit is brought hereon.

This Guarantee shall inure to the benefit of the IHOP and its successors and assigns. Notice of assignment, transfer or disposition by IHOP of its interests hereunder or under the Franchise Documents is hereby waived by Guarantor.

Guarantor agrees to be personally bound by each and every provision of the Franchise Agreement, including without limitation, the agreement to arbitrate disputes in Article XIII thereof.

This Guarantee shall be governed by, and construed and enforced in accordance with, the internal laws of the State of California, without regard to its conflict of laws provisions.

No amendment or modification of this Guarantee will be binding unless executed in writing by the parties or their permitted successors or assigns. No course of conduct or course of performance under this Guarantee or any other agreement between the parties will be deemed to amend or modify this Guarantee.

This Guarantee, together with all documents referenced herein, represents the entire agreement between the parties regarding the subject matter hereof, and supersedes any and all prior and contemporaneous proposals, agreements, understandings, representations, inducements and statements, whether oral or written, of the parties regarding the subject matter hereof. This Guarantee shall be binding upon and shall inure to the benefit of the parties and their permitted successors and assigns.

The invalidity or enforceability, in whole or in part, of any provision of this Guarantee will not affect the validity or enforceability of any other provision. In the event of a conflict or inconsistency between the terms of this Guarantee and any other agreement between and/or among Guarantor and IHOP, the terms of this Guarantee shall control.

No purported waiver of a breach or default will be valid unless specifically stated in writing by the waiving party. No such waiver waives any subsequent breach or default of the same or any other term in this Guarantee.

Guarantor may not assign any of its rights or delegate any of its obligations under this Guarantee without the prior written consent of IHOP. Any assignment by Guarantor in breach of this Guarantee is void.

This Guarantee may be executed in any number of counterparts and by any electronic means, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, this Guarantee is executed this _____ day of _____, 20__.

_____, Individually

APPROVED:

FRANCHISEE:

a _____

By: _____

Name: _____

Title: _____

ACCEPTED:

IHOP:

IHOP FRANCHISOR LLC

a Delaware limited liability company

By: _____

Name: _____

Title: _____

GUARANTEE OF OBLIGATIONS (DEVELOPMENT AGREEMENT)

EXHIBIT I-2

GUARANTEE OF OBLIGATIONS

THIS GUARANTEE OF OBLIGATIONS (“**Guarantee**”) is given by _____ (hereinafter referred to as “**the undersigned**”) to IHOP FRANCHISOR LLC, a Delaware limited liability company (hereinafter referred to as “**IHOP**”) in consideration of the execution of (check as applicable) [] the Multi-Store Development Agreement; [] the Single Store Development Agreement by _____ (hereinafter referred to as “**Franchisee**”).

The undersigned hereby covenants with IHOP that if default shall, at any time, be made by Franchisee in the payment of any sums of money due IHOP pursuant to the Multi-Store Development Agreement/Single Store Development Agreement between IHOP Franchisor LLC and Franchisee, to be executed concurrently herewith (hereinafter referred to as the “**Development Agreement**”), or if Franchisee shall default in fulfilling any of the covenants, agreements or conditions of the Development Agreement to be performed by Franchisee, the undersigned shall pay to IHOP, its successors or assigns, any sums of money which may be owing under the Development Agreement and/or shall take such action as may be required to cure the default in any of the covenants, agreements or conditions of the Development Agreement to be performed by Franchisee, and the undersigned will pay all damages that may arise as a consequence thereof.

This Guarantee shall be a continuing guarantee, and the liability of the undersigned hereunder shall in no way be affected or diminished in any manner whatsoever by reason of the assertion by IHOP against Franchisee of any of the rights or remedies reserved to IHOP pursuant to the Development Agreement, by reason of the waiver by IHOP, or the failure of IHOP to enforce any, of the provisions, covenants, or conditions of the Development Agreement, or by reason of the granting by IHOP of any indulgence or extension of time to Franchisee, and the liability hereunder shall in no way be affected or diminished by reason of any amendment, modification, renewal or extension of the Development Agreement, or the abandonment or surrender of the Development Agreement by Franchisee.

The undersigned hereby expressly waives the following:

- (i) Notice of the acceptance of this Guarantee by any person or entity; and
- (ii) Any and all notices to which the undersigned might otherwise be entitled to in connection with this Guarantee and the Development Agreement. It shall not be necessary for IHOP, in order to enforce this Guarantee, to first institute any suit or proceeding or exhaust legal remedies against Franchisee.

The undersigned hereby waives any right to require, as a condition precedent to bringing action on this Guarantee:

- (i) Proceeding against Franchisee under the Development Agreement; or
- (ii) Pursuing any other remedy in IHOP’s, its successors’ or assigns’ power whatsoever.

This Guarantee shall not be discharged or affected by the dissolution, liquidation or bankruptcy of Franchisee or the merger of Franchisee with another corporation.

This Guarantee is an absolute guaranty of payment and not of collection. The undersigned agrees to pay reasonable attorneys' fees, court costs and any and all other costs and expenses which may be incurred in the enforcement of this Guarantee, whether or not suit is brought hereon.

This Guarantee shall inure to the benefit of the IHOP and its successors and assigns. Notice of assignment, transfer or disposition by IHOP of its interest hereunder or under the Development Agreement is hereby waived by the undersigned.

The undersigned agrees to be personally bound by each and every provision of the Development Agreement including, without limitation, the agreement to arbitrate disputes in Article 12, Paragraph 12.15 of the Multi-Store Development Agreement or Article 10 of the Single Store Development Agreement, as applicable.

This Guarantee shall be governed by, and construed and enforced in accordance with, the internal laws of the State of California, without regard to its conflict of laws provisions.

IN WITNESS WHEREOF, this Guarantee of Obligations is executed this _____ day of _____, 20__.

APPROVED:
FRANCHISEE:

ACCEPTED:
IHOP:
IHOP FRANCHISOR LLC

By: _____
Name: _____
Its: _____

MULTI-STORE DEVELOPMENT AGREEMENT

EXHIBIT J

#M_____

MULTI-STORE DEVELOPMENT AGREEMENT

THIS MULTI-STORE DEVELOPMENT AGREEMENT (“**Agreement**”) is made and entered into this ____ day of _____, 20____ (“**Effective Date**”) by and between IHOP FRANCHISOR LLC, a Delaware limited liability company (“**Franchisor**”), and _____, a(n) _____ [corporation/limited liability company] (“**Franchisee**”), with reference to the following facts:

A. Franchisor and its Affiliates have developed and are continuing to develop certain proprietary and other property rights and interests in and to the “International House of Pancakes” and “IHOP” trademarks and service marks, and such other trademarks, service marks, logo types, insignias, trade dress, designs, and commercial symbols as Franchisor may from time to time authorize or direct Franchisee to use in connection with the operation of International House of Pancakes and/or IHOP restaurants (“**Marks**”).

B. Franchisor has developed and continues to develop, and Franchisor has the right to license, a system for the operation of full-service “International House of Pancakes” or “IHOP” restaurants (each a “**Restaurant**”), which feature the sale of pancakes and various other food products system and which feature distinctive signs, recipes, and various Trade Secrets (defined below) and other confidential information, and in some cases also includes architectural designs, trade dress, uniforms, equipment specifications, layout plans, inventory, record-keeping and marketing techniques (the “**System**”).

C. Franchisee desires to open multiple Restaurants in a defined geographic area, and Franchisor is willing to grant such right and license in accordance with the terms and upon the conditions contained in this Agreement.

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1

GRANT

1.1 Grant. Upon the terms and subject to the conditions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, the right and obligation, during the term hereof, to develop Restaurants solely at Venues physically located within the Development Area, in accordance with this Agreement.

1.2 No Trademark License. No right or license is granted to Franchisee hereunder to use any trademarks, trade names, service marks, logotypes, insignias, trade dress or designs owned or licensed by Franchisor, such right and license being granted solely pursuant to Franchise Agreements executed pursuant to Section 6.1 below. Without limiting the generality of the foregoing, nothing in this Agreement shall permit Franchisee to own or operate a Restaurant, except pursuant to a duly executed and subsisting Franchise Agreement, and Franchisee shall not use the Marks in connection with any offering of securities or any request for credit without the prior express written approval of Franchisor which it may withhold or condition in its sole and absolute discretion.

1.3 Certain Definitions. In this Agreement, the following capitalized terms shall have the meanings set forth below, unless the context otherwise requires:

“Additional Development Notice” shall have the meaning set forth in Section 4.2.

“Additional Development Obligation” shall have the meaning set forth in Section 4.3.2.

“Affiliate” when used herein in connection with Franchisor or Franchisee, includes each person or Business Entity, which directly, or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Franchisor or Franchisee, as applicable. For purposes of this definition, control of a person or Business Entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such person or Business Entity whether by contract or otherwise. Notwithstanding the foregoing definition, if Franchisor or its Affiliate has any ownership interest in Franchisee, the term “Affiliate” shall not include or refer to the Franchisor or that Affiliate (the **“Franchisor Affiliate”**), and no obligation or restriction upon an “Affiliate” of Franchisee, shall bind Franchisor, or said Franchisor Affiliate or their respective officers, directors, or managers.

“Alternative Distribution Channels” means and includes any site, venue or location, including grocery stores, supermarkets and convenience stores (including those which may be located within the Development Area) whether wholesale or retail, and including, without limitation, mail order catalogs, direct mail advertising, Internet marketing or other distribution methods.

“Applicable Law” means and includes applicable common law and all applicable statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority governing the operation of Restaurants, including all immigration, labor, disability, food and drug laws, health and safety regulations, and Americans With Disabilities Act requirements, as in effect on the Effective Date hereof, and as may be amended, supplemented or enacted from time to time.

“Assignment” shall have the meaning set forth in Section 8.3.1.

“Business Entity” means any Partnership, limited liability company, trust, association, corporation or other entity which is not an individual.

“Competitive Activities” means to, own, operate, lend to, advise, be employed by, or have any financial interest in any family style restaurant, pancake house, buffet serving breakfast, diner, or coffee shop, including but not limited to the Village Inn, Bob’s Big Boy, Shoney’s, Denny’s, Denny’s Diner, Perkins, Waffle House, Baker’s Square, Coco’s, JB’s, Allie’s, Cracker Barrel, Marie Callendar’s, Friendly’s, Bob Evans’ Farms, Mimi’s, Carrow’s, Golden Corral, Original Pancake House, Country Kitchen, Hometown Buffet, or any other food-service operation that sells pancakes, or derives more than 25% of its total sales from sit down breakfast items. Competitive activities shall not include professional services rendered in the ordinary course of business without any indices of ownership or control of the competitor, such as lending to an operator of a competing concept where the lending activity is in the ordinary course of business by an employee of a bank or financial institution.

“Development Approval Procedure” shall have the meaning set forth in Section 6.1.1.

“Development Area” shall mean the geographic area or other defined market designated in Exhibit “A” hereto.

“Development Fee” shall have the meaning set forth in Section 5.1.

“Development Impact Assistance Program” shall mean Franchisor’s Development Impact Assistance Program (as it may be amended, modified, or restated from time to time), which is designed to address declines in sales which may be due to the placement of a new Restaurant near an existing Restaurant, by providing the franchisee of the existing Restaurant with financial support aimed at assisting such franchisee to increase sales.

“Development Period” shall mean each of the time periods indicated on **Exhibit “B,” Exhibit “B-1”** and/or **Exhibit “B-2,”** as applicable, during which Franchisee shall have the right and obligation to construct, equip, open and thereafter continue to operate Restaurants in accordance with the Development Obligation.

“Development Obligation” shall mean the Franchisee’s right and obligation to construct, equip, open and thereafter continue to operate at sites within the Development Area the cumulative number of Restaurants set forth in **Exhibit “B”** hereto and/or **Exhibit “B-1”** and/or **Exhibit “B-2”** hereto, as applicable, within each Development Period and, if applicable, within the geographic areas specified therein.

“Distribution” means and includes, but is not limited to, gifts, bonuses, salaries, benefits or other compensation, dividends of any nature, loans, cancellation of debt, purchases or sales, or similar transfers, but shall not include the normal and customary salary paid to Franchisee for managing a restaurant.

“Effective Date” means the date indicated in the first paragraph of this Agreement, subject to Section 14.1.

“Equity” means capital stock, membership interests, Partnership Rights or other equity ownership interests of a Business Entity.

“Final Approval” shall have the meaning set forth in Section 6.1.4.

“Force Majeure” means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, riot, terrorist act or other civil disturbances; epidemics; or other forces which Franchisee could not by the exercise of due diligence have avoided.

“Franchise Agreement” means the form of agreement prescribed by Franchisor and used to grant to Franchisee the right to own and operate a single Restaurant in the Development Area, including all exhibits, riders, guarantees or other related instruments, all as amended from time to time.

“Franchise Disclosure Document” means the Franchise Disclosure Document or its equivalent as may be required by Applicable Law.

“Governmental Authority” means and includes all Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

“Internet” means collectively the myriad of computer and telecommunications facilities, including equipment and software, which comprise the interconnected worldwide network of networks that employ the TCP/IP [Transmission Control Protocol/Internet Protocol], or any predecessor or successor protocols to such protocol, to communicate information of all kinds by fiber optics, wire, radio, or other methods of transmission.

“Major Owner” means _____, or such other individual hereafter designated by Franchisee, and approved by Franchisor (and until subsequently disapproved by Franchisor),

to serve as the authorized representative of Franchisee, who Franchisee acknowledges and agrees shall act as Franchisee's representative, and shall have the authority to act on behalf of Franchisee during the Term.

"Manuals" means Franchisor's operations manuals, and all related manuals now or hereafter created by Franchisor for use in the operation of an "International House of Pancakes" or "IHOP" Restaurant, as the same may be amended and revised from time to time, including all bulletins, supplements and ancillary manuals.

"Marks" shall have the meaning set forth in Recital A.

"Non-Traditional Venue" means any site, venue or location within another primary business or in conjunction with other businesses or at institutional settings such as schools, colleges and universities, military and other governmental facilities, hospitals, airports, highway rest stops, toll roads, hotels, motels, arenas, travel plazas, office or in-plant food facilities, supermarkets, grocery stores or convenience stores, casinos, stadiums, shopping malls and any other site, venue or location operated by a master concessionaire or contract food service provider.

"Other IHOP Concepts" means restaurants which: (i) feature self-serve or counter service and not full table service; (ii) have a different or more limited menu than that offered at a Restaurant, even though that menu may include pancakes and certain other authorized menu items authorized at Restaurants; and (iii) operate under a principal name and mark different from "IHOP" or "International House of Pancakes" but which may include "IHOP" or "International House of Pancakes" together with an additional prefix or suffix, such as and including "IHOP Express."

"Owner" means (i) any direct or indirect shareholder, member, Partner, trustee, or other equity owner of a Business Entity; and (ii) any person that controls any voting rights of a Business Entity.

"Partner" means any partner of a Partnership.

"Partnership" means any general partnership, limited partnership or limited liability partnership.

"Partnership Rights" means voting power, property, profits or losses, or Partnership interests of a Partner.

"Preliminary Package" shall have the meaning set forth in Section 6.1.3.

"Permits" means and includes all applicable franchises, licenses, permits, registrations, certificates and other operating authority required by Applicable Law.

"Restaurant" shall have the meaning set forth in Recital B.

"Restricted Persons" means the Franchisee, and each of its Owners and Affiliates, and the respective officers, directors, managers, and Affiliates of each of them, and the spouse and family members who live in the same household of each of the foregoing who are individuals, but shall not include spouses and family members of managers.

"System" shall have the meaning set forth in Recital B.

"Term" shall have the meaning set forth in Section 4.1 including any extensions thereof.

“Then-Current” as used in this Agreement and applied to the Franchise Disclosure Document, a multi-store development agreement and a Franchise Agreement shall mean the form then currently provided by Franchisor to similarly situated prospective multi-store licensees and/or multi-store developers, or if not then being so provided, then such form selected by the Franchisor in its sole discretion which previously has been delivered to and executed by a licensee or franchisee of Franchisor.

“Total Development Obligation” means the aggregate total of the number of Restaurants required to be developed hereunder, as particularly identified in **Exhibit “B.”**

“Total Renewal Development Obligation” means the aggregate total of the number of Restaurants required to be developed hereunder, as particularly identified in **Exhibits “B-1”** and **“B-2,”** if applicable.

“Trade Secrets” shall have the meaning set forth in Section 10.1.1.

“Venue” means any site, venue or location other than a Non-Traditional Venue.

ARTICLE 2

DEVELOPER’S DEVELOPMENT OBLIGATION

2.1 Development Obligation.

2.1.1 Franchisee shall: (i) execute Franchise Agreements for; and (ii) open and thereafter continue to operate at (and only at) Venues approved by Franchisor within the Development Area, not less than the cumulative number of Restaurants within each Development Period specified in **Exhibit “B”** in accordance with the Development Obligation. Restaurants developed hereunder which are open and operating and which have been assigned to Affiliates of Franchisee in accordance with Section 8.4.3 with Franchisor’s consent, shall count in determining whether Franchisee has satisfied the Development Obligation for so long as the applicable Affiliate continues to satisfy the conditions set forth in Section 8.4.3. If there are one or more restaurants operating under the Marks in the Development Area on the Effective Date (each an **“Existing Restaurant”**) following the Effective Date, such Existing Restaurant(s) shall not be counted in determining whether Franchisee has satisfied the Development Obligation, unless otherwise indicated in **Exhibit “B”** hereto.

2.1.2 Notwithstanding anything to the contrary contained in Section 2.1.1, Franchisee may, at its option, forestall any termination of this Agreement by Franchisor caused by its failure to meet the Development Obligation by paying to Franchisor the sum of \$350.00 per day (**“Delayed Development Fee”**) in advance, for each day (in whole or in part) for which the Development Obligation is not satisfied; provided, however, if Franchisee shall have failed (i) to satisfy the Development Obligation within 60 days after the Development Period, or (ii) to pay the Delayed Development Fee during the 60-day period, then such failure, individually or in the aggregate, shall constitute a material breach of this Agreement and cause this Agreement to be subject to termination pursuant to Section 11.1.

2.1.3 If Franchisee exercises the Single Option to Renew set forth in Section 4.5, or the Multiple Options to renew as set forth in Section 4.7, if applicable, Franchisee shall (i) execute Franchise Agreements for, and (ii) open and thereafter continue to operate at (and only at) Venues approved by Franchisor within the Development Area, not less than the cumulative number of Restaurants within each Development Period specified in **Exhibit “B-1”** and **Exhibit “B-2,”** if applicable, in accordance with the Development Obligation.

2.2 Force Majeure.

2.2.1 Subject to Franchisee's continuing compliance with the provisions of Section 2.2.2, should Franchisee be unable to meet the Development Obligation solely as the direct result of Force Majeure, or by force of law (including, but not limited to any legal disability of Franchisor to deliver any Franchise Disclosure Document required by law to be delivered as contemplated by Section 6.1 of this Agreement), which results in the inability of Franchisee to construct or operate Restaurant(s) in all or substantially all of the Development Area, and which Franchisee could not by the exercise of due diligence have avoided, that particular Development Period shall be extended by an amount of time equal to the time period during which the Force Majeure (or other event covered under Section 2.2.1) shall have existed during that Development Period. Development Periods during which no such Force Majeure (or other event covered under Section 2.2.1) existed shall not be extended.

2.2.2 In the event of the occurrence of an event constituting Force Majeure, Franchisee shall notify Franchisor in writing within five days following commencement of the alleged Force Majeure (or other event covered under Section 2.2.1) of the specific nature and extent of the Force Majeure (or other event covered under Section 2.2.1), and how it has impacted Franchisee's performance hereunder. Franchisee shall continue to provide Franchisor with updates and all information as may be requested by Franchisor, including Franchisee's progress and diligence in responding to and overcoming the Force Majeure (or other event covered under Section 2.2.1).

2.3 Franchisee May Not Exceed Total Development Obligation. Franchisee may not open more Restaurants than the Total Development Obligation, unless otherwise agreed to in writing by Franchisor.

ARTICLE 3

EXCLUSIVITY

3.1 Exclusivity.

3.1.1 During the Term of this Agreement, subject to Sections 3.1.2 and 3.1.3, neither Franchisor nor any Affiliate of Franchisor shall operate or grant a license or franchise to any other person other than Franchisee (or, pursuant to Section 8.4.3, Franchisee's Assignee) to operate a Restaurant at any Venue physically located within the Development Area.

3.1.2 Except as provided in Section 3.1.1, Franchisor expressly reserves all other rights, including without limitation, the exclusive, unrestricted right, in its sole and absolute discretion, directly and indirectly, through its employees, Affiliates, representatives, franchisees, licensees, assigns, agents and others, to own, operate and franchise or license others (which may include its Affiliates):

(a) to own or operate Restaurants at any site, venue or location which is not included within the Development Area, and at any Non-Traditional Venue at any site, venue or location, and of any type or category whatsoever, without regard to proximity to any Restaurant developed or under development or consideration by Franchisee;

(b) to own or operate and to franchise or license others (which may include its Affiliates) to own or operate restaurants or other business concepts which operate under names other than "International House of Pancakes" or "IHOP", including Other IHOP Concepts, at any site, venue or location, and of any type or category whatsoever, and wherever located, and regardless of its proximity to any Restaurant developed or under development or consideration by Franchisee;

(c) to produce, franchise, license, distribute and market products (whether or not under the Marks), including pre-packaged food, snacks and beverage products; books; clothing, souvenirs and novelty items, at or through any and all Alternative Distribution Channels (regardless of its proximity to any Restaurant developed or under development or consideration by Franchisee), whether or not under the “International House of Pancakes” or “IHOP” names or the Marks, or any of them; and

(d) to advertise and promote the System, and fill customer orders by providing catering and delivery services.

3.1.3 To the extent that there are one or more Existing Restaurants in the Development Area on the Effective Date, then the Development Area shall exclude the geographic area indicated on Exhibit A hereto surrounding each such Existing Restaurant and, in the event that a replacement restaurant for any of such Existing Restaurants is opened within the franchised area of such Existing Restaurants, the Development Area shall also exclude a geographic area around such replacement restaurant. In the event an Existing Restaurant ceases to do business and a replacement restaurant is not built, its previously excluded geographic area shall no longer be excluded from the Development Area; however, any development of a previously excluded area shall not be counted in determining whether Franchisee has satisfied the Development Obligation, and Franchisee shall pay the initial franchise fee therefor as then in existence.

3.1.4 Notwithstanding the foregoing, should Franchisor determine it desires to operate or grant a license to operate a Restaurant at a Travel Center Site (as defined below) physically located within a portion of Franchisee’s Development Area over which Franchisee has exclusivity pursuant to this Agreement, then Franchisor shall first approach Franchisee and inquire whether Franchisee is interested in exploring the opportunity of being the franchisee of the Restaurant at such site. If Franchisee indicates in writing to Franchisor within 15 days that it is interested in exploring such opportunity (the “**Notice of Interest**”), Franchisor shall refrain from opening a Restaurant at such Travel Center Site or granting a franchise to another party to operate a Restaurant at such Travel Center Site for a period of 45 days from the Notice of Interest. Should Franchisee either not timely deliver a Notice of Interest or not deliver to Franchisor an executed lease agreement for such Travel Center Site within 45 days of delivery of the Notice of Interest, Franchisor shall be free to operate or grant a license to operate a Restaurant at such Travel Center Site in its sole discretion. As used in this Section 3.1.4, “**Travel Center Site**” means a site at a Non-Traditional Venue that is a travel center or travel plaza and for which the travel center or travel plaza owner or operator determines to have an IHOP Restaurant for which a party other than the travel plaza or travel center owner or operator or an affiliate thereof is the franchisee. For the avoidance of doubt, this Section 3.1.4 does not apply to: (A) any portion of Franchisee’s Development Area over which Franchisee does not have exclusivity, (B) a restaurant that fits within the definition of “Other IHOP Concepts”, including without limitation flip’d by IHOP, or (C) a Restaurant which the travel center or travel plaza owner determines to act as the franchisor (as opposed to leasing space for the IHOP Restaurant to an unaffiliated third party which unaffiliated third party would be the franchisor of the IHOP Restaurant).

ARTICLE 4

TERM AND RENEWAL

4.1 **Term.** The Term of this Agreement shall commence on the Effective Date and will expire on the earlier of (i) the date on which the last Restaurant to be developed during the Development Period set forth in **Exhibit “B”** opens for business, or (ii) _____, 20__ (“**Term**”), unless sooner terminated in accordance with the provisions herein, or extended as provided in **Section 4.2**.

Check if applicable:

4.2 ☐ Single Option to Renew.

4.2.1 Limited Additional Development Right. If Franchisee shall have satisfied in all respects the requirements and conditions set forth in Sections 4.3 and 4.7, Franchisee shall be granted an Option for Additional Development upon the expiration of the Term to enter into a new multi-store development agreement, the term of which shall commence upon the expiration of the Term and shall continue for a period of _____ years (the “**Additional Development Term**”).

4.2.2 Development Obligations During Additional Development Term. During the Additional Development Term, Franchisee shall: (i) execute Franchise Agreements for; and (ii) open and thereafter continue to operate at (and only at) Venues approved by Franchisor within the Development Area, not less than the cumulative number of Restaurants within each Development Period specified in **Exhibit “B-1”** in accordance with the Development Obligation.

4.2.3 Notice of Expiration Required by Law. If applicable law requires that Franchisor give notice to Franchisee prior to the expiration of the Term or Additional Development Term, this Agreement shall remain in effect on a month-to-month basis until the notice requirements of such applicable law have been met, if necessary in order to comply with applicable law.

4.3 ☐ Exercise of Single Option to Renew.

4.3.1 If Franchisee shall determine that it desires to engage in further development of the Development Area, Franchisee shall, by _____, notify Franchisor in writing (“**Additional Development Notice**”) of Franchisee’s desire to develop additional Restaurants in the Development Area in accordance with **Exhibit “B-1”** attached hereto over a _____ - year term. This Additional Development Right for additional development by Franchisee shall be exercised only in accordance with Section 4.3 and is subject to the conditions set forth in Section 4.7. This Agreement is not otherwise renewable.

4.3.2 After receipt by Franchisor of the Additional Development Notice, Franchisor shall deliver to Franchisee a copy of Franchisor’s Then-Current Franchise Disclosure Document, if required by Applicable Law, and three copies of the Then-Current multi-store development agreement, which may vary substantially from this Agreement, setting forth the Additional Development Obligations as set forth in **Exhibit “B-1”** attached hereto. Within 21 days after Franchisor’s delivery of the said multi-store development agreement, but no sooner than immediately after any applicable waiting periods prescribed by **Applicable** Law have passed, Franchisee shall execute three copies of the multi-store development agreement and return them to Franchisor together with the applicable development fee for the Restaurants required by the Additional Development Obligation. If Franchisee has so executed and returned the copies and has satisfied the conditions set forth in Section 4.4, Franchisor will execute the copies copy and return one fully executed copy to Franchisee.

4.4 ☐ Multiple Options to Renew.

4.4.1 Additional Development Rights. If Franchisee shall have satisfied in all respects the requirements and conditions set forth in Sections 4.5, 4.6 and 4.7, Franchisee shall be granted a First Option for Additional Development, upon the expiration of the Term, to enter into a new multi-store development agreement, the term of which shall commence upon the expiration of the Term, and shall continue for a period of ____ years (the “**First Renewal Term**”). If Franchisee shall have satisfied in all respects the requirements and conditions set forth in Sections 4.5, 4.6 and 4.7, or any similar provisions in the new multi-store development agreement, Franchisee shall be granted a Second Option for Additional Development upon the expiration of the First Renewal Term, to enter into a new multi-store development agreement, the term of which shall commence upon the expiration of the First Renewal Term and shall continue for a period of ____ years (the “**Second Renewal Term**”).

4.4.2 Development Obligations During the First Renewal Term. During the First Renewal Term, Franchisee shall (i) execute Franchise Agreements for and (ii) open and thereafter continue to operate at (and only at) Venues approved by Franchisor within the Development Area, not less than the cumulative number of Restaurants within each Development Period specified in **Exhibit “B-1”** in accordance with the Development Obligation.

4.4.3 Development Obligations During the Second Renewal Term. During the Second Renewal Term, Franchisee shall (i) execute Franchise Agreements for and (ii) open and thereafter continue to operate at (and only at) Venues approved by Franchisor with the Development Area, not less than the cumulative number of Restaurants within each Development Period specified in **Exhibit “B-2”** in accordance with the Development Obligation.

4.4.4 Notice of Expiration Required by Law. If applicable law requires that Franchisor give notice to Franchisee prior to the expiration of the Term, First Renewal Term or Second Renewal Term, as applicable, this Agreement shall remain in effect on a month-to-month basis until the notice requirements of such applicable law have been met, if necessary in order to comply with applicable law.

4.5 ☐ Exercise of Multiple Options to Renew.

4.5.1 If Franchisee shall determine that it desires to secure the option to engage in further development of the Development Area, after the expiration of the Term, Franchisee shall, by _____, notify Franchisor in writing (“**First Option for Additional Development Notice**”) of Franchisee’s desire to develop additional Restaurants in accordance with **Exhibit “B-1”** attached hereto over a ____ year term. This First Option for Additional Development Right for additional development by Franchisee shall be exercised only in accordance with Section 4.6 and is subject to the conditions set forth in Section 4.7 and 5.5.

4.5.2 If Franchisee shall determine that it desires to secure the option to engage in further development of the Development Area, after the expiration of the First Renewal Term Franchisee shall, by _____, notify Franchisor in writing (“**Second Option for Additional Development Notice**”) of Franchisee’s desire to develop additional Restaurants in accordance with **Exhibit “B-2”** attached hereto over a ____ year term. This Second Option for Additional Development Right for additional development by Franchisee shall be exercised only in accordance with Section 4.6 and is subject to the conditions set forth in Section 4.7 and 5.5.

4.6 ☐ Acquiring the Right to Exercise Multiple Options.

4.6.1 If Franchisee shall determine that it desires to secure the right to the First Option for Additional Development, Franchisee shall notify Franchisor in writing (“**First Option Notice**”) of Franchisee’s desire to secure the First Option for Additional Development and pay the Multiple Renewal Option fee set forth in Section 5.5 by _____.

4.6.2 If Franchisee shall determine that it desires to secure the right to the Second Option for Additional Development, Franchisee shall notify Franchisor in writing (“**Second Option Notice**”) of Franchisee’s desire to secure the Second Option for Additional Development and pay the Multiple Renewal Option Fee set forth in Section 5.5 by _____.

4.7 ☐ Conditions to Exercise of Option to Renew. Franchisee’s right to renew described in Sections 4.2 and 4.4 shall be subject to Franchisee’s fulfillment of the following conditions precedent:

4.7.1 Franchisee and its Affiliates shall be in compliance with all of its obligations under this Agreement and all other agreements between Franchisor and Franchisee and/or its Affiliates.

4.7.2 Franchisee shall have demonstrated to Franchisor Franchisee's financial capacity to perform the Additional Development Obligations set forth in the new multi-store development agreement. In determining if Franchisee is financially capable, Franchisor will apply the same criteria to Franchisee as it applies to prospective developers at that time.

4.7.3 At the expiration of the Term, Franchisee and/or its Affiliates shall continue to operate, in the Development Area, the number of Restaurants developed under this Agreement that is not less than the Total Development Obligation set forth in **Exhibit "B,"** subject to Section 8.4.2.

4.7.4 Franchisor and Franchisee shall have executed a new multi-store development agreement pursuant to Section 4.3.

4.7.5 Franchisee shall, and Franchisee shall cause its Affiliates to, execute and deliver to Franchisor a general release, on a form prescribed by Franchisor or any and all known claims against Franchisor and its Affiliates and their officers, directors, agents, shareholders and employees.

4.8 Effect of Expiration or Termination. Unless a new multi-store development agreement shall have been executed by the parties pursuant to Sections 4.3 or 4.4, 4.5 and 4.6 hereof, following the expiration of the Term, or the sooner termination of this Agreement: (a) Franchisee shall have no further right to construct, equip, own, open or operate additional Restaurants which are not, at the time of such termination or expiration, the subject of a then existing Franchise Agreement between Franchisee (or a permitted assignee under Section 8.4.3) and Franchisor which is then in full force and effect; and (b) Franchisor and its Affiliates may thereafter itself construct, equip, open, own or operate, and license others to construct, equip, open, own or operate Restaurants at any location (within or outside of the Development Area), without any restriction, subject to any territorial rights granted for any then-existing Restaurant pursuant to a validly subsisting Franchise Agreement executed for such Restaurant.

ARTICLE 5

PAYMENTS BY DEVELOPER

5.1 Development Fee. Upon the execution of this Agreement, Franchisee shall pay Franchisor in cash or by certified check an amount equal to the sum of \$ _____ (\$ _____ less \$ _____ Option Fee paid under IHOP #M _____ and #M _____), representing \$20,000 multiplied by the Total Development Obligation (the "**Development Fee**"). The Development Fee shall be deemed fully earned upon the execution hereof and shall not be refundable under any circumstances; provided that Franchisor shall credit the Development Fee against the initial fee payable upon execution of each Franchise Agreement executed pursuant hereto (the "**Initial Fee**") at the rate of \$20,000 per Franchise Agreement until the entire Development Fee has been so credited.

5.2 Impact Fee Reimbursement. Franchisee acknowledges receiving a copy of Franchisor's Development Impact Assistance Program as in effect on the date of this Agreement. In the event that any Restaurant developed hereunder causes Franchisor to be obligated to pay any amounts under the Development Impact Assistance Program, then Franchisee, upon demand, shall promptly reimburse Franchisor for the amounts payable by Franchisor under such program, as it may change from time to time.

5.2.1 Franchise Agreements for Each Restaurant. Notwithstanding the terms of the Then-Current form of Franchise Agreement, the initial franchise fee for each Franchise Agreement executed during the Term pursuant to Section 6.1 for each Restaurant opened in the Development Area shall be \$40,000.00.

Check if applicable:

5.3 ☐ Option Fee. If Section 4.2 is checked, [check one] ☐ on _____, or ☐ upon the execution of this Agreement, Franchisee shall pay Franchisor in cash or by certified check the sum of \$ _____ representing \$5,000 multiplied by the Total Renewal Development Obligation (the “**Option Fee**”). The Option Fee shall be deemed fully earned upon the execution hereof and shall not be refundable under any circumstances; provided that Franchisor shall credit the Option Fee against the Development Fee payable upon execution of the new Multi-Store Development Agreement executed at the Then-Current rate until the entire Option Fee has been so credited.

5.4 ☐ Renewal Development Fee. If Franchisee exercises the Option to Renew set forth in Section 4.2, Franchisee shall pay Franchisor in cash or by certified check an amount equal to the sum of the Then-Current development fee (which in no event shall be less than \$20,000 multiplied by the Total Renewal Development Obligation (the “**Renewal Development Fee**”). The Renewal Development Fee shall be deemed fully earned upon the execution of the new Multi-Store Development Agreement and shall not be refundable under any circumstances; provided that Franchisor shall credit the Renewal Development Fee against the initial fee payable upon execution of each Franchise Agreement executed pursuant to the new Multi-Store Development Agreement (the “**Initial Fee**”) at the Then-Current rate until the entire Renewal Development Fee has been so credited.

5.5 ☐ Multiple Renewal Option Fee. If Section 4.4 is checked, if Franchisee desires to secure the right to the First Option for Additional Development and to the Second Option for Additional Development, as applicable, Franchisee shall pay Franchisor by cash or certified check the sum of \$ _____ representing \$5,000 multiplied by the Total Renewal Development Obligation for each Renewal Term (each the “**Multiple Renewal Option Fee**”). The Multiple Renewal Option Fee shall be deemed fully earned upon the execution hereof and shall not be refundable under any circumstances, provided that Franchisor shall credit the Multiple Renewal Option Fee against the applicable development fee payable upon execution of the new Multi-Store Development Agreement (the “**Development Fee**”) at the Then-Current rate until the entire Multiple Renewal Option Fee has been so credited.

ARTICLE 6

EXECUTION OF INDIVIDUAL FRANCHISE AGREEMENTS

6.1 Site Approval, Submission of Franchise Disclosure Document, Execution of Franchise Agreement.

6.1.1 Upon execution of this Agreement, Franchisor shall deliver to Franchisee information concerning the written materials that Franchisor requires to be submitted to Franchisor (the “**Development Approval Procedure**”) for it to consider proposed locations for the Restaurants. Franchisee is solely responsible for selecting each site on which Franchisee proposes to construct a Restaurant. If Franchisor assists in locating a site, Franchisee acknowledges that Franchisee is not relying on such assistance, or Franchisor’s acceptance of any such site, as a guarantee or other assurance that the Restaurant will be successful.

6.1.2 Franchisor will not issue a Franchise Agreement to Franchisee pursuant hereto unless Franchisee has successfully completed the Development Approval Procedure for a particular site in accordance with this Section 6.1. For each Restaurant to be developed during the Development Period, Franchisee shall obtain Franchisor’s final written approval of the site at least six months before the date the Restaurant is required to be open.

6.1.3 For each proposed site, Franchisee shall first submit a preliminary site review package (the “**Preliminary Package**”) at least eight months prior to the expiration of the respective development period.

6.1.4 Franchisee shall complete the negotiation of the lease or purchase agreement, as applicable, and submit the proposed lease or purchase agreement, as applicable, and such other information regarding the proposed Restaurant as Franchisor may reasonably require, to Franchisor for final approval of the lease or purchase agreement (“**Final Approval**”) within 180 days following the submission of the Preliminary Package for the applicable site.

6.1.5 Following receipt of Final Approval of a site, Franchisor shall provide Franchisee with execution copies of the Then-Current Franchise Agreement for the site. Franchisee shall not execute any lease or purchase agreement until after receipt from Franchisor the fully-executed Then-Current Franchise Agreement.

6.2 Condition Precedent to Franchisor’s Obligations. Franchisee’s satisfaction of each of the following conditions shall be a condition precedent to Franchisor’s obligations pursuant to Section 6.1:

6.2.1 Franchisee (and each of its Affiliates which have developed or operate Restaurants in the Development Area) shall be in compliance with all material standards, procedures and policies described in the Franchise Agreement(s) and Manuals for its Restaurants.

6.2.2 Franchisee (and each of its Affiliates which have developed or operate Restaurants in the Development Area) shall be in compliance with all of its obligations under and pursuant to all agreements between Franchisee (or any of said Affiliates) and Franchisor.

ARTICLE 7

TRAINING

7.1 Franchisee Training. At no extra charge, Franchisor shall provide development training to generally familiarize Franchisee with Franchisor’s site selection process and site selection guidelines. Franchisee shall pay all travel, living, compensation, and other expenses, if any, incurred by Franchisee and/or Franchisee’s Owners and employees in connection with such training. The contents of such development training and manner of conducting such program shall be at Franchisor’s sole discretion and control, however, the training course will be structured to provide guidance regarding Franchisor’s site acceptance criteria for Restaurants in the Development Area and an overview of the topics which will be addressed in the initial training program that will be provided in connection with the first Restaurant opened by Franchisee.

ARTICLE 8

ASSIGNMENT

8.1 Assignment by Franchisor. This Agreement is fully-transferable by Franchisor, in whole or in part, without the consent of Franchisee and shall inure to the benefit of any transferee or their legal successor to Franchisor’s interests herein; provided, however, that such transferee and successor shall expressly agree to assume Franchisor’s obligations under this Agreement. Franchisee acknowledges that Franchisor will delegate some or all of Franchisor’s obligations to Franchisee under this Agreement to one or more of Franchisor’s Affiliates or other persons or entities, and Franchisee hereby irrevocably consents to such delegation. Without limiting the foregoing, Franchisor may: (i) assign any or all of its rights and obligations under this Agreement to an Affiliate; (ii) sell its assets, its Marks, or its System outright to a third

party; (iii) engage in a public offering of its securities; (iv) engage in a private placement of some or all of its securities; (v) merge, acquire other corporations, or be acquired by another corporation; or (vi) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring. Franchisor shall be permitted to perform such actions without liability or obligation to Franchisee who expressly and specifically waives any claims, demands or damages arising from or related to any or all of the above actions (or variations thereof).

8.2 No Subfranchising by Franchisee. Franchisee shall not offer, sell, or negotiate the sale of “International House of Pancakes” or “IHOP” franchises or licenses to any third party, either in Franchisee’s own name or in the name and on behalf of Franchisor, or otherwise subfranchise, sublicense, subcontract, share, divide or partition this Agreement, and nothing in this Agreement will be construed as granting Franchisee the right to do so.

8.3 Assignment by Franchisee.

8.3.1 This Agreement has been entered into by Franchisor in reliance upon and in consideration of the singular individual or collective character, reputation, skill, attitude, business ability, and financial capacity of Franchisee or, if applicable, its Owners who will actively and substantially participate in the development, ownership and operation of the Restaurants. Therefore, neither Franchisee’s interest in this Agreement nor any of its rights or privileges shall be assigned or transferred, voluntarily or involuntarily, in whole or in part, by operation of law or otherwise, in any manner (an “Assignment”), without the prior written consent of Franchisor (which it may grant or withhold in its sole and absolute discretion).

8.3.2 If Franchisee is a Business Entity, each of the following shall be deemed to be an Assignment of this Agreement: The terms “Assign” and “Assignment” shall include, if Franchisee is a Business Entity, each of the following: (i) the sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of more than 49% in the aggregate, whether in one or more transactions, of the stock in Franchisee, by operation of law or otherwise or any other event(s) or transaction(s) which, directly or indirectly, effectively changes management control of Franchisee; (ii) the issuance of any securities by Franchisee which itself or in combination with any other transaction(s) results in the Owner existing as of the Effective Date owning less than 51% of the outstanding shares, membership interests or voting power of Franchisee as constituted as of the Effective Date; (iii) if Franchisee is a Partnership, the withdrawal, death or legal incapacity of a general Partner or limited Partner owning 51% or more of the Partnership Rights of the Partnership, or the admission of any additional general Partner or the transfer or assignment by any general Partner of any of its Partnership Rights in the Partnership; (iv) the death or legal incapacity of any direct or indirect Major Owner; (v) the sale, assignment, transfer, conveyance, gift, issuance of securities or any other event or transaction, whether in one or more transactions, by any direct or indirect Major Owner as of the Effective Date which results in such Major Owner owning, directly or indirectly, less than 51% of the stock in Franchisee; and (vi) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of the Franchisee, however effected. If Franchisee is a Business Entity, Franchisee shall promptly provide Franchisor with written notice (stating such information as Franchisor may from time to time require) of each and every transfer, assignment and encumbrance by any Owner of any direct or indirect Equity or voting rights in Franchisee, notwithstanding that the same may not constitute an “Assignment” as defined under this Section 8.3.2.

8.3.3 Franchisee shall pay Franchisor the transfer fee specified from time to time (the “Transfer Fee”). As of the date of this Agreement, the Transfer Fee is \$2,500. 50% of the non-refundable transfer fee shall be paid at the time Franchisee serves written notice upon Franchisor of the proposed assignment, and the balance shall be paid by no later than the date of the assignment.

8.3.4 Franchisee shall not in any event have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever without the

express prior written permission of Franchisor, which permission shall not be unreasonably withheld, but reasonable conditions may be imposed.

8.3.5 During the Term, this Agreement may not be transferred or assigned without a simultaneous assignment to the same assignee of all Franchise Agreements executed pursuant hereto. At any time that Franchisee transfers or assigns a Franchise Agreement executed pursuant to this Agreement, Franchisee shall simultaneously transfer or assign its entire interest in the real property and the furniture, fixtures, and equipment associated with the Restaurant to the same transferee, provided, however, that if Franchisee owns the real property, Franchisee may retain ownership of the real property and lease it to the transferee, provided that Franchisor has approved the terms of the lease.

8.3.6 Securities, Partnership or other ownership interests in Franchisee may not be offered to the public under the Securities Act of 1933, as amended, nor may they be registered under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation. Such interests may be offered by private offering or otherwise only with the prior written consent of Franchisor, which consent shall not be unreasonably withheld. All materials required for any such private offering by federal or state law shall be submitted to Franchisor for a limited review as discussed below prior to being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for such review prior to their use. No such offering by Franchisee shall imply that Franchisor is participating in an underwriting, issuance or offering of securities of Franchisee or Franchisor, and Franchisor's review of any offering materials shall be limited solely to the subject of the relationship between Franchisee and Franchisor and its affiliates. Franchisor may, at its option, require Franchisee's offering materials to contain a written statement prescribed by Franchisor concerning the limitations described in the preceding sentence. Franchisee, its Owners and the other participants in the offering must fully defend and indemnify Franchisor, and its affiliates, their respective Partners and the officers, directors, shareholders, Partners, agents, representatives, independent contractors, servants and employees of each of them, from and against any and all losses, costs and liability in connection with the offering. Unless waived by Franchisor, in its sole discretion, for each proposed offering, Franchisee shall pay to Franchisor a non-refundable fee of \$5,000, or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including without limitation, legal and accounting fees. Franchisee shall give Franchisor written notice at least 30 days prior to the date of commencement of any offering or other transaction covered by this Section 8.3.6.

8.4 Individual Franchise Agreements.

8.4.1 Franchisee shall not execute any Franchise Agreement, or construct or equip any Restaurant with the intent of transferring or assigning such Franchise Agreement or Restaurant during the Term.

8.4.2 During the Term, no Franchise Agreement executed pursuant hereto may be transferred or assigned without a simultaneous assignment to the same assignee of all then existing Franchise Agreements executed pursuant hereto (and all of the assets of the Restaurants developed and under development pursuant thereto), and if this Agreement (or any successor area development agreement(s) executed for the Development Area, in whole or in part) is then in effect, without a simultaneous assignment to the same assignee of this Agreement (or such successor agreement). After the Term, and Renewal Term if applicable and exercised, Franchisee shall have the right to assign one, some, or all of the Franchise Agreements executed pursuant hereto, provided Franchisor must consent to any assignment, which consent shall not be unreasonably withheld.

8.4.3 Notwithstanding Sections 8.4.1 and 8.4.2, and without limiting the generality of Section 8.3.1, Franchisee may, with Franchisor's prior written consent, execute and contemporaneously assign a Franchise Agreement executed pursuant hereto to a separate Business Entity, provided and on

condition that: (i) Franchisee owns and controls not less than 51% of the Equity and voting rights of such Business Entity on the date of execution of such Franchise Agreement and at all times thereafter; (ii) Franchisee or if Franchisee is a Business Entity, the Major Owner, has exclusive day-to-day operational control over such Business Entity; (iii) such Business Entity conducts no business other than the operation of the Restaurant and/or other IHOP Restaurants; (iv) Franchisee, each person or Business Entity comprising Franchisee, the Major Owner, all other existing and future holders (directly or indirectly) of the Equity or voting rights of any franchisee under any and all Franchise Agreements executed pursuant to this Agreement and the respective spouses of each of them shall execute a written guaranty in a form prescribed by Franchisor, personally, irrevocably and unconditionally guaranteeing, jointly and severally, with all other guarantors, the full payment and performance of all of the obligations to Franchisor and to Franchisor's affiliates under this Agreement and each Franchise Agreement executed pursuant hereto; and (v) none of the Owners of the Equity of the franchisee under the applicable Franchise Agreement are, directly or indirectly, engaged in Competitive Activities.

ARTICLE 9

ADDITIONAL COVENANTS OF FRANCHISEE

9.1 Control of Franchisee. Franchisee expressly represents, warrants and covenants as follows:

9.1.1 If Franchisee is a Business Entity, Franchisee's Equity is not publicly traded, and Franchisee's articles of incorporation or articles of organization (or similar instrument) shall restrict Franchisee's business to developing, owning and operating Restaurants.

9.1.2 If Franchisee is a Business Entity, Franchisor shall be satisfied that the Major Owner has complete operational control of Franchisee.

9.1.3 Franchisee shall not make any Distribution to any Owner unless Franchisee is fully current in all payments to Franchisor and its Affiliates.

9.1.4 Franchisee represents and warrants that the information set forth in **Exhibit "C,"** which is annexed hereto and by this reference made a part hereof, is accurate and complete in all material respects. Franchisee shall notify Franchisor in writing within 10 days of any change in the information set forth in **Exhibit "C,"** and shall submit to Franchisor a revised **Exhibit "C,"** certified by Franchisee as true, correct and complete and upon acceptance thereof by Franchisor shall be annexed to this Agreement as **Exhibit "C."** Franchisee promptly shall provide such additional information as Franchisor may from time to time request concerning all persons who may have any direct or indirect financial interest in Franchisee.

9.1.5 If Franchisee is a Business Entity, Franchisee shall cause to be printed on each certificate or other document of ownership of Franchisee a legend referencing the restrictions contained herein, which will read substantially as follows:

"The transfer or assignment of this [certificate] [securities represented by this document] is subject to the terms and conditions of a Multi-Store Development Agreement with IHOP FRANCHISOR LLC dated as of _____, 20___. Reference is made to such Agreement and to the restrictive provisions contained in this company's articles [of organization] [of incorporation]."

9.2 Major Owner. The Major Owner shall be principally responsible for communicating and coordinating with Franchisor regarding business, operational and other ongoing matters concerning this Agreement and the Restaurants developed pursuant hereto. The Major Owner shall have the full authority to act on behalf of Franchisee in regard to performing, administering or amending this Agreement and all

Franchise Agreements executed pursuant hereto. Franchisor may, but is not required to, deal exclusively with the Major Owner in such regards unless and until Franchisor's actual receipt of written notice from Franchisee of the appointment of a successor Major Owner, who shall have been approved by Franchisor.

9.3 Director of Operations. At all times throughout the Term and the term of each Franchise Agreement executed pursuant hereto, Franchisee shall employ and retain an individual (the “**Director of Operations**”), approved by Franchisor (and subject to subsequent disapproval by Franchisor) who shall be the “chief operations officer” vested with the authority and responsibility for the day-to-day operations of all Restaurants owned by Franchisee within the Development Area. The Director of Operations, who may (but need not) be an Owner, shall devote full-time and best efforts solely to operation of the Restaurants and to no other business activities. The Director of Operations shall be responsible for all actions necessary to ensure that the Restaurants are operated in compliance with this Agreement, all Franchise Agreements therefor and the Manuals. If, during the Term, the Director of Operations is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section (including Franchisor's subsequent disapproval of such person), Franchisee shall promptly notify Franchisor and designate a replacement within 90 days after the Director of Operations ceases to serve, such replacement being subject to Franchisor's approval.

ARTICLE 10

CONFIDENTIALITY; NON-COMPETITION; NON-SOLICITATION

10.1 Confidentiality.

10.1.1 Franchisor possesses and continues to develop, and during the course of the relationship established hereunder, Restricted Persons may have access to, proprietary and confidential information, including specifications, plans, procedures, concepts and methods and techniques of developing and operating Restaurant(s) (the “**Trade Secrets**”). Franchisor may disclose certain of its Trade Secrets to Restricted Persons in the Manuals, bulletins, supplements, confidential correspondence, or other confidential communications, and through the Franchisor's training program and other guidance and management assistance, and in performing Franchisor's other obligations and exercising Franchisor's rights under this Agreement. “**Trade Secrets**” shall not include information which: (a) has entered the public domain or was known to Franchisee prior to Franchisor's disclosure of such information to Franchisee, other than by the breach of an obligation of confidentiality owed (by anyone) to Franchisor or its Affiliates; (b) becomes known to the Restricted Persons from a source other than Franchisor or its Affiliates and other than by the breach of an obligation of confidentiality owed (by anyone) to Franchisor or its Affiliates; or (c) was independently developed by Franchisee without the use or benefit of any of the Franchisor's Trade Secrets. The burden of proving the applicability of the foregoing exclusions will reside with Franchisee.

10.1.2 Each Restricted Person shall acquire no interest in the Trade Secrets other than the right to use them in developing Restaurants pursuant to this Agreement. A Restricted Person's duplication or use of the Trade Secrets in any other endeavor or business shall constitute an unfair method of competition. Each Restricted Person shall: (i) not use the Trade Secrets in any business or other endeavor other than in connection with the Restaurants developed hereunder; (ii) maintain absolute confidentiality of the Trade Secrets during and after the Term of this Agreement; and (iii) make no unauthorized copy of any portion of the Trade Secrets, including without limitation, the Manuals, bulletins, supplements, confidential correspondence, or other confidential communications, whether written or oral. Franchisee shall operate and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use and disclosure of the Trade Secrets, including, implementing restrictions and limitations as Franchisor may prescribe on disclosure to employees and use of non-disclosure and non-competition provisions in employment agreements with employees who may have access to the Trade Secrets. Promptly upon Franchisor's request, Franchisee shall deliver executed copies of such agreements to Franchisor.

10.1.3 In the event any portion of the above covenants violates laws affecting Franchisee or any other Restricted Person, or is held invalid or unenforceable in a final judgment to which Franchisor and Franchisee are parties, then the maximum legally allowable restriction permitted by law shall control and bind Franchisee. Franchisor may at any time unilaterally reduce the scope of any part of the above covenants, and Franchisee shall comply with any such reduced covenant upon receipt of written notice. The provisions of this Section 10.1 shall be in addition to and not in lieu of any other confidentiality obligation of Franchisee, or any other person, whether pursuant to another agreement, or pursuant to Applicable Law.

10.2 Non-Competition. Franchisee acknowledges that the System is distinctive and has been developed by Franchisor at great effort, time, and expense, and that Franchisee has regular and continuing access to valuable and confidential information, training, and Trade Secrets regarding the System. Franchisee recognizes its obligations to keep confidential such information as set forth herein. Franchisee therefore agrees that during the Term, no Restricted Person shall in any capacity, either directly or indirectly, through one or more Affiliates, engage in any Competitive Activities at any location, whether within or outside the Development Area, unless Franchisor shall consent thereto in writing.

~~10.3 Non-Solicitation. During the Term of this Agreement and for one year following the expiration or termination and each Assignment, Franchisee shall not, without the prior written consent of Franchisor, directly or indirectly: (a) employ or attempt to employ any person who at that time is employed by Franchisor, an Affiliate of Franchisor, or any other Franchisee or multi-store developer of Franchisor, including, without limitation, any manager or assistant manager; (b) employ or attempt to employ any person who within six months prior thereto had been employed by Franchisor, an Affiliate of Franchisor, or any other Franchisee or multi-store developer of Franchisor; or (c) induce or attempt to induce any person to leave his or her employment with Franchisor, an Affiliate of Franchisor, or any franchisee or multi-store developer of Franchisor.~~

10.34 Modification. The parties have attempted in Sections 10.2 ~~and 10.3~~ above to limit the Franchisee's right to compete only to the extent necessary to protect the Franchisor from unfair competition. The parties hereby expressly agree that if the scope or enforceability of Section 10.2 ~~or Section 10.3~~ is disputed at any time by Franchisee, a court or arbitrator, as the case may be, may modify either or both of such provisions to the extent that it deems necessary to make such provision(s) enforceable under Applicable Law. In addition, the Franchisor reserves the right to reduce the scope of either, or both, of said provisions without Franchisee's consent, at any time or times, effective immediately upon notice to Franchisee.

Formatted: Indent: Left: 0", Tab stops: Not at 0.06"

ARTICLE 11

TERMINATION

11.1 Termination Pursuant to a Material Breach of This Agreement.

11.1.1 Subject to Applicable Law to the contrary, this Agreement may be terminated by Franchisor in the event of any material breach by Franchisee of this Agreement, unless such default is cured by Franchisee as provided herein. The cure period shall be seven days following written notice of default for a payment default and 30 days following written notice of default for any other default. Any failure to meet a Development Obligation within the Development Period, subject to any delay provided for in Section 2.1.2, is incurable.

11.1.2 A material breach shall include the failure of Franchisee to meet its Development Obligations as set forth in **Exhibit "B"** but shall not include the failure of Franchisee to meet the deadlines set forth in Article 6, provided however, that Franchisee acknowledges and agrees that: (a) in the event of any failure by Franchisee to meet the deadlines set forth in Article 6, Franchisor shall not be obligated to take

extraordinary measures to assist Franchisee in meeting its Development Obligations; (b) the deadlines in Article 6 are intended to be conditions precedent to Franchisor meeting its obligations under Article 6; and (c) that Franchisee's failure to meet the deadlines while not a material breach, could cause Franchisee to fail to meet its Development Obligations, which would constitute a material breach that would entitle Franchisor to terminate this Agreement in accordance with the terms of Article 11.

11.1.3 Notwithstanding the applicable cure periods set forth above, the following defaults shall be deemed incurable and termination shall be immediate upon the occurrence of any of the following:

(a) Any attempt by Franchisee to engage in an Assignment, in whole or in part, of any or all rights and obligations under this Agreement, in violation of the terms of this Agreement, or without the written consents required, pursuant to this Agreement;

(b) The conviction of Franchisee or the Major Owner in a court of competent jurisdiction of any criminal offense which is relevant to the business conducted at the Restaurants, or any of them;

(c) The filing by Franchisee of any petition or action in bankruptcy or insolvency, or for appointment of a receiver or trustee, or an assignment by Franchisee for the benefit of creditors, or the failure to vacate or dismiss within 60 days after filing any such proceedings commenced against Franchisee by a third party; and

(d) Any violation of Article 10.

11.2 Termination by Reason of a Material Breach of Other Agreement. This Agreement may be terminated, at the election of Franchisor, in the event of any material breach by Franchisee (or any of its Affiliates) of an individual Franchise Agreement or any other agreement between Franchisor and Franchisee (or any of its Affiliates), upon the notice, and subject to the right to cure, if any, specified in the applicable Franchise Agreement or other agreement.

ARTICLE 12

GENERAL CONDITIONS AND PROVISIONS

12.1 Relationship of Franchisee to Franchisor. It is expressly agreed that the parties intend by this Agreement to establish between Franchisor and Franchisee the relationship of franchisor and franchisee. It is further agreed that Franchisee has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Neither Franchisor nor Franchisee is the employer, employee, agent, Partner or co-venturer of or with the other, each being independent. Franchisee agrees that it will not hold itself out as the agent, employee, Partner or co-venturer of Franchisor. All employees hired by or working for Franchisee shall be the employees of Franchisee and shall not, for any purpose, be deemed employees of Franchisor or subject to Franchisor control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

12.2 Indemnity. Franchisee hereby agrees to protect, defend and indemnify Franchisor, and all of its past, present and future Owners, Affiliates, officers, directors, employees, attorneys and designees and hold them harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person or Business Entity or to any property arising out of or in connection with Franchisee's operation of Restaurants pursuant hereto.

12.3 No Consequential Damages For Legal Incapacity. Franchisor shall not be liable to Franchisee for any consequential damages, including but not limited to lost profits, interest expense, increased construction or occupancy costs, or other costs and expenses incurred by Franchisee by reason of any delay in the delivery of Franchisor's Franchise Disclosure Document caused by legal incapacity during the Term, or other conduct not due to the gross negligence or misfeasance of Franchisor.

12.4 Waiver and Delay. No waiver by Franchisor of any breach or series of breaches or defaults in performance by Franchisee, and no failure, refusal or neglect of Franchisor to exercise any right, power or option given to it hereunder or under any other Franchise Agreement between Franchisor and Franchisee, whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to the Restaurants) or to insist upon strict compliance with or performance of Franchisee's obligations under this Agreement or any other Franchise Agreement between Franchisor and Franchisee, whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to the Restaurants), shall constitute a waiver of the provisions of this Agreement with respect to any subsequent breach thereof or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

12.5 Survival of Covenants. The covenants contained in this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement, shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

12.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Franchisor and shall be binding upon and inure to the benefit of Franchisee and its or their respective heirs, executors, administrators, successors and assigns, subject to the prohibitions against Assignment contained herein.

12.7 Governing Law. This Agreement shall be deemed executed in California, and shall be construed in accordance with the laws of the State of California, without giving effect to any conflict of laws, excepting however the provisions of Section 10.2 (and to the extent applicable to Section 10.2, Section 10.4) respecting Non-Competition Covenants. Section 10.2 (and to the extent applicable to Section 10.2, Section 10.4) shall be construed and enforced in accordance with the laws of the State where the breach of said Section occurs. Subject to Section 12.15 below, the parties agree that any action brought by either party against the other in any court, whether federal or state, will be brought within the State of California. The parties hereby waive any right to demand or have trial by jury in any action relating to this Agreement in which the Franchisor is a party. The parties' consent to the exercise of personal jurisdiction over them by such courts and to the propriety of venue of such courts for the purpose of carrying out this provision, and they waive any objection that they would otherwise have to the same.

12.8 Entire Agreement. This Agreement and the Exhibits incorporated herein contain all of the terms and conditions agreed upon by the parties hereto concerning the subject matter hereof. No other agreements concerning the subject matter hereof, written or oral, shall be deemed to exist or to bind any of the parties hereto and all prior agreements, understandings and representations, are merged herein and superseded hereby. Franchisee represents that there are no contemporaneous agreements or understandings between the parties relating to the subject matter of this Agreement that are not contained herein. Notwithstanding the foregoing, nothing in this Agreement is intended to constitute a waiver by Franchisee of its right to rely upon any disclosure contained in the most recent Franchise Disclosure Document delivered by Franchisor to Franchisee prior to the execution hereof. No officer or employee or agent of Franchisor has any authority to make any representation or promise not contained in this Agreement or any Franchise Disclosure Document for prospective franchisees required by Applicable Law, and Franchisee agrees that it has executed this Agreement without reliance upon any such representation or promise. This Agreement cannot be modified or changed except by written instrument signed by all of the parties hereto.

12.9 Titles for Convenience. Article and paragraph titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement.

12.10 Gender and Construction. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any article or paragraph hereof may require. As used in this Agreement, the words “include,” “includes” or “including” are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, approval, acceptance or authorization of Franchisor which Franchisee may be required to obtain hereunder may be given or withheld by Franchisor in its sole discretion, and on any occasion where Franchisor is required or permitted hereunder to make any judgment or determination, including any decision as to whether any condition or circumstance meets Franchisor’s standards or satisfaction, Franchisor may do so in its sole subjective judgment.

12.11 Severability. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

12.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

12.13 Fees and Expenses. Should any party hereto commence any action or proceeding for the purpose of enforcing, or preventing the breach of, any provision hereof, whether by arbitration, judicial or quasi-judicial action or otherwise, or for damages for any alleged breach of any provision hereof, or for a declaration of such party’s rights or obligations hereunder, then the prevailing party shall be reimbursed by the losing party for all costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorneys’ fees for the services rendered to such prevailing party.

12.14 Notices. Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties pursuant hereto shall be sent by United States Registered or Certified Mail (Return Receipt Requested, postage prepaid), or by reputable overnight delivery service (such as Federal Express or Airborne), immediately confirmed by United States First Class Mail. Notices shall be deemed delivered three business days after placement in the United States Registered or Certified Mail, or one business day after sending by overnight delivery service. All notices shall be addressed as follows:

If to Franchisor: IHOP Franchisor LLC

 10 W. Walnut St.,
 Pasadena, CA 91103
 Attention: General Counsel

If to Franchisee: _____

Attention: _____ (Name & Title)
E-mail: _____

Any party may change its address by giving 10 days' prior written notice of such change to all other parties.

12.15 Arbitration.

(a) Subject to Section 12.15(b), any controversy or claim arising out of or relating to this Agreement, or any agreement relating thereto, or any breach of this Agreement including any claim that this Agreement or any portion thereof is invalid, illegal or otherwise voidable, shall be submitted to arbitration before and in accordance with the commercial rules of the American Arbitration Association provided that the jurisdiction of the arbitrators shall be limited to a decision rendered pursuant to California common and statutory law and judgment upon the award may be entered in any court having jurisdiction thereof; provided, however, that this clause shall not limit Franchisor's or its Affiliate's right to obtain any provisional remedy, including injunctive relief or similar relief, from any court of competent jurisdiction, as Franchisor or its Affiliate deems to be necessary or appropriate in Franchisor's or such Affiliate's sole subjective judgment, to compel Franchisee to comply, or to prohibit Franchisee's non-compliance, with its obligations hereunder. Franchisor or such Affiliate may, as part of such action or proceeding, seek damages, costs and expenses caused to or incurred by it by reason of the act or action or non-action of Franchisee which caused Franchisor or such Affiliate to institute such action or proceeding. The institution of any such action or proceeding by Franchisor or its Affiliate shall not be deemed a waiver on its part to institution of an arbitration proceeding pursuant to the provisions of this Section. The situs of arbitration proceedings shall be in Los Angeles, California.

(b) All arbitration proceedings and claims shall be filed and prosecuted separately and individually in the name of Franchisee and Franchisor (and/or its Affiliate), and not in any representative capacity, and shall not be consolidated with claims asserted by or against any other franchisee. The following shall not be subject to arbitration: any claim or dispute involving or contesting the validity of any of the Trademarks, any dispute alleging a violation of federal or state securities law, and class action claims. The decision of whether any issue, claim, controversy or dispute is arbitrable shall be made by the arbitrator, who shall have jurisdiction to make such determination. Unless prohibited by law, both Franchisor and Franchisee hereby waive the right, if any, to obtain any award for exemplary or punitive damages from the other in any arbitration, or judicial proceeding, or other adjudication, arising out of or with respect to this Agreement, or any breach thereof, including any claim that said Agreement, or any part thereof, is invalid, illegal or otherwise voidable or void. The arbitration and the parties' agreement therefor shall be deemed to be self-executing, and if either party fails to appear at any properly-noticed arbitration proceeding, an award may be entered against such party despite said failure to appear.

12.16 Other Agreements. Nothing herein shall be construed to restrict the Franchisee from entering into other agreements with Franchisor covering other development areas.

12.17 Death or Disability of Franchisee or Major Owner. In the case of the death or disability of Franchisee or Major Owner, if Franchisee is a business entity, Franchisee's or Major Owner's heir(s), personal representative, or conservator may elect to cause Franchisor to repurchase Franchisee's exclusivity and development rights within the Development Area for a payment equal to the unused portion of the Development Fee. Such election shall be made in writing to Franchisor within 90 days of the death or disability of Franchisee or Major Owner. Franchisor shall have 30 days within which to pay Franchisee's or Major Owner's heir(s), personal representative or conservator, as applicable after (a) submission to IHOP of appropriate authorization from the probate court or other applicable legal authority, and (b) execution by Franchisee's or Major Owner's heir(s), personal representative or conservator of the documentation prepared by Franchisor terminating this Agreement and evidencing the repurchase. Alternatively, notwithstanding Section 8.3.1, in the event of the death or disability of Franchisee or Major Owner, the heir(s), personal

representative or conservator may elect to assign this Agreement with Franchisor's prior written consent, which shall not be unreasonably withheld. All of the other provisions of Article 8 with respect to assignment shall apply.

ARTICLE 13

SUBMISSION OF AGREEMENT

13.1 General. The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by Franchisor and Franchisee. THIS AGREEMENT SHALL NOT BE BINDING ON FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF FRANCHISOR.

ARTICLE 14

ACKNOWLEDGMENT

14.1 General. Franchisee, and its Owners, as applicable, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply herewith and be bound hereby.

14.2 IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the first date set forth above.

Franchisor:

IHOP FRANCHISOR LLC
a Delaware limited liability company

By: _____
Its: _____

Franchisee:

(Franchisee Name)
a(n) _____ [corporation/limited liability company]

By: _____
(Name & Title)

**EXHIBIT “A”
DEVELOPMENT AREA**

Excluded Areas

~~(See § 3.1.3; none unless indicated—in the event a replacement restaurant for an Existing Restaurant is built within any such Existing Restaurant’s franchised area, the Development Area shall also exclude a geographic area around such replacement restaurant)~~

A

EXHIBIT "B"
DEVELOPMENT OBLIGATIONS

DEVELOPMENT PERIOD ENDING	CUMULATIVE NO. OF FRANCHISE AGREEMENTS TO BE EXECUTED AND DELIVERED TO FRANCHISOR	CUMULATIVE NO. OF RESTAURANTS TO BE IN OPERATION

Total Development Obligation	_____	_____

____ () restaurants must be developed and opened in the State of _____.

____ () restaurants must be developed and opened in the State of _____.

B

**EXHIBIT “B-1”
OPTIONAL DEVELOPMENT OBLIGATIONS**

DEVELOPMENT PERIOD ENDING	CUMULATIVE NO. OF FRANCHISE AGREEMENTS TO BE EXECUTED AND DELIVERED TO FRANCHISOR	CUMULATIVE NO. OF RESTAURANTS TO BE IN OPERATION

Total Development Obligation

**EXHIBIT “B-2”
OPTIONAL DEVELOPMENT OBLIGATIONS**

DEVELOPMENT PERIOD ENDING	CUMULATIVE NO. OF FRANCHISE AGREEMENTS TO BE EXECUTED AND DELIVERED TO FRANCHISOR ☐	CUMULATIVE NO. OF RESTAURANTS TO BE IN OPERATION ☐
1		
2		
3		
4		
5		
Total Development Obligation _____		

EXHIBIT "C"
Franchisee Information

Franchisee is a (check as applicable):

☐ corporation ☐ limited partnership
☐ limited liability company ☐ general partnership
☐ Other (specify):

The name and address of each Owner of Franchisee is:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST
_____	_____	_____ %

There is set forth below the name and address of each director, member, or general Partner, as applicable, of Franchisee:

NAME	ADDRESS
_____	_____

There is set forth below the names, and addresses and titles of Franchisee's principal officers or Partners who will be devoting their full time to the Restaurants:

NAME	ADDRESS
_____	_____

The address where Franchisee's Financial Records, and Business Entity records (e.g. Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, etc.) are maintained is:

EXHIBIT “D”

SPOUSAL CONSENT

The undersigned, being the spouse of an individual who executed this Agreement as Franchisee, consents to all of the terms of this Agreement and the execution thereof, and agrees not to assist any person who is a party to this Agreement to violate any of that party’s duties under this Agreement.

By: _____ Date: _____

D

|

SINGLE STORE DEVELOPMENT AGREEMENT

EXHIBIT K

SINGLE STORE DEVELOPMENT AGREEMENT

This SINGLE STORE DEVELOPMENT AGREEMENT (this “**Agreement**”) will acknowledge that _____, a [corporation] [limited liability company] (“**Applicant**”) has submitted an application and paid a Location Fee (as defined in Section 2.1) to IHOP FRANCHISOR LLC, a Delaware limited liability company (“**Company**”) in connection with Company’s consideration of Applicant for a franchise to develop and operate one “International House of Pancakes” or “IHOP” restaurant (the “**Restaurant**”). The parties agree as follows:

1. Specific Location; Trade Area; Non-Traditional Development. Applicant desires to [check one]:

1.1 ☐ Locate a Restaurant at _____ (“**Specific Location**”).

1.2 ☐ Locate potential sites for one Restaurant within the geographic area set forth on Exhibit A which is attached hereto and incorporated herein by reference (the “**Trade Area**”). During the first 180 days following the Effective Date (as defined in Section 3), Company shall not develop or operate, undertake the Development Review Procedure for a third party’s proposal to develop and operate, nor issue any license or franchise to any other party other than Applicant to develop and operate, a Restaurant at a Venue (as defined in Section 4) in the Trade Area. Except as limited by this Section 1.2, Company expressly reserves all other rights, without regard to proximity to the Restaurant to be developed by Applicant. This Section 1.2 shall not limit the ability of Company to develop and operate Restaurants at Non-Traditional Venues (as defined in Section 1.4) in the Trade Area.

1.3 Applicant acknowledges and agrees that, subject only to Section 1.2, if applicable, this Agreement does not grant Applicant any rights whatsoever with respect to any geographic area including, without limitation, the Trade Area. Applicant further acknowledges and agrees that this Agreement does not constitute a commitment by Company to grant or execute a Franchise Agreement (defined below).

1.4 Nothing in this Single Store Development Agreement grants to Applicant any right to develop units other than a Restaurant at Venues. As used in this Agreement, the term “**Venues**” means any site, venue or location other than Non-Traditional Venues. As used in this Agreement, the term “**Non-Traditional Venue**” means a site, venue or location which is within another primary business or in conjunction with other businesses or at institutional settings such as schools, colleges and universities, military and other governmental facilities, hospitals, airports, toll roads, highway rest stops, office or in-plant food facilities, supermarkets, grocery stores or convenience stores, hotels and motels, casinos, stadiums, arenas, shopping malls, and any other site, venue or location operated by a master concessionaire or contract food service provider.

2. Fees.

2.1 Location Fee. Applicant shall tender to Company a fee (the “**Location Fee**”) of \$15,000 upon execution of this Agreement. The Location Fee is not refundable, except as provided in Section 2.3. If Applicant executes a Franchise Agreement with Company for a Restaurant within the Specific Location or Trade Area pursuant to Section 4.11 during the Term, the Location Fee shall be applied to the initial franchise fee payable under said Franchise Agreement executed by Applicant, if any.

2.2 Impact Fee Reimbursement. Applicant acknowledges receiving a copy of Company’s Development Impact Assistance Program as in effect on the date of this Agreement. In the event that any Restaurant developed hereunder causes Company to be obligated to pay any amounts under the Development Impact Assistance Program, then Applicant, upon demand, shall promptly reimburse Company for the amounts payable by Company under such program, as it may change from time to time. “**Development Impact Assistance Program**” shall mean Company’s Development Impact Assistance Program (as it may be amended, modified, or restated from time to time), which is designed to address declines in sales which may be due to the placement of a new Restaurant near an existing Restaurant, by providing the franchisee of the existing Restaurant with financial support aimed at assisting such franchisee to increase sales.

2.3 In the event Company does not grant preliminary acceptance of a Specific Location or Site within the Trade Area based, in whole or in part, an impact study pursuant to Section 4.4 hereof, Company will refund to Applicant the full Location Fee. However, if Company grants preliminary acceptance after receipt of an impact study, and subsequently does not grant Secondary Acceptance, Final Acceptance or Final Approval, based, in whole or in part on the impact study, Company shall not refund any portion of the Location Fee to Applicant.

3. Term.

3.1 The term of this Agreement shall commence on the date it is executed by Company (the “**Effective Date**”) and shall continue until _____, the date by which the Restaurant must open (the “**Opening Date**”), unless sooner terminated as provided herein (the “**Term**”).

3.2 Notwithstanding anything to the contrary contained in Section 3.1, Applicant may, at its option, forestall the termination of this Agreement caused by Applicant’s failure to meet its Development Approval obligation within 240 days of the Effective Date (“**Development Approval Date**”), provided Applicant has submitted at a minimum a preliminary package to Company, by submitting a written request for additional time within which to satisfy its Development Approval Obligation, which in no event may exceed 90 days (the “**Additional Approval Time**”) and by paying to Company the sum of \$170 per day (“**Delayed Development Approval Fee**”) in advance, for each day requested in order to meet its Development Approval obligation; provided, however, if Applicant shall have failed to satisfy its Development Approval obligation within 90 days after the Development Approval Date, or to pay the Delayed Development Approval Fee for the Additional Approval Time, then such failure shall result in the immediate termination of this Agreement.

4. Site Acquisition.

4.1 Upon execution of this Agreement, Company shall deliver to Applicant information concerning the written materials that Company requires to be submitted to Company (the “**Development Approval Procedure**”) for it to consider (i) the Specific Location, if the box in Section 1.1 is checked; or (ii) proposed locations within the Trade Area for the Restaurant, if the box in Section 1.2 is checked. Applicant is solely responsible for selecting the Site on which Applicant proposes to construct a Restaurant. If Company assists in locating a Site, Applicant acknowledges that Applicant is not relying on such assistance, or Company’s acceptance of such Site, as a guarantee or other assurance that the Restaurant will be successful. As used herein the term “Site” means the Specific Location, if the box in Section 1.1 is checked, or a location proposed by Applicant if the box in Section 1.2 is checked. A Site may only be located at a Venue.

4.2 Company will not issue a Franchise Agreement to Applicant pursuant hereto unless Applicant has successfully completed the Development Approval Procedure for the Site in accordance with this Section 4. Applicant shall obtain Company’s final written approval of the Site at least six months before the Opening Date.

4.3 Applicant shall first submit a preliminary site review package for the Site (the “**Preliminary Package**”) at least eight months prior to the Opening Date. If the box in Section 1.2 is checked, Applicant may submit up to 3 Preliminary Packages for review at any one time and no more than a total of 6 proposed Sites during the Term and Company shall have no obligation to review submissions for more than 3 proposed Sites at any particular time.

4.4 Applicant shall complete the negotiation of the lease or purchase agreement, as applicable, and submit the proposed lease or purchase agreement, as applicable, and such other information regarding the proposed Restaurant as Company may reasonably require, to Company for final approval of the lease or purchase agreement (“**Final Approval**”) within 180 days following the submission of the Preliminary Package for the Site.

4.5 Following receipt of Final Approval of the Site, Company shall provide Applicant with execution copies of the then-current Franchise Agreement for the site. Applicant shall not execute any lease or purchase agreement until after receipt from Company of the fully-executed then-current Franchise Agreement.

5. Acknowledgements and Agreements by Applicant. By executing this Agreement, Applicant agrees and acknowledges that:

(a) The Location Fee is not refundable for any reason, and is deemed fully earned in consideration of the administrative and other expenses incurred by the Company in connection with its execution and performance under this Agreement;

(b) Company’s acceptance of the Location Fee does not constitute the grant of any rights for a franchise to operate a Restaurant; and that such rights may only be granted through a Franchise Agreement that has been duly executed by both Company and Applicant and payment by Applicant of the Initial Franchise Fee specified therein;

(c) Applicant acknowledges that there may be existing Restaurants within the Trade Area and Company may have pre-existing contractual obligations which may be one of many potential reasons for Company to refuse to approve a particular Site;

(d) That Company's acceptance of the Trade Area and the Site does not constitute a representation, promise, warranty or guarantee, express or implied, by Company that the Restaurant will be profitable, will generate any level of volume or profits, or will otherwise be successful, and that Applicant is ultimately responsible for the selection, evaluation, development, operation and success of the Restaurant and its Site;

(e) Company has made no representation regarding the financial results which may be attained by Applicant at a Restaurant, and that the location of the Restaurant is only one factor in determining the financial results of the operation, and that such results are also dependent on Applicant's ability to manage and operate the Restaurant;

(f) Company has not made any representations or promises concerning the grant of a International House of Pancakes franchise to Applicant or any other person or entity, nor has Applicant been induced to take any action as a result of, or in reliance upon, any representations or promises by Company;

(g) Company may refuse to grant to Applicant or any other person or entity a International House of Pancakes franchise for any reason, within its sole discretion;

(h) During the Term, Company is in no manner restricted from (i) establishing or licensing any other to establish a Restaurant at a Non-Traditional Venue in the Trade Area or; (ii) considering or granting any other person or entity an International House of Pancakes franchise outside of the Trade Area; or (iii) subject to Section 1.1, considering or granting any other person or entity an International House of Pancakes franchise within the Trade Area; or (iv) conducting whatever franchise sales activities it deems appropriate within the Trade Area; or (v) to produce, franchise, license, distribute and market products (whether or not under the IHOP trademark), including pre-packaged food, snacks and beverage products, books, clothing, souvenirs and novelty items, or at or through any and all Alternative Distribution Channels (regardless of its proximity to the Specific Location (as defined in Section 1.1)). Alternative Distribution Channels means and includes any site, venue or location, including grocery stores, supermarkets and convenience stores (including those which may be located within the Trade Area) whether wholesale or retail, and including, without limitation, mail order catalogs, direct mail advertising, Internet marketing or other distribution methods;

(i) Applicant has conducted an independent investigation of the business venture contemplated by this Agreement and the Franchise Agreement and

recognizes that the success of this business venture involves substantial business risks and will largely depend upon the ability of Applicant;

(j) Applicant has received, read and understands this Agreement, the Franchise Agreement and related Attachments and agreements and that Company has afforded Applicant sufficient time and opportunity to consult with advisors selected by Applicant about the potential benefits and risks of entering into this Agreement;

(k) Applicant received a complete copy of this Agreement and all related attachments and agreements at least 5 business days prior to the date on which this Agreement was executed. Applicant further acknowledges that it has received Company's Franchise Disclosure Document at least 14 calendar days prior to the date on which this Agreement was executed;

(l) Applicant represents that any and all information provided by Applicant in its franchise application, financial statements, or otherwise is true, correct and complete in all respects; and

(m) Applicant shall not sign a lease, purchase agreement or other binding agreement for the Site until such time as Company has granted its Final Acceptance for the site and delivered to Applicant a Franchise Agreement for the Site, and Applicant has executed the Franchise Agreement for the Site.

6. Confidential Information. In connection with Applicant's ongoing discussions with Company pertaining to the feasibility of Applicant's entering into a Franchise Agreement for the operation of a Restaurant in the Trade Area, Company will disclose to Applicant certain confidential and proprietary information of a non-public nature (the "**Confidential Information**").

6.1 In consideration of such disclosures, Applicant agrees that any and all Confidential Information, whether written or oral, including but not limited to all specifications, plans, data, books, materials, reports or other information developed by Company or its affiliates prior to or during any discussion with Applicant, that is made available to Applicant or that Applicant obtains or to which Applicant has access by any means, shall be held and treated by Applicant, Applicant's agents and employees as a trade secret of Company's and in the strictest confidence. Such Confidential Information shall not be disclosed in whole or in part by Applicant, Applicant's agents or employees in any manner whatsoever or used or reproduced for any purposes other than for purposes directly connected with the discussions and activities described in this Agreement.

6.2 Applicant agrees that all documents and other materials containing Confidential Information shall remain the property of Company at all times and that Applicant shall account for and return to Company all documents, papers, books, records, data, translations and other information provided by Company under this Agreement, within 10 days of the decision by Applicant and/or Company not to proceed further with discussions concerning the operation of a Restaurant as described in this Agreement, or upon Company's written request.

6.3 Applicant agrees not to disclose the foregoing or any term, provision or condition of this Agreement to any third parties or use Company's name or marks in any advertising or other publication until such time as the parties mutually agree.

6.4 The confidentiality provisions of this Agreement shall survive the termination of the Term of this Agreement.

6.5 Applicant will, at Company's request, cause Applicant's spouse and any corporations, partnerships, or other entities and their respective officers, directors, agents, employees, and owners of any direct or indirect interest therein who receive or have access, directly or indirectly, to all or any of the Confidential Information to execute a confidentiality agreement with Company in a form acceptable to Company.

7. No License. Applicant understands and agrees that no right or license is granted to Applicant by Company in or to the name "International House of Pancakes," "IHOP" or any other trademark of Company, the Confidential Information or any documents or data contained therein, derived therefrom, or relating thereto (except as otherwise permitted herein). Further, Applicant agrees that, without limiting any other rights and remedies of Company, upon breach of this Agreement, Company may exercise any and all remedies, including obtaining an injunction to protect its rights under this Agreement. If Company exercises any of its legal or equitable remedies, Applicant will be responsible for any reasonable attorneys' fees or costs incurred by Company.

8. Termination. Company shall have the right to terminate this Agreement, upon the occurrence of any of the following events, which termination shall be effective in the case of the events described in Sections 8.2 through 8.6 upon the giving of such notice, and in the case of the events described in Sections 8.1 and 8.7 shall be effective immediately without notice:

8.1 The failure of Applicant to obtain Company's approval of a proposed Site within 180 days of the Effective Date of this Agreement;

8.2 The failure of Applicant to open the Restaurant by the Opening Date;

8.3 Any default or breach by Applicant of any of the provisions of this Agreement;

8.4 The discovery by Company of any material misrepresentation of any of the information or documentation submitted to Company by or on behalf of Applicant;

8.5 If Applicant is a corporation, partnership, limited liability company or other legal entity which is not an individual, a change in ownership control of such legal entity, or if Applicant is an individual, Applicant's death;

8.6 Any default or breach by Applicant of an individual Franchise Agreement or any other agreement between Company and Applicant (or any of its Affiliates); or

8.7 The commencement of any proceedings by or against Applicant under the bankruptcy laws, under any chapter thereof or amendment thereto, or under any other insolvency

act, whether federal or state; the appointment of a trustee or receiver for the business or property of Applicant; or any assignment by Applicant for the benefit of creditors.

9. Miscellaneous.

9.1 All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any article or paragraph hereof may require. As used in this Agreement, the words “include,” “includes” or “including” are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, approval or authorization of Company which Applicant may be required to obtain hereunder may be given or withheld by Company in its sole discretion, and on any occasion where Company is required or permitted hereunder to make any judgment or determination, including any decision as to whether any condition or circumstance meets Company’s standards or satisfaction, Company may do so in its sole subjective judgment.

9.2 If Applicant consists of more than one person or business entity, or a combination thereof, the obligations and liabilities of each such person or business entity to Company are joint and several. For purposes of this Agreement, “Applicant” means and includes the applicant, individually; the applicant’s spouse, if an Applicant is an individual; and any corporation or other entity on behalf of which the applicant has executed this Agreement and indicated an interest to be considered for the International House of Pancakes franchise, including any corporations, partnerships or other entities and any officers, directors and owners of and direct or indirect interests therein.

9.3 This Agreement shall be deemed executed in California, and this Agreement shall be interpreted in accordance with the laws of the State of California, without giving effect to any conflict of laws. Subject to Section 10 below, the parties agree that any action brought by either party against the other in any court, whether federal or state, will be brought within the State of California. The parties hereby waive any right to demand or have trial by jury in any action relating to this Agreement in which the Company is a party. The parties consent to the exercise of personal jurisdiction over them by such courts and to the propriety of venue of such courts for the purpose of carrying out this provision, and they waive any objection that they would otherwise have to the same.

9.4 Should any party be required to bring legal action to enforce its rights under this Agreement, the prevailing party in such action shall be entitled to recover from the losing party its reasonable attorneys’ fees and costs in addition to any other relief to which it is entitled.

9.5 The failure of any party, at any time, to require timely performance by any other party of any provision of this Agreement shall not affect such party’s rights thereafter to enforce the same, nor shall the waiver by any party of any breach of any provision of this Agreement, whether or not agreed to in writing, be taken or held to be a waiver of the breach of any other provision or a waiver of any subsequent breach of the same provision of this Agreement. No extension of time for the performance of any obligation or act hereunder shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

9.5.1 Time is of the essence in the performance by Applicant of its obligations under this Agreement, subject only to Applicant's inability to meet a particular deadline solely as the direct result of Force Majeure or by force of law (including but not limited to any legal disability of Company to deliver a Franchise Disclosure Document required by law to be delivered as contemplated by Section 4.13 of this Agreement), which Applicant could not by the exercise of due diligence have avoided, in which case the affected deadline(s) shall be extended by an amount of time equal to the time period during which the Force Majeure shall have existed. In order to obtain such extension upon the occurrence of an event constituting Force Majeure, Applicant must notify Company in writing within 5 days following commencement of the alleged Force Majeure of the specific nature and extent of the Force Majeure, and how it has impacted Applicant's performance hereunder and Applicant must continue to provide Company with updates and all information as may be requested by Company, including Applicant's progress and diligence in responding to and overcoming the Force Majeure. "**Force Majeure**" means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, riot, terrorist act or other civil disturbances; epidemics; or other forces which Applicant could not by the exercise of due diligence have avoided.

9.6 Company shall have the right to assign this Agreement in whole or in part to any person, firm or entity if the assignee shall expressly assume and agree to perform such obligations of the Company in writing. Applicant acknowledges that Company will delegate some or all of Company's obligations to Applicant under this Agreement to one or more of Company's Affiliates or any other persons or entities, and Applicant hereby irrevocably consents to such delegation. None of the rights or duties of Applicant may be assigned or delegated without the prior written consent of Company.

9.7 No party has made any representations, warranties, covenants or promises relating to the subject matter of this Agreement except as set forth herein, and any prior or contemporaneous agreements or understandings not specifically set forth herein shall be of no force or effect. This Agreement constitutes the entire agreement of the parties relative to the subject matter hereof. Notwithstanding the foregoing, nothing in this Agreement is intended to constitute a waiver by Applicant of its right to rely upon any disclosure contained in the most recent Franchise Disclosure Document delivered by Company to Applicant prior to the execution hereof. This Agreement cannot be modified or changed except by written instrument signed by all of the parties hereto.

9.8 Nothing contained herein shall be construed to restrict the parties from entering into other agreements covering other trade areas or development opportunities.

9.9 In the case of Applicant's death or disability, Applicant's heir(s), personal representative(s) or conservator(s) may elect to cause Company to repurchase Applicant's development rights for the specific location or Trade Area, as applicable, for a payment equal to the Location Fee paid by Applicant. Such election shall be made in writing to Company within 90 days of Applicant's death or disability. Company shall have 30 days within which to pay Applicant's heir(s), personal representative(s) or conservator(s), as applicable, after (a) receipt by Company of appropriate authorization from the probate court or other applicable legal authority, and (b) execution by Applicant's heir(s), personal representative or conservator, as applicable of documentation prepared by Company terminating this Agreement and evidencing the repurchase.

Alternatively, notwithstanding Section 9.6, in the event of the death or disability of Applicant, the heir(s), personal representative(s) or conservator(s), as applicable, may elect to assign this Agreement with Company's prior written consent, which shall not be unreasonably withheld.

9.10 The covenants contained in this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement, shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

10. Arbitration.

10.1 Subject to Section 10.2, any controversy or claim arising out of or relating to this Agreement, or any agreement relating thereto, or any breach of this Agreement including any claim that this Agreement or any portion thereof is invalid, illegal or otherwise voidable, shall be submitted to arbitration before and in accordance with the commercial rules of the American Arbitration Association provided that the jurisdiction of the arbitrators shall be limited to a decision rendered pursuant to California common and statutory law and judgment upon the award may be entered in any court having jurisdiction thereof; provided, however, that this clause shall not limit Company's or its Affiliate's right to obtain any provisional remedy, including injunctive relief, or to obtain writs of recovery of possession, or similar relief, from any court of competent jurisdiction, as Company or its Affiliate deems to be necessary or appropriate in Company's or such Affiliate's sole subjective judgment, to compel Applicant to comply, or to prohibit Applicant's non-compliance, with its obligations hereunder. Company or such Affiliate may, as part of such action or proceeding, seek damages, costs and expenses caused to or incurred by it by reason of the act or action or non-action of Applicant which caused Company or such Affiliate to institute such action or proceeding. The institution of any such action or proceeding by Company or its Affiliate shall not be deemed a waiver on its part to institution of an arbitration proceeding pursuant to the provisions of this Section. The situs of arbitration proceedings shall be in Los Angeles, California.

10.2 All arbitration proceedings and claims shall be filed and prosecuted separately and individually in the name of Applicant and Company (and/or its Affiliate), and not in any representative capacity, and shall not be consolidated with claims asserted by or against any other franchisee. The following shall *not* be subject to arbitration: any claim or dispute involving or contesting the validity of any of the Trademarks, any dispute alleging a violation of federal or state securities law, and class action claims. The decision of whether any issue, claim, controversy or dispute is arbitrable shall be made by the arbitrator, who shall have jurisdiction to make such determination. Unless prohibited by law, both Company and Applicant hereby waive the right, if any, to obtain any award for exemplary or punitive damages from the other in any arbitration, or judicial proceeding, or other adjudication, arising out of or with respect to this Agreement, or any breach thereof, including any claim that said Agreement, or any part thereof, is invalid, illegal or otherwise voidable or void. The arbitration and the parties' agreement therefor shall be deemed to be self-executing, and if either party fails to appear at any properly-noticed arbitration proceeding, an award may be entered against such party despite said failure to appear.

Company and Applicant have executed this Agreement as of the date Company executes this Agreement.

APPLICANT

By: _____
Name: _____
Title: _____

Dated: _____, 20____

COMPANY

IHOP FRANCHISOR LLC

By: _____
Name: _____
Title: _____

Dated: _____, 20____

EXHIBIT A
TRADE AREA

PROMISSORY NOTE

EXHIBIT L

IHOP # _____

\$ _____

~~(Date)~~ _____, 20____

PROMISSORY NOTE

FOR VALUE RECEIVED, I _____, a _____ and _____, an individual (each a "Debtor" and collectively, "Debtors") jointly and severally promise to pay, in lawful money of the United States of America, to the order of IHOP FRANCHISOR LLC ("IHOP"), ~~450 N. Brand Blvd., 7th Floor, Glendale~~ 10 West Walnut Street, Pasadena, California ~~91203~~ 91103, or to such other address as the holder may designate in writing, the principal sum of ~~Dollars (\$ _____)~~ \$ _____ plus interest on the unpaid balance at the rate of ~~_____ percent~~ (the lesser of _____% per year, but in no event to exceed and the legally permissible maximum rate from _____ permissible under applicable law from the date of this Promissory Note (this "Note").

Principal ~~together with accrued~~ and interest shall be payable in ~~_____ equal installments of \$ _____ per week commencing on _____ and continuing each week thereafter until the entire amount due under this Note~~ shall be fully paid by Debtors to IHOP on the dates and in the amounts specified on the amortization and payment schedule attached hereto as Exhibit A (the "Payments").

In the event of default in the payment of any of said installments, including interest, when due as herein provided, time being of the essence hereof, the holder of this note may without notice or demand declare the entire principal sum and accrued interest then unpaid immediately due and payable.

The holder of this note may, with or without notice, cause additional parties to be added hereto, or revise, extend or renew the note, or extend the time for making any installment provided for herein, or accept any installment in advance, all without affecting my liability hereon.

~~I agree~~ Each Debtor agrees to pay all costs expended or incurred in connection with the collection or enforcement of this ~~note~~ Note, including, but not limited to, a reasonable collection charge should collection be referred to a collection agency or to ~~the payee~~ IHOP's collection facilities. If suit be commenced on ~~said note~~ this Note, or the services of one or more attorneys are engaged in connection with the collection, interpretation or enforcement hereof, ~~I agree~~ each Debtor agrees to pay to the holder reasonable attorneys' fees and all other costs expended or incurred.

~~The undersigned~~ Debtors shall be permitted to pre-pay all or any portion of the principal balance of this note prior to the maturity date of this ~~note~~ Note.

~~I~~ Each Debtor unconditionally and irrevocably authorizes IHOP to debit any Debtor's bank account by electronic funds to satisfy any payment due under this Note.

Each Debtor hereby ~~waive~~waives presentment, demand, protest, notice of dishonor and/or protest and notice of non-payment; the right, if any, to the benefit of, or to direct the application of, any security hypothecated to ~~the holder~~IHOP until all indebtedness of ~~the borrower~~Debtors to ~~the holder~~IHOP, however arising, shall have been paid; and the right to require ~~the holder~~IHOP to pursue any other remedy in ~~the holder~~IHOP's power.

Upon the happening of any one or more of the following events, ~~the holder of this Promissory Note~~IHOP may, at its sole option and without notice to the undersigned, declare the entire unpaid principal and accrued interest immediately due and payable: (1) the filing by or against the undersigned of any voluntary or involuntary petition under any chapter of the Federal Bankruptcy Act or any state law relating to insolvency; (2) the appointment of a trustee or receiver for all or any assets of ~~the undersigned~~any Debtor; (3) the making by the undersigned of an assignment or composition for the benefit of creditors; (4) the death, termination, incapacity or dissolution of ~~the undersigned~~any Debtor; (5) the entry of any decree, order or judgment enjoining or materially impairing the carrying on of the business of ~~the undersigned~~any Debtor or the cessation thereof for any other reason; (6) any default by ~~the undersigned~~any Debtor under any of the ~~Franchise Agreement, Sublease~~franchise agreement, sublease (if applicable), and/or ~~Equipment Lease or Equipment Sale Agreement~~equipment lease or equipment sale agreement (if applicable) and any and all other agreements (hereinafter collectively referred to as "**Franchise Documents**") pursuant to which ~~the maker~~any Debtor or an affiliate of any Debtor of this ~~note~~Note occupies and operates an IHOP or International House of Pancakes Restaurant ~~located at~~ _____ (~~"IHOP # _____ (each a "Restaurant")~~); or (7) any circumstance or condition causing ~~the holder hereof~~IHOP to reasonably consider itself financially insecure with respect to the debt evidenced hereby. Any default on this ~~note~~Note shall also, at ~~the holder~~IHOP's election, be deemed a default ~~in and material breach under~~ the aforesaid "**Franchise Documents**." ~~If the franchisee under such "Franchise Documents" is a corporation, the undersigned~~Debtors hereby ~~agrees~~acknowledge and agree that ~~the undersigned, personally as well as such corporation,~~each Debtor shall be and is jointly and severally liable hereunder. Additionally, any default under said Franchise Documents shall be deemed a default under the terms and conditions of this ~~promissory note~~Note.

In the event that ~~I sell, assign, transfer~~any Debtor or any affiliate of any Debtor sells, assigns, transfers or ~~convey~~conveys any or all of ~~my~~its interest in the franchise or Franchise Documents pursuant to which ~~I operate IHOP # _____ it operates a Restaurant~~, then ~~the holder of this note~~IHOP may, at its election, declare this ~~note~~Note immediately due and payable without notice.

The failure of ~~the holder of this Promissory Note~~IHOP to exercise its rights hereunder on the happening of one or more of the foregoing events shall not, in the absence of the express consent of ~~the holder of this Promissory Note~~IHOP, constitute a waiver of the rights hereunder of ~~the holder~~IHOP of this ~~Promissory~~ Note at that time or at any subsequent time, nor shall such failure nullify any prior exercise of such rights.

This Note is freely assignable in whole or in part by IHOP in its absolute and sole discretion. Debtors may not assign this Note and the rights and obligations under this Note without IHOP's prior written consent. This Note shall be binding upon and inure to the benefit of said successors and assigns.

This Note shall be governed by, and construed and enforced in accordance with, the internal laws of the State of California, without regard to its conflict of laws provisions.

This Note may be executed in any number of counterparts and by any electronic means, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same agreement.

[Signature Page to Promissory Note Follows]

DEBTORS:

a

By:

Name:

Title:

, Individually

[Signature Page to Promissory Note]

EXHIBIT A

AMORTIZATION AND PAYMENT SCHEDULE

DOWN PAYMENT PROMISSORY NOTE

EXHIBIT L-1

IHOP #_____

\$_____

(Date)

**DOWN PAYMENT
PROMISSORY NOTE**

FOR VALUE RECEIVED, I promise to pay, in lawful money of the United States of America, to the order of IHOP FRANCHISOR LLC ("IHOP"), 450 N. Brand Blvd., 7th Floor, Glendale, California 91203-4415, or to such other address as the holder may designate in writing, the sum of _____ Dollars (\$_____) with interest at the rate of _____ percent (____%). Principal and interest (if applicable) shall be payable in full on or before_____.

In the event of default in the payment of the principal sum hereof, when due as herein provided, time being of the essence hereof, the holder of this note may without notice or demand declare the entire principal sum then unpaid immediately due and payable, and interest shall accrue thereafter on the unpaid principal balance at the rate of _____ percent (____%) per year, but in no event to exceed the legally permissible maximum rate from _____ until paid in full.

The holder of this note may, with or without notice, cause additional parties to be added hereto, or revise, extend or renew the note, or extend the time for making any installment provided for herein, or accept any installment in advance, all without affecting my liability hereon.

I agree to pay all costs expended or incurred in connection with the collection or enforcement of this note, including, but not limited to, a reasonable collection charge should collection be referred to a collection agency or to the payee's collection facilities. If suit be commenced on said note, or the services of one or more attorneys are engaged in connection with the collection, interpretation or enforcement hereof, I agree to pay to the holder reasonable attorneys' fees and all other costs expended or incurred.

The undersigned shall be permitted to pre-pay all or any portion of the principal balance of this note prior to the maturity date of this note.

I hereby waive presentment, demand, protest, notice of dishonor and/or protest and notice of non-payment; the right, if any, to the benefit of, or to direct the application of, any security hypothecated to the holder until all indebtedness of the borrower to the holder, however arising, shall have been paid; and the right to require the holder to pursue any other remedy in the holder's power.

Upon the happening of any one or more of the following events, the holder of this Promissory Note may, at its sole option and without notice to the undersigned, declare the entire unpaid principal and accrued interest immediately due and payable: (1) the filing by or against the undersigned of any voluntary or involuntary petition under any chapter of the Federal Bankruptcy Act or any state law relating to insolvency; (2) the appointment of a trustee or receiver for all or any assets of the undersigned; (3) the making by the undersigned of an assignment or composition for the benefit of creditors; (4) the death, termination, incapacity or dissolution of the undersigned; (5) the entry of any decree, order or judgment enjoining or materially impairing the carrying on of the business of the undersigned or the cessation thereof for any other reason; (6) any default by the undersigned under any of the Franchise Agreement, Sublease (if applicable), Equipment Lease or Equipment Sale Agreement (if applicable), and/or Franchise Fee Promissory Note, and

any and all other agreements (hereinafter collectively referred to as “Franchise Documents”) pursuant to which the maker of this note occupies and operates an IHOP or International House of Pancakes Restaurant located at _____, _____ (“IHOP #_____”); or (7) any circumstance or condition causing the holder hereof to reasonably consider itself financially insecure with respect to the debt evidenced hereby. Any default on this note shall also, at the holder’s election, be deemed a default in the aforesaid “Franchise Documents.” If the franchisee under such “Franchise Documents” is a corporation, the undersigned hereby agrees that the undersigned, personally as well as such corporation, shall be and is jointly and severally liable hereunder. Additionally, any default under said Franchise Documents shall be deemed a default under the terms and conditions of this promissory note.

In the event that I sell, assign, transfer or convey any or all of my interest in the franchise or Franchise Documents pursuant to which I operate IHOP #_____, then the holder of this note may, at its election, declare this note immediately due and payable without notice.

The failure of the holder of this Promissory Note to exercise its rights hereunder on the happening of one or more of the fore-going events shall not, in the absence of the express consent of the holder of this Promissory Note, constitute a waiver of the rights hereunder of the holder of this Promissory Note at that time or at any subsequent time, nor shall such failure nullify any prior exercise of such rights.

TABLE OF CONTENTS OF OPERATIONS MANUALS

EXHIBIT M



IHOP Standards Operations Manual

December 2023





Confidentiality Notice and Disclaimer

The information in this Standard Operations Manual (as amended, restated, supplemented or otherwise modified from time to time in IHOP's sole discretion, the "Manual") is confidential and is intended solely for the use of franchisees of the IHOP system. The information is the property of International House of Pancakes, LLC ("IHOP") and its parents, subsidiaries and affiliates. Unauthorized review, use, disclosure or copying of this information, or any part thereof, is strictly prohibited and may be unlawful.

This Manual contains IHOP brand standards which are mandatory standards ("IHOP Standards") franchisees must meet as required by your franchise agreement. These IHOP Standards exist to protect IHOP's interests in its trademarks and the IHOP system and not for the purpose of establishing any control over those matters that are reserved to franchisees. For example, each franchisee must follow the recipes, cooking instructions, and plate presentation standards described in manuals, job aids, and other IHOP Standards materials except when a franchisee has obtained approval from IHOP for a deviation through the Form 100 Exception Authorization Request process.

Each franchisee is solely responsible for following IHOP's Standards and for the day-to-day operation of your restaurants. For example, each franchisee is responsible for the control of your employees in the daily operation of a restaurant, as well as the safety and security of your employees and customers. No information that we provide to you in these areas shifts any part of this responsibility from you. In the event there is a guest incident that occurs due to the failure to follow an IHOP Standard that may jeopardize the IHOP brand, the franchisee must contact IHOP and report the incident within 12 hours of its occurrence.

This Manual also contains suggestions and best demonstrated practices where specifically indicated. We recommend these suggested practices to enhance the likelihood that you will be in compliance with IHOP Standards relating to the operation of your restaurant.

Where this Manual provides suggestions and best demonstrated practices, IHOP's intent is to protect the image of the IHOP system and brand and not for the purpose of limiting a franchisee's control over, or a franchisee's obligation and sole responsibility to manage its restaurants, including but not limited to its employment and customer relations practices. You are not required to adopt or use any suggestions and these suggestions do not negate your sole responsibility for all employment matters related to your restaurants. Each franchisee is solely responsible for the daily operation of restaurants, including selecting, compensating, and training your employees, developing employee relations, and establishing your own policies and practices in a manner that complies with all laws applicable to your business. We advise that you consult your own employment attorney regarding workplace matters.

The information in this Manual is provided "as is." IHOP does not and cannot warrant any franchisee's results. IHOP makes no warranties, express or implied, including warranty as to performance, merchantability, or fitness for a particular purpose. IHOP is not engaged to render legal or other professional advice and makes no representation that the information is accurate or complete with respect to all laws, rules and regulations applicable to a franchisee's restaurant. IHOP recommends that the franchisee contact your own lawyer to make sure you understand and comply with all laws applicable to your business. IHOP may update this Manual to provide better service to IHOP guests and build a stronger business. IHOP will send instructions to update and maintain this Manual through various forms of communication, including email, mail, the learning management system and Batter Up communications. It is the franchisee's responsibility to use the most current version of the Manual as instructed.



Table of Contents

~~Changes at a Glance – August 2014~~	~~x~~
~~Changes at a Glance – July 2013~~	~~xi~~
~~General Operating Standards~~	~~1~~

~~General Operating Standards~~	~~1~~
	<u>9</u>
Compliance with Laws, Rules and Regulations	<u>49</u>
Minimum Hours of Operation	<u>49</u>
<u>Operating Manuals</u>	<u>49</u>
Tabletop Service Items	<u>410</u>
Inventory Levels of Equipment, Supplies and Food Products	<u>210</u>
Maintenance of Fixtures, Furniture, Equipment and Building	<u>210</u>
Sales and Service of Unauthorized Products	<u>210</u>
<u>Beer & Wine Beverage Program</u>	<u>10</u>
Sales of Non-menu Items	<u>211</u>
Background Music	<u>211</u>
Purchases	<u>211</u>
Service Animal Guidelines	<u>311</u>
Methods of Payment	<u>3</u>
~~IHOP Service Standards~~	~~3/PCI Compliance 12~~
~~Service Excellence~~	~~3Off-Premise Technology 12~~
~~Service Success Steps~~	~~4Online Ordering – Olo (Required) 12~~
<u>Olo Lead Time Extension Tool</u>	<u>12</u>
<u>Delivery – Olo Dispatch</u>	<u>13</u>
<u>Curbside – Notification Process</u>	<u>13</u>
<u>Online Menu Pricing</u>	<u>13</u>
<u>Delivery Programs</u>	<u>13</u>
<u>Use of Surcharges</u>	<u>13</u>
Marketing	<u>414</u>
~~The Specials Board~~	~~4~~
Point-Of-Purchase Materials (POP)	<u>514</u>
~~General Guidelines~~	~~5Loyalty Program 14~~
~~National Promotions~~	~~5~~
~~Menu Handouts~~	~~5~~
~~Window Clings~~	~~5~~
~~Wall Poster Inserts~~	~~5~~

Standards Operations Manual



<i>Floor Display Inserts (A.K.A. Stanchion Sign Holders)</i>	5
<i>Table Tents/Syrup Caddy Display</i>	5
<i>Oversized Coaster Round— Used As Signage For Beverage Promotions</i>	5
<i>Gift Card Insert Or Counter Card Display</i>	6
<i>Buttons/Pins</i>	6
<i>Placemats</i>	6
<i>Exterior Banners</i>	6
<i>Family Friendly</i>	6
<i>Recommended Balloon Handling Procedure</i>	6
Local Restaurant Marketing (LRM)	714
LRM Programs and Materials	715
Local Advertising Fee	715
Menus	715
Core Menu and Regional Menu Items	815
Late Night Menu	815
Beer and Wine Menu	15
To Go (Take Out/ Catering) Menus	815
Menu Pricing	815
Signs, Logos and Advertising	816
Signs	816
Logos	816
Advertising	916
Websites	916
Performance	10
A/B RANKING CRITERIA DEFINITION	10
Operations Evaluation (OE)	10
Operations Assessment Report (OAR)	10
Operations Evaluation	11
Existing Restaurants	11
Newly-opened Restaurants	11
Operations Assessment Report	11
Existing Restaurants	11
Newly-opened Restaurants	11
Voice of the Guest	12
Guest Complaints	12
Guest Complaints Regarding Discrimination	13
Safety	14
Emergency Action Plan	14
Public Relations ; Crisis <i>Plan and React Poster</i>	14
Re-opening for Business After Flooding or Power Loss	15
Security	16
Loss Prevention	16
Communications	16



~~Food and Restaurant Safety~~ ~~Health~~ Hygiene and Food Safety.....18

Food ~~and Restaurant~~ Safety, ~~Health~~, Hygiene and ~~Sanitation~~.....~~17~~Food Safety 18

Safety.....18

Manager On Duty / Person In Charge Responsibilities.....18

Imminent Health Hazard.....19

Food Protection Manager Certification.....19

Major Food Allergens.....20

Team Member Health.....21

Reportable Symptoms.....21

Reportable Diagnoses.....21

Reportable Past Illnesses.....22

Reportable History of Exposures.....22

Bodily Spill Clean Up Kits.....23

Hand Sanitizer Stations.....23

Using Hand Sanitizer.....24

Hand Sanitizer Safety and ~~Personal Hygiene~~.....~~17~~Storage 24

~~Grooming~~.....~~17~~First Aid Kits 24

~~Proper Attire~~.....~~18~~Eating, Drinking, Smoking, Vaping, Chewing Gum, Chewing Tobacco 25

Hair Restraints ~~and~~ 25

Outer Clothing.....25

Fingernails.....26

Jewelry.....~~18~~26

~~Illness~~.....~~18~~

~~Cuts, Abrasions and Burns~~.....~~18~~

~~Sneezing/Coughing~~.....~~18~~

~~Smoking, Eating and Drinking~~.....~~19~~

~~Tasting Method~~.....~~19~~

Personal Items.....~~19~~26

Cut Prevention.....26

Knives.....26

Metal Cans.....27

Glass.....27

Burn Prevention.....28

Slip Prevention.....28

Handwashing Sinks.....29

Hand Washing.....~~19~~29

No Bare Hand Contact with Ready-To-Eat (RTE) Food.....30

Food Handler ~~Glove and Utensil Use~~.....~~20~~Gloves 30

General Food and Food Contact Surface Storage & Protection.....31

Fresh Produce Washing.....31

Date Marking.....32

Prevent Cross Contamination.....32

Vertical Storage Hierarchy.....32

Horizontal Storage Hierarchy.....33

Standards Operations Manual



<u>Time/Temperature Control For Safety Food (TCS FOOD)</u>	<u>33</u>
<u>Temperature Danger Zone (TDZ)</u>	<u>34</u>

<u>Temperature Log/Line Check</u>	<u>34</u>
<u>Thermocouples</u>	<u>34</u>
<u>Ice Point Method – Thermocouple</u>	<u>35</u>
<u>Bi-Metallic Stemmed Food Thermometer</u>	<u>36</u>
<u>Ice Point Method – Bi-Metallic Stemmed Food Thermometer</u>	<u>36</u>
<u>Cold Holding</u>	<u>36</u>
<u>Cold Holding Shell Eggs</u>	<u>37</u>
<u>Frozen Holding</u>	<u>37</u>
<u>Hot Holding</u>	<u>38</u>
<u>Dry Storage</u>	<u>38</u>
<u>Time vs. Temperature</u>	<u>38</u>
<u>Thawing</u>	<u>38</u>
<u>Emergency Thawing</u>	<u>39</u>
<u>Cooling</u>	<u>39</u>
<u>Shallow Pan</u>	<u>39</u>
<u>Ice Bath</u>	<u>39</u>
<u>Reheating</u>	<u>40</u>
<u>Minimum Internal Cooking Temperatures</u>	<u>40</u>
<u>Consumer Advisory</u>	<u>41</u>
<u>Purchasing And Receiving Deliveries</u>	<u>42</u>
<u>In-Use Utensils</u>	<u>43</u>
<u>Chemicals</u>	<u>43</u>

<u>Cleaning ~~and Sanitizing Food Contact Surfaces – General Guidelines~~</u>	<u>~~20~~ 44</u>
<u>Sanitizing</u>	<u>44</u>
<u>Sanitizer Test Strips</u>	<u>44</u>
<u>Sanitizer Wiping Cloths</u>	<u>45</u>
<u>Ecolab Sink & Surface Cleaner Sanitizer</u>	<u>45</u>
<u>Ecolab Sink & Surface Cleaner Sanitizer Bucket Filling Instructions</u>	<u>45</u>
<u>Ecolab Sink & Surface Cleaner Sanitizer Spray Bottle Filling Instructions</u>	<u>45</u>
<u>Testing Ecolab Sink & Surface Cleaner Sanitizer Concentration</u>	<u>46</u>
<u>For Emergency Use Only – Diluted Household Bleach Solution for Sanitizing</u>	<u>46</u>
<u>Disinfecting</u>	<u>46</u>
<u>For Emergency Use Only – Diluted Household Bleach Solution for Disinfecting</u>	<u>47</u>
<u>3-Compartment Sink (Kitchen and Bar)</u>	<u>47</u>

~~Machine Warewashing – High Temperature~~ 21 Set-Up a 3-Compartment Sink 47

<u>Using a 3-Compartment Sink</u>	<u>48</u>
<u>Dishwashing Machines</u>	<u>48</u>
<u>Commercial Dishwashing Machines Minimum Requirements</u>	<u>48</u>
<u>High Temp Dishwashing Machine</u>	<u>49</u>
<u>Low Temp Dishwashing Machines (Bar Glass Washer)</u>	<u>49</u>
<u>Integrated Pest Management</u>	<u>49</u>

~~Manual Warewashing – 3 compartment Sink~~ 23



~~Proper 3 compartment sink setup~~	~~23~~
Pest Control ~~24~~ Service	49
Deny Pests Access to ~~Pests~~	~~24~~ the Restaurant 49
Deny Pests Food, Water, ~~Hiding or Nesting Place~~	~~24~~ & Shelter 50
~~Use and Storage of Pesticides~~	~~24~~ Emergency Guidance 50
~~Selecting a Pest Control Company~~	~~24~~
~~Ice Machine Usage~~	~~25~~
~~Calibration of Thermometers~~	~~25~~
~~Calibrating Thermometers – Ice-Point Method~~	~~25~~
~~Calibrating Thermometers – Boiling-Point Method~~	~~26~~
~~Use of Thermometers~~	~~26~~
~~How to Measure the Temperature of Food~~	~~26~~
~~General Thermometer Guidelines~~	~~26~~
~~Receiving Deliveries~~	~~27~~
~~General Guidelines~~	~~27~~
~~Receiving Frozen and Refrigerated Foods~~	~~27~~
~~Receiving Dry Goods~~	~~27~~
~~Food Storage~~	~~28~~
~~Storage Upon Receiving~~	~~28~~
~~Dry Storage Sanitation~~	~~29~~
~~Temperature Control~~	~~29~~
~~Thawing Food~~	~~29~~
~~Preparing Cold Food~~	~~29~~
~~Take Temperatures~~	~~30~~
~~Prepare Cold Foods~~	~~30~~
~~Maintain Food Contact Surfaces~~	~~30~~
~~Prevent Cross Contamination~~	~~30~~
~~Cooking Food~~	~~30~~
~~Prepare Hot Foods~~	~~30~~
~~Holding Food~~	~~31~~
~~Holding Hot Food~~	~~31~~
~~Holding Cold Food~~	~~32~~
~~Cooling Food~~	~~32~~
~~One Stage (Four Hour) Method~~	~~32~~
Boil Water Advisory (BWA)	50
Temporary Handwashing Station	51
~~Two-Stage Method~~	~~32~~
~~Factors that Affect How Quickly Foods Will Cool Down~~	~~32~~
~~Methods for Cooling Foods~~	~~33~~
~~Reheating Food~~	~~33~~
Interruption of Electrical Service of Food	~~33~~ 52
Dry Ice (Emergency Use)	53
Dry Ice General Guidelines	53
Dry Ice Safety	53
Food Safety Evaluations	54



<u>Egg Audits</u>	54
<u>General Cleaning and Sanitation</u>	34
<u>Guidelines</u>	55
<u>Service Utensils/Service Ware</u>	34
<u>Kitchen</u>	55
<u>Floors</u>	55
<u>Rubber Floor Mats</u>	55
<u>Walls</u>	56
<u>Walk-In Coolers and Walk-In Freezers</u>	56
<u>Ceiling Tiles and Vents</u>	57
<u>Kitchen Ceiling Lights</u>	57
<u>Dishwashing Machine and Dish Washing Area</u>	58
<u>Flat Tops</u>	58
<u>Fryers</u>	59
<u>Grills (Char Broiler)</u>	60
<u>Stoves</u>	60
<u>Bake Ovens, Convection Ovens and Cheesemelters</u>	61
<u>Microwaves</u>	62
<u>Kitchen Hoods, Filters, Ansul System, and Lights</u>	62
<u>Hot Wells</u>	63
<u>Warming Drawer</u>	63
<u>Hot Food Holding Cabinets</u>	63
<u>Reach-In Cooler and Reach-In Freezer</u>	64
<u>Chef Tables</u>	65
<u>Low Boy Drawers</u>	65
<u>Steamer</u>	66
<u>Ice Machine</u>	66
<u>Trash Cans</u>	68
<u>Glycol Power Pack</u>	68
<u>Mop Bucket</u>	69
<u>Mop Sink</u>	69
<u>Back Dock</u>	69
<u>Stainless Steel Surfaces (Counters, Prep Tables, Hot Windows, Shelves)</u>	70
<u>Stainless Steel Sinks</u>	70
<u>Food Storage Racks (Coolers, Freezers, Dry Storage)</u>	71
<u>Food Prep Carts</u>	71
<u>Pots, Pans, and Cookware</u>	71
<u>Cutting Boards</u>	72
<u>Mechanical and Digital Scales</u>	72
<u>Manual Slicers and Dicers</u>	73
<u>Blenders and Food Processors</u>	73
<u>Manual Can Openers</u>	74
<u>Cast Iron Skillets</u>	74
<u>Wood Underliners</u>	74
<u>Flatware</u>	75
<u>Plates, Glassware, and Tableware</u>	75



Standards Operations Manual

<u>Upright Mixer</u>	<u>76</u>
<u>Belshaw Guns</u>	<u>76</u>
<u>Waffle Bakers</u>	<u>77</u>
<u>Toasters</u>	<u>77</u>
<u>Coffee Machines</u>	<u>78</u>
<u>Coffee Pots (Glass) and Carafes (Metal)</u>	<u>78</u>
<u>Iced Tea Brewers</u>	<u>79</u>
<u>Soft Drink Machine</u>	<u>80</u>
<u>Water Filters (Beverage Machines, Ice Machine)</u>	<u>80</u>
<u>Restrooms</u>	<u>80</u>
<u>Floors</u>	<u>80</u>
<u>Walls</u>	<u>81</u>
<u>Ceiling Tiles and Vents</u>	<u>81</u>
<u>Countertops and Sinks</u>	<u>82</u>
<u>Paper Towel and Hand Soap Dispensers</u>	<u>82</u>
<u>Mirrors</u>	<u>83</u>
<u>Toilets</u>	<u>83</u>
<u>Urinals</u>	<u>84</u>
<u>Stalls/Partitions</u>	<u>84</u>
<i>Practice Good Personal Hygiene</i>	<i>34</i>
<i>Service</i>	<i>34</i>
<u>Changing Tables</u>	<u>85</u>
<u>Trash Can</u>	<u>85</u>

Operating Requirements 35

Insurance Requirements 35

<u>Dining Room</u>	<u>86</u>
<u>Hard Floors</u>	<u>86</u>
<u>Carpet</u>	<u>86</u>
<u>Walls</u>	<u>87</u>
<u>Ceiling Tiles and Vents</u>	<u>87</u>
<u>Tables and Bar Top</u>	<u>88</u>
<u>Chairs, Booths, Settees</u>	<u>88</u>
<u>Highchairs and Booster Seats</u>	<u>89</u>
<u>Hanging Lights, Wall Mounted Lights, and Ceiling Lights</u>	<u>90</u>
<u>Menus, POP, and Tabletop Caddies</u>	<u>90</u>
<u>Artifacts and Décor</u>	<u>91</u>
<u>Windows</u>	<u>91</u>
<u>Blinds</u>	<u>91</u>
<u>High Touch Points (Doors, Handrails, Ledges, Railings, Host Stand, Waiting Area, etc.)</u>	<u>92</u>

Point-of Sale (POS) and

<u>Decorative Chrome and Brass</u>	<u>92</u>
<u>Wood Surfaces (Baseboards, Chair Rails, Railings, Trim)</u>	<u>92</u>
<u>Electronics (POS Terminals, Printers, Table Top Devices, Credit Card Machines, Tablets, KDS Screens, Telephones, TVs, Cash Register)</u>	<u>93</u>
<u>Bar Soda Gun and Ice Bin</u>	<u>93</u>
<u>Bar Cooler and Mug Chiller</u>	<u>94</u>

Standards Operations Manual



Blender and Spindle Blender	94
Ice Cream Freezer Cabinet	95
Dipper Wells	95
Stainless Steel Surfaces (Counters, Shelves, Speed Rails)	96
Stainless Steel Sinks	96
Bar Glass Washing Machine	97
Loss Prevention	98
Crisis Response, Emergency Guidance and React Poster	98
~~IHOP Service Standards~~	~~99~~
IHOP Service Standards	99
IHOP Service	99
Server Banking	99
Service Steps	99
Host/Hostess Guidelines to Great Service	99
Server Guidelines for Dine-in	99
Service Steps - Off-Premise	100
Catering	100
Virtual Brands	101
Family Friendly	101
Training	103
Printed Materials	103
Learning Management System (IHOP Academy)	103
Server Position Training	103
Host Position Training	104
Cook Position Training	104
Combo Position Training	104
Crew Chief Position Training	104
Certified Trainer Training	104
Leadership Training	105
Brand Initiative Training	105
Sample Job Descriptions	107
Restaurant Technology	36
Crew Chief	110
Cook	112
Host/Hostess/Cashier	114
Server	116
Combo	118
Appearance and Uniform Standards	120
Appearance Standards	120
Front-of-House Uniform Policy	121
Back-of-House Uniform Policy	122



Standards Operations Manual

<u>Manager-on-Duty Appearance Standards</u>	<u>122</u>
<u>Crew Chief Appearance Standards</u>	<u>122</u>

Appearance	125

<u>Performance</u>	<u>125</u>

<u>A/B Ranking Criteria Definition</u>	<u>125</u>
<u>Operations Evaluation</u>	<u>125</u>
<u>Existing Restaurants</u>	<u>125</u>
<u>Newly-Opened Restaurants</u>	<u>125</u>
<u>Operations Evaluation standards for A/B</u>	<u>125</u>
<u>Food Safety Evaluation (FSE)</u>	<u>126</u>
<u>Health Department Ratings (Ecolab Health Department Intelligence)</u>	<u>126</u>
<u>Guest Feedback Tool</u>	<u>127</u>
<u>Guest Complaints</u>	<u>127</u>
<u>Guest Complaints Regarding Discrimination</u>	<u>128</u>
<u>Guest Recovery Standard Procedures</u>	<u>129</u>
<u>IHOP Recommended Procedures for Handling all Guest Complaints</u>	<u>129</u>
<u>Best Demonstrated Practices</u>	<u>129</u>

Point of Sale (POS) and Restaurant Technology	131

Approval of POS Systems	~~36~~ 131
Approved POS Systems	~~36~~ 131

Enterprise

<u>Server Tablets & Payment Device</u>	<u>132</u>
<u>Network Standards</u>	<u>132</u>
<u>Internet Service Provider, (ISP), Bandwidth</u>	<u>132</u>
<u>Firewall Standards</u>	<u>132</u>
<u>4G or 5G Cellular Backup</u>	<u>132</u>
<u>Esper</u>	<u>133</u>
<u>Ivanti</u>	<u>133</u>
<u>Restaurant Data Manager (EDMRDM)</u>	~~37~~ 133
<u>Kitchen Display Management System</u>	<u>133</u>
<u>Online Ordering Integration</u>	<u>133</u>

Approval of Ancillary POS System Software	~~37~~ 133
POS System Requirements	~~38~~ 135
Soft Checks	~~38~~ 135
<u>Storage Control of Soft Checks</u>	<u>136</u>
Additional System Requirements	~~39~~ 136
System Maintenance Requirements	~~40~~ 137

~~Software Enhancements License Requirements~~	~~41~~

System Control Requirements	~~41~~ 138
POS System Report Requirements	~~41~~ 139
Required End-of-Period Reports	~~41~~ 139
Required Reports and Retention Requirements for Each POS System	~~43~~ 141
POS System Data Backup Requirements	~~43~~ 141

Coupon Handling for POS Systems.....	~~43~~ <u>141</u>
Polling and Electronic Data Transfer.....	~~43~~ <u>142</u>
POS Systems.....	~~43~~ <u>142</u>
Credit Card Machines.....	~~44~~ <u>142</u>
EMV.....	<u>142</u>
Replacement of POS Systems.....	~~44~~ <u>142</u>
System Down Procedures.....	~~45~~ <u>143</u>
Business Records Control and Procedures.....	~~46~~<u>145</u>
Business Records Procedures.....	~~46~~ <u>145</u>
General Accounting Records.....	~~46~~ <u>145</u>
Storage Retention and Availability of General Accounting Records.....	~~46~~ <u>145</u>
Sales Substantiation Records.....	~~47~~
Franchise Financial Statement Due Dates.....	~~47~~ <u>146</u>

Appearance and Uniform Standards.....	~~48~~
Appearance Standards.....	~~48~~
Hygiene.....	~~48~~
Hair.....	~~48~~
Jewelry.....	~~48~~
Tattoos.....	~~48~~
Personal Communication Devices.....	~~48~~
Make-up/Nails.....	~~49~~
Shoes.....	~~49~~
Front of House Uniform Policy.....	~~49~~
Shirts.....	~~49~~
Pants.....	~~49~~
Skirts.....	~~50~~
Socks.....	~~50~~
Sweaters.....	~~50~~
Server Aprons.....	~~50~~
Nametags.....	~~50~~
Recognition Pins.....	~~50~~
Back of House Uniform Policy.....	~~50~~
Combo Uniform.....	~~50~~
Cook Uniform.....	~~50~~
Hats.....	~~51~~
Recognition Pins.....	~~51~~
Manager on Duty Appearance Standards.....	~~51~~
Female Manager On Duty.....	~~51~~
Male Manager On Duty.....	~~51~~
Crew Chief Appearance Standards.....	~~51~~

Orientation and Training.....	~~52~~
New Team Member Orientation.....	~~52~~
Certified Manager Training.....	

Sales Substantiation Records.....	<u>146</u>
Insurance Requirements.....	~~52~~ <u>146</u>



~~Job Description~~	~~Cybersecurity~~	~~53~~	~~Data Privacy & Cybersecurity~~	~~149~~
General Manager		53	Exhibit 1 — Data Privacy FAQs	151
Assistant Manager				56
Essential Duties and Responsibilities				56
Crew Chief				58
Cook				60
Combo				62
Expeditor (Food Quality Coordinator)				64
Host/Hostess/Cashier				66
Server				68

LIST OF STATE ADMINISTRATORS

EXHIBIT N

LIST OF STATE ADMINISTRATORS

California

~~Commissioner Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500
(866) 275-2677 Toll Free~~

Hawaii

~~Hawaii Commissioner of Securities Business Registration Division Department of Commerce & Consumer Affairs 335 Merchant Street, Room 205 Honolulu, Hawaii 96813
(808) 586-2722~~

~~Illinois Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706
(217) 782-4465~~

Indiana

~~Office of the Secretary of State Franchise Section 302 W. Washington Street Room E-111 Indianapolis, Indiana 46204
(317) 232-6681~~

Maryland Securities Division

~~Office of the Attorney General 200 St. Paul Place Baltimore, Maryland 21202-2020
(410) 576-6360~~

~~Franchise Section Corporate Oversight Division Michigan Dept. of Attorney General
G. Mennen Williams Bldg., 1st Floor 525 W. Ottawa Street
Lansing, Michigan 48913
(517) 335-7567~~

Minnesota Securities Section

~~Minnesota Department of Commerce 85 7th Place East, Suite 280
St. Paul, Minnesota 55101 (651) 539-1600~~

New York

~~Investor Protection Bureau New York State Department of Law 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8236~~

North Dakota

~~North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarek, North Dakota 58505
(701) 328-4712~~

Rhode Island Securities Division

~~Department of Business Regulation John O. Pastore Complex 1511 Pontiac Avenue, Building 69-1 John O. Pastore Complex Cranston, Rhode Island 02920 (401) 462-9527~~
South Dakota

~~Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605)-773-3563~~

~~Virginia Division of Securities and Retail Franchising State Corporation Commission 1300 E. Main Street, 9th Floor Richmond, Virginia 23219 (804)-371-9051~~

~~Washington Securities Division—3rd Floor Department of Financial Institutions 150 Israel Rd. SW We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:~~
~~Tumwater, Washington 98501 (360)-902-8760~~

~~Wisconsin~~

~~Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower- Madison, Wisconsin 53703 (608)-266-2139~~

CALIFORNIA	NEW YORK
Commissioner of Financial Protection and Innovation	NYS Department of Law
Department of Financial Protection and Innovation	Investor Protection Bureau
320 West Fourth Street, Suite 750	28 Liberty St. 21st Fl New
Los Angeles, California 90013-2344	York, NY 10005 (212)
(213) 576-7500 / Toll Free: (866) 275-2677	416-8222
Email: ASK.DEPI@dfpi.ca.gov	
Website: http://www.dfpi.ca.gov	
HAWAII	NORTH DAKOTA
Commissioner of Securities	North Dakota Securities Department
Department of Commerce & Consumer Affairs	State Capitol Department 414
Business Registration Division	600 East Boulevard Avenue, Fourteenth
Securities Compliance Branch	Floor Bismarck, North Dakota 58505-0510
335 Merchant Street, Room 203	(701) 328-4712
Honolulu, Hawaii 96813	
(808) 586-2722	
ILLINOIS	RHODE ISLAND
Illinois Office of the Attorney General	Department of Business Regulation
Franchise Bureau	Securities Division, Building 69, First
500 South Second Street	Floor John O. Pastore Center
Springfield, Illinois 62706	1511 Pontiac Avenue
(217) 782-4465	Cranston, Rhode Island
	02920
	(401) 462-9527
INDIANA	SOUTH DAKOTA
Secretary of State	Division of Insurance
Franchise Section	Securities Regulation
302 West Washington, Room E-111	124 South Euclid Avenue, 2nd Floor
Indianapolis, Indiana 46204	Pierre, South Dakota 57501
(317) 232-6681	(605) 773-3563
MARYLAND	VIRGINIA
Office of the Attorney General	State Corporation Commission
Securities Division	Division of Securities and Retail Franchising
200 St. Paul Place	1300 East Main Street, 9th Floor
Baltimore, Maryland 21202-2020	Richmond, Virginia 23219
(410) 576-6360	(804) 371-9051
MICHIGAN	WASHINGTON
Michigan Attorney General's Office	Department of Financial Institutions
Corporate Oversight Division, Franchise Section	Securities Division P.O. Box 41200
525 West Ottawa Street	Olympia, Washington 98504-1200
G. Mennen Williams Building, 1st Floor	(360) 902-8760

<u>Lansing, Michigan 48913</u>	
<u>(517) 335-7567</u>	
MINNESOTA	WISCONSIN
<u>Minnesota Department of Commerce</u>	<u>Division of Securities</u>
<u>85 7th Place East, Suite 280</u>	<u>4822 Madison Yards Way, North Tower</u>
<u>St. Paul, Minnesota 55101</u>	<u>Madison, Wisconsin 53705</u>
<u>(651) 539-1600</u>	<u>(608) 266-2139</u>

LIST OF AGENTS FOR SERVICE OF PROCESS

EXHIBIT O

AGENTS FOR SERVICE OF PROCESS

California

Corporation Service Company d/b/a
CSC Lawyers Incorporating Service
Company
2730 Gateway Oaks Drive Suite 100
Sacramento, California 95833

Commissioner of the Department of Business
Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013

Hawaii

CSC Services of Hawaii, Inc.
1003 Bishop Street, Suite 1600
Pauahi Tower
Honolulu, Hawaii 96813

Commissioner of Securities
Department of Commerce and Consumer
Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, Hawaii 96813

Illinois

Illinois Corporation Service Company
801 Adlai Stevenson Drive
Springfield, Illinois 62703

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana

Corporation Service Company
251 East Ohio Street, Suite 500
Indianapolis, Indiana 46204

Secretary of State

Franchise Section
302 West Washington, Room E-111
Indianapolis, Indiana 46204

Maryland

CSC Lawyers Incorporating Service
Company 7 St. Paul Street, Suite 1660
Baltimore, Maryland 21202

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21201-2020

Michigan

Michigan Attorney General's Office
Corporate Oversight Division, Franchise
Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913

Minnesota

Corporation Service Company
380 Jackson Street, Suite 700
St. Paul, Minnesota 55101

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101

New York

New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001

~~Investor Protection Bureau Department of Law
120 Broadway, 23rd Floor New York, New York 10271~~

North Dakota

~~Corporation Service Company 316 North Fifth Street
P.O. Box 1695
Bismarek, North Dakota 58502~~

~~Securities Commissioner
600 East Boulevard, Fifth Floor Bismarek, North Dakota 58505~~

Rhode Island

~~Corporation Service Company
222 Jefferson Boulevard, Suite 200 Warwick,
Rhode Island 02888~~

~~Director, Securities Division Department of Business Regulation 1511 Pontiac Avenue,
Building 69-1 John O. Pastore Complex
Cranston, Rhode Island 02920 South Dakota~~

~~Corporation Service Company 503 South Pierre Street
Pierre, South Dakota 57501~~

~~Director of the Division of Insurance Securities Regulation
124 S. Euclid, Suite 104 Pierre, South Dakota 57501~~

Virginia

~~Corporation Service Company
11 South 12th Street, P. O. Box 1463
Richmond, Virginia 23218~~

~~Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond,
Virginia 23219~~

Washington

Corporation Service Company
300 Deschutes Way SW, Suite 304
Tumwater, Washington 985012

Director, Department of Financial Institutions Securities Division—3rd Floor
150 Israel Road, SW Tumwater, Washington 98501

Wisconsin

CSC Lawyers Incorporating Service Company
8040 Excelsior Drive, Suite 400
Madison, Wisconsin 53717

Administrator, Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North
Tower Madison, Wisconsin 53705

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required
by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise
investment laws) in these states, we will designate the following state offices or officials as our agents for service
of process in these states. There may be states in addition to those listed below in which we have appointed an
agent for service of process. There may also be additional agents in some of the states listed.

CALIFORNIA

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West Fourth Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500 / Toll Free: (866) 275-2677
Email: ASK.DFPI@dfpi.ca.gov
Website: <http://www.dfpi.ca.gov>

Corporation Service Company d/b/a CSC Lawyers
Incorporating Service Company 2730 Gateway
Oaks Drive Suite 100 Sacramento, California
93533

NEW YORK

New York Secretary of State
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231
(518) 473-2492

Investor Protection Bureau Department of Law
120 Broadway, 23rd Floor New York, New York
10271

HAWAII

Commissioner of Securities
Department of Commerce & Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

CSC Services of Hawaii, Inc. 1003 Bishop Street,
Suite 1600 Pauahi Tower Honolulu, Hawaii 96813

NORTH DAKOTA

North Dakota Securities Commissioner
State Capitol
Department 414
600 East Boulevard Avenue, Fourteenth Floor
Bismarck, North Dakota 58505-0510
(701) 328-4712

Corporation Service Company 316 North Fifth
Street P.O. Box 1695 Bismarck, North Dakota
58502

<u>ILLINOIS</u> Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465 Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, Illinois 62703	<u>RHODE ISLAND</u> Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527 Corporation Service Company 222 Jefferson Boulevard, Suite 200 Warwick, Rhode Island 02888
<u>INDIANA</u> Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681 Corporation Service Company 251 East Ohio Street, Suite 500 Indianapolis, Indiana 46204	<u>SOUTH DAKOTA</u> Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563 Corporation Service Company 503 South Pierre Street Pierre, South Dakota 57501
<u>MARYLAND</u> Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360 CSC Lawyers Incorporating Service Company 7 St. Paul Street, Suite 1660 Baltimore, Maryland 21202	<u>VIRGINIA</u> Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733 Corporation Service Company 11 South 12th Street, P. O. Box 1463 Richmond, Virginia 23218
<u>MICHIGAN</u> Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	<u>WASHINGTON</u> Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760 Corporation Service Company 300 Deschutes Way SW, Suite 304 Tumwater, Washington 98502
<u>MINNESOTA</u> Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600 Corporation Service Company 380 Jackson Street, Suite 700 St. Paul, Minnesota 55101	<u>WISCONSIN</u> Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139 CSC Lawyers Incorporating Service Company 8040 Excelsior Drive, Suite 400 Madison, Wisconsin 53717

EXPENDABLES PURCHASE AGREEMENT - SMALLWARES

EXHIBIT P

EXPENDABLES PURCHASE AGREEMENT-SMALLWARES

THIS EXPENDABLES PURCHASE AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 20____, by and between IHOP FRANCHISOR LLC, a Delaware limited liability company ("Seller"), and _____ ("Purchaser").

W I T N E S S E T H:

WHEREAS, Seller (as "Franchisor") and Purchaser have concurrently herewith entered into that certain Franchise Agreement (the "Franchise Agreement"), pursuant to which Franchisor has granted to Purchaser the right to operate an IHOP or International House of Pancakes restaurant at _____, and

WHEREAS, in connection with the operation of said restaurant, Purchaser has elected to purchase from Seller certain expendable items (hereinafter referred to as "personal property") to be used in connection with the operation of said restaurant,

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

1. Seller hereby sells to Purchaser and Purchaser hereby purchases from Seller those items of personal property more fully described in the Schedule which is annexed hereto and made a part hereof, entitled "Expendables - Small Equipment List."
2. Purchaser is concurrently paying Seller and Seller hereby acknowledges acceptance from Purchaser, as the sole purchase price for the items of personal property described in said Schedule, the sum of \$_____, plus any sales or similar tax which may be charged by any state, county, municipal or other similar taxing body upon the sale or other transfer of said personal property.
3. It is understood and agreed that Seller shall deliver to the said restaurant all of the items of personal property purchased by Purchaser pursuant hereto, at Seller's sole cost and expense; it being understood and agreed that the purchase price for said personal property includes the costs of such installation, warehousing, if any, and transportation from places of manufacture to place of delivery.
4. Seller hereby warrants and represents that all of the items of personal property conveyed, pursuant hereto, shall be free of all liens and encumbrances of every kind and nature whatsoever; that Purchaser shall receive good and merchantable title thereto; and that Seller shall defend Purchaser's title thereto. Seller is not the fabricator nor manufacturer of any of the items of personal property conveyed by Seller to Purchaser pursuant hereto, and Seller makes no warranties of any kind or nature whatsoever with respect to said personal property other than those warranties of fitness and merchantability and every other warranty of every kind and nature whatsoever which Seller shall receive from the fabricators or

manufacturers of said items of personal property. In the event any of said items of personal property are defective, Seller agrees to cooperate fully with Purchaser to obtain such redress and recovery against the manufacturer or fabricator of such defective personal property as may be allowable pursuant to applicable law.

IN WITNESS WHEREOF, the parties have executed this Expendables Purchase Agreement as of the day and year first above written.

Seller:

IHOP FRANCHISOR LLC
a Delaware limited liability company

By: _____

Its: _____

Purchaser:

IHOP # _____

SCHEDULE TO EXPENDABLES PURCHASE AGREEMENT

Expendables - Small Equipment List

DEVELOPMENT IMPACT ASSISTANCE PROGRAM

EXHIBIT Q

Development Impact Assistance Program

Purpose of Program. The purpose of the Development Impact Assistance Program (the “**Program**”) is to address potential declines in sales which may be due in part to the opening of a new IHOP restaurant(s) near existing IHOP restaurants. The Program was made effective on September 1, 2000, and has been amended from time-to-time.

Definitions.

1. “**Adjacent**” means that the restaurant is located within 1000 feet of an off-ramp or exit from an interstate highway or freeway or directly visible from the interstate highway or freeway.
2. “**Affected Franchisee**” means the franchisee of an Affected Restaurant.
3. “**Affected Restaurant**” means an existing IHOP restaurant:
 - (i) for which the currently effective franchise agreement has been executed prior to April 1, 2013;
 - (ii) which has been in operation for at least 6 months prior to the opening of a “New Restaurant” (as defined below);
 - (iii) which is not located in a Non-Traditional Venue; and
 - (iv) which was not developed under the IHOP Non-Traditional Restaurant Program, or as part of the IHOP Express Test Program.
4. “**Good Standing**” means the full and faithful performance of all obligations under the IHOP franchise agreement and adherence to all franchise system standard operating procedures, as well as maintenance of an A/B status under current operations criteria.
5. “**Interstate Highway or Freeway**” means a highway or other multilane roadway, without intersections, stop signs, stoplights or signals, which has a speed limit of 50 mph or greater.
6. “**New Restaurant**” means an IHOP restaurant opened any time after the opening of the Affected Restaurant which is:
 - (i) located five miles or less (as measured by straight line distance) from an Affected Restaurant; or
 - (ii) located Adjacent to the same interstate highway or freeway as the Affected Restaurant, and within ten minutes driving time of the Affected Restaurant (at the posted speed limit);

Notwithstanding the above, a restaurant shall not be considered a New Restaurant if:

- (i) it is located in a Non-Traditional Venue;
- (ii) it is developed under the IHOP Non-Traditional Restaurant Program or IHOP Express Test Program;

- (iii) it is a delivery-only restaurant;
 - (iv) it is a carry out-only restaurant; or
 - (v) it is a restaurant that is an “Other IHOP Concept” (as defined below).
7. “**Non-Traditional Venue**” means any site, venue or location within another primary business or in conjunction with other businesses or at institutional settings such as schools, colleges and universities, military and other governmental facilities, hospitals, airports, highway rest stops, toll roads, hotels, motels, arenas, travel plazas, office or in-plant food facilities, supermarkets, grocery stores or convenience stores, casinos, stadiums, shopping malls and any other site, venue or location operated by a master concessionaire or contract food service provider.
8. “**Other IHOP Concepts**” means restaurants which: (i) feature self-serve or counter service and not full table service; (ii) have a different or more limited menu than that offered at an IHOP Restaurant, even though that menu may include pancakes and certain other authorized menu items authorized at IHOP Restaurants; and (iii) operate under a principal name and mark different from “IHOP” or “International House of Pancakes” but which may include “IHOP” or “International House of Pancakes” together with an additional prefix or suffix, such as and including “IHOP Express.”

Participation in Program. An Affected Restaurant is entitled to participate in the Program upon the opening of a New Restaurant, provided that under certain circumstances the Affected Franchisee may be disqualified from participating in the Program (see “**Disqualification**” below).

Duration of Financial Assistance. If an Affected Restaurant qualifies to participate in the Program, the Affected Franchisee may receive certain financial support for 12 calendar quarters after the date of opening of a New Restaurant (the “**Financial Assistance Period**”).

Financial Assistance. The amount of financial support to be provided to the Affected Franchisee (the “**Financial Assistance**”) shall be determined by IHOP Franchisor LLC, or its affiliates (the “**Franchisor**”) based on a combination of factors, including but not limited to, a review of the relevant market, information from the Affected Franchisee and the franchisee of the New Restaurant, input from Franchisor’s personnel, and any relevant impact study. The Franchisor’s determination of the Financial Assistance shall be final with no right of appeal or further review. The New Restaurant shall not be approved for development unless the franchisee of the New Restaurant agrees to reimburse the Franchisor for the Financial Assistance to be provided to the Affected Franchisee.

Affected Franchisee’s Financial Assistance Election. If the franchisee of the New Restaurant agrees to reimburse the Franchisor for the Financial Assistance, the Franchisor will inform the Affected Franchisee in writing. The Affected Franchisee may accept the offer of the Financial Assistance by executing the documents provided by the Franchisor indicating the Affected Franchisee’s agreement with the terms and conditions of the offer (the “**Acceptance Agreement**”). If the Affected Franchisee does not execute and return the Acceptance Agreement in the time permitted, the Affected Franchisee will be deemed to have waived participation in the Program, the offer of the Financial Assistance will expire, and the New Restaurant shall be developed with no Financial Assistance being paid to the

Affected Franchisee.

General Account Credit. At the close of each full calendar quarter for the 12 consecutive quarters following the opening of the New Restaurant, the Affected Franchisee will be entitled to receive a credit against the Affected Restaurant's general account balance equal to a portion of the Financial Assistance. Fifty percent (50%) of the Financial Assistance will be credited in equal amounts for quarters 1 through 4. Thirty percent (30%) of the Financial Assistance will be credited in equal amounts for quarters 5 through 8. Twenty percent (20%) of the Financial Assistance will be credited in equal amounts for quarters 9 through 12. If an Affected Franchisee is ineligible to receive Financial Assistance for any calendar quarter during the Financial Assistance Period, the Affected Franchisee will forfeit that portion of the Financial Assistance that would have been credited for that quarter with no right to recover the forfeit amounts if the Affected Franchisee subsequently becomes eligible for Financial Assistance as provided below.

Payment of Financial Assistance Amount by Franchisee of New Restaurant. At the close of each full calendar quarter following the opening of the New Restaurant, the general account balance of the New Restaurant will be charged an amount equal to the Financial Assistance credited to the Affected Franchisee's general account. If the Affected Franchisee is not eligible to receive any portion of the Financial Assistance for any calendar quarter during the Financial Assistance Period, the general account of the New Restaurant will not be charged for such portion of the Financial Assistance.

Disqualification.

1. If the Affected Franchisee is not in Good Standing as a result of a failure to be in full compliance with the terms of the franchise agreement for the Affected Restaurant at any time during the Financial Assistance Period, the franchisee of the New Restaurant will not be obligated to pay the Financial Assistance for the quarter during which Affected Franchisee was not in Good Standing.
2. If an Affected Franchisee is otherwise eligible to receive payments under this policy, but fails to satisfy any operations criteria required under the franchise agreement, the Affected Franchisee will forfeit all future Financial Assistance that would have otherwise been paid under the Program.
3. If at any time during a Financial Assistance Period, the Affected Franchisee has a quarterly food cost as a percentage of sales that is 2% higher than their "Regional and Sales Segment Group" designated by IHOP and set forth in the quarterly Rolling 12 Months Profits by Net Sales Segmentation report, or other report as designated by IHOP (the "**Disqualification Event**"), the franchisee of the New Restaurant will not be obligated to pay the Financial Assistance for the calendar quarter immediately following the Disqualification Event. If an Affected Franchisee has not submitted quarterly Profit and Loss Statements to IHOP for any trailing 12 month period prior to commencement of a Financial Assistance Period

then IHOP will determine on a case-by-case basis whether the Affected Franchisee is eligible to receive Financial Assistance.

4. Franchisor reserves the right to terminate future payments to a franchisee who defaults under any other term of its franchise agreement.
5. Once a decision regarding the amount of the Financial Assistance has been issued by the Franchisor, the franchisee of the New Restaurant shall not be entitled to any refund of the Financial Assistance reimbursements paid to the Franchisor and the Affected Franchisee shall not be permitted to make additional requests regarding the amount of the Financial Assistance.
6. If the New Restaurant was developed by the Affected Franchisee under the former IHOP Franchise Investor Program or Conversion Program, or under the current Multi-Store Development Program or Single Store Development Program.
7. If the Affected Franchisee does not fully cooperate with Franchisor in its efforts to determine whether Financial Assistance may be appropriate under the circumstances, and the appropriate amount of Financial Assistance, if any, under the circumstances, including without limitation by cooperating in the performance of a PIN study, then the Affected Franchisee shall be disqualified from participation in the Program.

If for the reasons listed above, the Franchisor disqualifies a franchisee from participation in the Program, the Franchisor shall immediately notify the disqualified franchisee of the reasons for the disqualification. The franchisee shall then have the right to request a meeting with an authorized IHOP representative to discuss the reasons for the decision and request a reversal of the disqualification.

THIS POLICY IS EXTENDED UNILATERALLY BY THE FRANCHISOR TO ITS FRANCHISEES, AS IT MAY BE IN EFFECT FROM TIME TO TIME. IT DOES NOT GRANT FRANCHISEES A CONTRACTUAL RIGHT OR ENTITLEMENT OF ANY KIND AND DOES NOT AMEND OR REVISE ANY FRANCHISE AGREEMENT. THIS POLICY IS SUBJECT TO ELIMINATION, REVISION OR WITHDRAWAL BY THE FRANCHISOR IN ITS SOLE AND ABSOLUTE DISCRETION, AT ANY TIME WITH OR WITHOUT NOTICE.

May 2021 Revisions

GENERAL RELEASE

EXHIBIT R

GENERAL RELEASE

THIS GENERAL RELEASE (this “**Release Agreement**”) is made by and among IHOP Franchisor LLC, a Delaware limited liability company (“**Company**”), _____, [individual/corporation/limited liability company] (“**Franchisee**”) and the undersigned “Major Owner” of Franchisee (who together with Franchisee, jointly and severally, referred to herein as “**Releasor**”), effective as of the ____ day of _____, 20__ (the “**Effective Date**”) with reference to the following facts:

A. Franchisee desires to enter into (check as applicable): [☐] a Multi-Store Development Agreement dated as of the date hereof (as amended and assigned, the “**MSDA**”; capitalized terms used herein but not defined shall have the meanings given to such terms in the MSDA); [☐] a Single Store Development Agreement dated as of the date hereof (as amended and assigned, the “**SSDSA**”; capitalized terms used herein but not defined shall have the meanings given to such terms in the SSDA); and

B. Company has agreed to execute the agreement(s) identified in Recital A on condition, among other things, that Releasor execute this Release Agreement.

THEREFORE, in consideration of the premises set forth above, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Releasor and Company hereby agree as follows:

1. **General Release Agreement.** Except for the performance of the undertakings set forth herein and the Excluded Matters described in Section 2, Releasor for itself and its Constituents, hereby releases and forever discharges Company and each of its Constituents (defined below), including without limitation, Dine Brands Global, Inc., formerly known as DineEquity, Inc., IHOP Corp., International House of Pancakes, LLC, successor in interest to International House of Pancakes, Inc., IHOP IP, LLC, IHOP Properties, LLC, IHOP Property Leasing, LLC, IHOP Property Leasing II, LLC and IHOP Real Estate, LLC and their predecessors in interest (jointly and severally the “**Company Released Parties**”) from any and all known and unknown Claims and Claims which Releasor should know or become aware of after diligent and thorough investigation. “**Claims**” shall mean all actual and alleged claims, demands, losses, damages, agreements (whether written or oral), obligations, debts, suits, causes of action, awards, judgments, liabilities, rights to terminate or rescind, and other costs, expenses including attorneys’ fees and court costs whether arising in law or equity, anticipated or unanticipated, past, present, contingent or fixed, existing, claimed to exist or which may hereafter exist which Releasor has or may have against the Company Released Parties arising out of or relating to any act, fact, matter, thing or event that occurred or existed on or before the Effective Date. “**Constituents**” means past, present and future, direct and indirect, parents, subsidiaries, affiliates, owners, shareholders, partners, members, trustees, receivers, executors, representatives, administrators and distributors, and the past, present and future officers, directors, agents, managers, principals, employees, insurers, predecessors, successors, assigns, agents, representatives and attorneys of each of the foregoing.

2. **Excluded Matters.** This Release Agreement is not intended to terminate or amend any executed written franchise, lease or other agreement heretofore executed by and between the Releasor or its Constituents and any Company Released Party (collectively, the “**Franchise Documents**”); and although it is intended to relieve Company and its Constituents of responsibility for its or their failure, if any, to have timely performed or completed obligations which by the terms of the Franchise Documents were to have

been performed or completed prior to the Effective Date, it is not intended to release Company from its continuing contractual obligations which arise or continue under and pursuant to the Franchise Documents on and after the date of this Release Agreement (“**Excluded Matters**”).

3. **Waiver of California Civil Code Section 1542.** Releasor, for itself and themselves, and on behalf of its Constituents, acknowledge that it is familiar with Section 1542 of the California Civil Code, which reads as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

With respect to those claims being released pursuant to Section 1 hereunder, Releasor, for itself and themselves, and on behalf of its Constituents, acknowledge that it is releasing any and all unknown claims as provided above and waives all rights it has or may have under California Civil Code Section 1542 or any other statute or common law principle of similar effect. Releasor acknowledges that this general release extends to claims which Releasor does not know or suspect to exist in favor of Releasor at the time of executing this Release Agreement, which if known by Releasor may have materially affected its or their decision to enter into this Release Agreement. It is understood by Releasor that the facts in respect of which this Release Agreement is given may hereafter turn out to be other than or different from the facts in that connection known or believed to be true. Releasor, therefore, expressly assumes the risk of the facts turning out to be so different and agrees that this Release Agreement shall be in all respects effective and not subject to termination or rescission by any such difference in facts.

4. **Representations, Warranties and Covenant Not to Sue.** Releasor (and each of them) hereby represents and warrants to Company that, in entering into such release: it is doing so freely and voluntarily upon the advice of counsel and business advisor of its own choosing (or declined to do so, free from coercion, duress or fraud); it has read and fully understands the terms and scope of this Release Agreement that such party is entering into; it intends to be final and conclusive, as to the matters set forth in this Release Agreement entered into by the party; and it has not assigned, transferred, or conveyed to any third party all or any part of or partial or contingent interest in any of the Claims which are called for to be released by this Release Agreement and will not purport to do so, and it is aware of no third party who contends or claims otherwise. Releasor shall not, directly or indirectly, assert any Claim or commence or cause to be commenced, any proceeding of any kind against any Company Released Party, based upon any matter purported to be released hereby and shall defend, indemnify and hold harmless each Company Released Party from and against the assertion by or on behalf of Releasor or its Constituents of any Claim or other matter purported to be released pursuant to this Release Agreement and any breach of representations, warranties or covenants hereunder by Releasor or its Constituents.

5. **Miscellaneous.** This Release Agreement (a) cannot be modified, altered or otherwise amended except by an agreement in writing signed by all of the parties hereto; (b) together with the agreements referenced herein, constitute the entire understanding between and among the parties hereto with respect to the subject matter hereof; (c) may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument; (d) may be executed by facsimile, and signatures on a facsimile copy hereof shall be deemed authorized original signatures; (e) shall be binding upon and inure to the benefit of the parties to this Release Agreement and their respective

successors and permitted assigns; and (f) supersedes any prior negotiations and agreements, oral or written, with respect to its subject matter. The rule that an agreement is to be construed against the party drafting the agreement is hereby waived by the parties hereto, and shall have no applicability in construing this Release Agreement or the terms of this Release Agreement. Any provision of this Release Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. None of the parties is relying upon any representation, warranty, agreement or covenant not set forth herein.

6. **Governing Law.** This Release Agreement shall be governed by and construed in accordance with the internal laws of the State of California, without reference to conflict of law principles. Any controversy or claim arising out of or relating to this Release Agreement or any alleged breach hereof, including any issues pertaining to the arbitrability of such controversy or claim and any claim that this Release Agreement or any part hereof is invalid, illegal, or otherwise voidable or void, shall be submitted to binding arbitration in the same manner and subject to the same exceptions as provided in the Franchise Documents.

IN WITNESS WHEREOF, the parties hereto have executed this Release Agreement as of the date set forth above.

COMPANY:

IHOP FRANCHISOR LLC

By: _____
Name: _____
Title: _____

RELEASOR:

FRANCHISEE:

[_____]

By: _____
Name: _____
Title: _____

MAJOR OWNER:

[_____]

[_____] , Individually

ADDENDUM TO LEASE

EXHIBIT S

ADDENDUM TO LEASE

THIS ADDENDUM TO LEASE (the "Addendum") forms a part of that certain Lease dated _____, 20__, by and between _____, as Lessor, and _____, as Lessee, demising those certain premises located at _____.

RECITALS:

WHEREAS, Lessor and Lessee acknowledge that the anticipated use of the Demised Premises is the conduct of an International House of Pancakes or IHOP Restaurant thereon, pursuant to the terms of a certain Franchise Agreement (the "Franchise Agreement") to be entered into between IHOP Franchisor LLC, a Delaware limited liability company, or its affiliates, successors or assigns ("IHOP"), as Franchisor, and Lessee, as Franchisee, and that by reason of such use certain benefits will inure to Lessor and Lessee; and

WHEREAS, Lessor and Lessee further acknowledge that in the event the Lease or Franchise Agreement, or both, are terminated by reason of the default of Lessee and the business of an International House of Pancakes or IHOP Restaurant upon the Demised Premises ceases or is otherwise interrupted, certain damages to IHOP (or its Affiliates) and/or its servicemarks will result; therefore, IHOP has required, as a condition to the Franchise Agreement, that Lessor and Lessee enter into this Addendum for the purpose of granting certain succession rights to IHOP in the event of a default by Lessee under the Lease or in the event of a termination of the Franchise Agreement, or both, so that the business of an International House of Pancakes or IHOP Restaurant, at IHOP's election, may continue to be conducted upon the Demised Premises, as hereinafter provided.

NOW, THEREFORE, in consideration of the above premises and as an inducement to IHOP to enter into the Franchise Agreement with Lessee, the parties hereto hereby agree as follows:

Notwithstanding anything contained in the Lease to the contrary:

A. In the event Lessor shall declare a default under the Lease due to Lessee's failure to perform any obligation of Lessee under the terms of the Lease, and in the event Lessee shall fail to cure such default within the period provided in the Lease or at law for such cure, before Lessor shall take any action to terminate the Lease or Lessee's right to possession of the Demised Premises, Lessor shall give written notice to IHOP Franchisor LLC at 10 W. Walnut St., 5th Floor, Attn: Legal Dept., Pasadena, California 91103, of its intention to so terminate the Lease or Lessee's right to possession of the Demised Premises, whereupon IHOP shall have a period of 10 days after its receipt of said notice to notify Lessor in writing that IHOP has elected to cure such default and to succeed to Lessee's rights under the Lease. IHOP's right to so succeed to Lessee's interest under the Lease shall be conditioned upon IHOP tendering to Lessor an amount sufficient to cure any monetary defaults of Lessee then existing under the Lease, within 10 days after the date of IHOP's giving of such notice, and curing any nonmonetary defaults within a reasonable period of time after IHOP shall obtain possession of the Demised Premises. Notwithstanding the foregoing, in the event Lessee has obtained a leasehold mortgage, so long as Lessee's Mortgagee has

any cure rights with regards to the Lease, IHOP's notice and cure period described in this Addendum shall not commence until the expiration of the rights of Lessee's Mortgagee under the Lease.

B. If for any reason the Lease is terminated before IHOP shall have the right to exercise its election to succeed to Lessee's interest under the Lease, as contemplated above, Lessor shall promptly notify IHOP in writing of such termination, and, provided IHOP notifies Lessor in writing of its desire to obtain possession of the Demised Premises within 10 days after the date that IHOP shall receive written notice from Lessor that said Lease has been terminated, then Lessor shall enter into a new lease with IHOP for the remainder of the term and any option terms that would have been available under the Lease, but for such termination, within 10 days after the date that IHOP shall give such notice, provided IHOP pays Lessor an amount sufficient to cure any monetary defaults of Lessee then existing under the Lease and within a reasonable period of time after IHOP obtains possession of the Demised Premises, cures any nonmonetary defaults under the Lease.

C. In the event of the termination of the Franchise Agreement as a result of Lessee's breach thereof, IHOP shall also have the right to succeed to the interest of Lessee under the Lease by giving written notice to Lessor of its election to so succeed to Lessee's interest under the Lease, within 10 days after the date of the termination of the Franchise Agreement.

D. In the event IHOP elects to succeed to Lessee's interest under the Lease pursuant to paragraphs A, B or C above, IHOP shall attorn to Lessor and shall assume all of the obligations thereafter to be performed by Lessee under the Lease, including all amendments, addenda and supplements thereto.

E. In the event IHOP elects to succeed to Lessee's interest under the Lease pursuant to paragraphs A, B or C above, IHOP shall have the unqualified right to sublease the Demised Premises to a franchisee or prospective franchisee of IHOP meeting IHOP's minimum standard qualifications, without the written consent of Lessor, and in so doing IHOP shall have no obligation to pay to Lessor any consideration or portion thereof derived by IHOP in connection therewith.

F. Upon default by Lessee of the terms of its Franchise Agreement with IHOP, and where such default extends beyond all applicable cure periods in the Franchise Agreement, Lessor hereby grants IHOP, or its assignee, the right to enter the Premises to make any modifications necessary to protect the proprietary trademarks, trade dress and other intellectual property owned by IHOP and relating to the operation of an IHOP or International House of Pancakes Restaurant, without being deemed guilty of trespass or any other tort, to make such modifications reasonably necessary at the reasonable expense of Lessee, which expense Lessee shall pay to IHOP pursuant to the Franchise Agreement.

G. Upon the expiration or earlier termination of the Lease for any reason, Lessee shall, upon written demand of IHOP, remove all IHOP trademarks and elements of trade dress from all buildings, signs, fixtures and furnishings, and make reasonable alterations to and paint those portions of buildings and other improvements maintained pursuant to the Lease a neutral color to the extent necessary to protect the trade dress of the IHOP system. In addition to and without limiting the generality of the foregoing, Lessee shall make any other

changes which IHOP requests in order to protect the proprietary trademarks and trade dress of the IHOP system.

H. If Lessee shall fail to make or cause to be made any such removal, alteration or repainting within 30 days after written notice, Lessor shall use commercially reasonable efforts to give IHOP written notice of such failure. IHOP shall have the right to enter upon the Premises, upon at least 48 hours advance notice to Lessor, without being deemed guilty of trespass or any other tort, and make or cause to be made such removal, alterations and repainting at the reasonable expense of Lessee, for the purposes described in G. above, which expense Lessee shall pay to IHOP pursuant to the Franchise Agreement.

INITIALS: Lessor:_____ Lessee:_____

**ADDENDUM TO FRANCHISE AGREEMENT
(PURCHASE PROGRAM)**

EXHIBIT T

**ADDENDUM TO FRANCHISE AGREEMENT
(Purchase Program/Other Program)**

This ADDENDUM TO FRANCHISE AGREEMENT (this “Addendum”) is made and entered into as of this _____ day of _____, 20____ (the “Effective Date”) by and between IHOP FRANCHISOR LLC (“Franchisor”) and _____ (“Franchisee”) with reference to the following facts:

A. Concurrently with the execution of this Addendum, Franchisee and Franchisor have executed a franchise agreement (the “Franchise Agreement”) for an IHOP Restaurant located at _____, (the “Franchised Location”); for purposes of this Addendum, all capitalized terms that are used but not defined in this Addendum are used as they are defined in the Franchise Agreement.

B. In addition to the Franchised Location, Franchisor has agreed to franchise to Franchisee IHOP Restaurant(s) located as follows:

(collectively the “Other Franchised Location(s)”).

C. CHECK IF APPLICABLE [☐] In addition to the Franchised Location, Franchisor has agreed to enter into a Multi-Store Development Agreement with Franchisee (the “MSDA”), pursuant to which Franchisor and Franchisee will enter into franchise agreements for franchisee-developed IHOP Restaurants (the “Developed Locations”).

D. CHECK IS APPLICABLE [☐] In addition to the Franchised Location, Franchisor has agreed to enter into a Single Store Development Agreement with Franchisee (“SSDA”), pursuant to which Franchisor and Franchisee will enter into a franchise agreement for a franchisee-developed IHOP Restaurant (the “Developed Location”).

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, Franchisee and Franchisor amend the terms of the Franchise Agreement as follows:

1. **Transfer of Property.** If Franchisee proposes to sell, assign, or transfer all or any part of Franchisee’s interest in the Franchise Agreement and related documents for the Franchised Location (a “transaction”), Franchisee shall also sell, assign or transfer Franchisee’s interest in the Franchise Agreement (s) and related documents for the Other Franchised Location(s) as well as the MSDA and Franchise Agreement(s) for the Developed Locations, if applicable, to the same entity or person. In addition to the requirements of Section 11.03 of the Franchise Agreements and Section 8.3 of the MSDA, the following provisions shall apply: (a) Franchisee shall promptly

provide to Franchisor written notice of the proposed transaction, setting forth all of the terms and conditions of the proposed transaction (including copies of the proposed assignments) and of the identity of the other party with whom Franchisee proposed to engage in the transaction; (b) The transaction shall be subject to Franchisor's prior written consent not to be unreasonably withheld but which may be subject to such reasonable conditions as Franchisor may impose, which may include (without limitation) Franchisor's receipt of adequate assurance that the transaction will not adversely affect the continuing operation of the IHOP Restaurant at the Franchised Location, the IHOP Restaurant(s) at the Other Franchised Location(s), the Franchise Agreements for the Developed Locations or the MSDA, if applicable, for the remaining term(s) thereof; and (c) If Franchisee proceeds with the transaction without complying with this provision, then Franchisee shall be in default under Section 12.01 of the Franchise Agreement.

2. **Cross-Default.** Any Material Breach by Franchisee under the MSDA or SSDA, as applicable, or under the Franchise Agreement for the Franchised Location shall constitute a Material Breach under this Addendum, a Material Breach under the Franchise Agreement(s) for the Other Franchised Location(s), and a Material Breach under the Franchise Agreement(s) for the Developed Location(s), if applicable. Any Material Breach by Franchisee under the Franchise Agreement(s) or Addendum(s) thereto for the Other Franchised Location(s) and/or under the Franchise Agreement(s) for the Developed Location(s), if applicable, shall constitute a Material Breach under this Addendum and a Material Breach under the Franchise Agreement for the Franchised Location.

3. **Reaffirmation.** Except as specifically modified by this Addendum, the Franchise Agreement is reaffirmed in its entirety.

IN WITNESS WHEREOF, Franchisor and Franchisee have caused this Addendum to be executed as of the day and year first above written.

FRANCHISOR:
IHOP FRANCHISOR LLC
a Delaware limited liability company

By:_____

Its:_____

FRANCHISEE:

LEASE

EXHIBIT U

LEASE

between

IHOP PROPERTY LLC,
[or IHOP Leasing LLC if a Sublease],
a Delaware limited liability company

Lessor/Lessee

and

a _____ corporation

Lessee

Date __, 20__

LEASE

THIS LEASE ("Lease") is made and entered into as of the ____ day of _____ 20__ ("Effective Date") by and between **IHOP PROPERTY LLC**, a Delaware limited liability company ("Lessor"), having its principal place of business at 450 N. Brand Boulevard, 7th Floor, Glendale, California 91203-1903, and _____, a _____ corporation, ("Lessee"), having its principal place of business at _____.

WITNESSETH:

ARTICLE 1 - MASTER LEASE; PREMISES; TERM

1.1 Master Lease (if a Sublease). Lessor is the current lessee under that certain Lease dated _____, as amended, between _____, as Lessor, and (Sublessor's) predecessor in interest, _____, as Lessee, (as amended, the "Master Lease"), demising those certain premises located and situated at _____, together with the improvements constructed thereon and the rights appurtenant thereto, as more particularly described on Exhibit "_" of the Master Lease (the "Demised Premises"). A true and correct photocopy of the Master Lease, as "Exhibit A" has been separately provided to Lessee, the receipt of which is hereby acknowledged. Lessee agrees (i) to be bound by all of the provisions of the Master Lease, except to the extent those provisions have been expressly modified herein, (ii) that all of the obligations and all sums required to be paid as provided in the Master Lease which are the obligations of the Lessee thereunder shall be the obligations of Lessee, except to the extent those obligations have been expressly modified herein, and (iii) that all such obligations run from Lessee to Lessor as well as to Lessor. Anything contained in this Lease to the contrary notwithstanding, Lessee's duties and obligations hereunder shall not be less than that of the Lessee under the Master Lease, except for the rental rate which shall be as stated in the Lease.

1.2 Demised Premises. For and in consideration of the rents, insurance and other charges and expenses to be paid by Lessee, and in consideration of the performance by Lessee of the covenants set forth herein, Lessor does hereby demise and Lease to Lessee that certain real property described herein as the Demised Premises, together with all existing equipment, [if Sublease include "subject to and incorporating herein the terms, conditions and covenants of the Master Lease"].

1.3 Condition of Demised Premises. Lessor makes no warranties or representations of any kind concerning the Demised Premises or the existing equipment. Lessee acknowledges that Lessee has had an opportunity to inspect the Demised Premises and existing equipment and accepts the same "AS IS" in their present condition without any warranty of Lessor whatsoever, express or implied. Notwithstanding the foregoing, Lessee shall have until _____, to complete all inspections regarding the Demised Premises ("Inspection Completion Date"). Only after obtaining the written approval of the Master Lease Lessor shall Subtenant be authorized to make structural improvements to the Demised Premises or raze the current building and re-build its prototype structure.

1.4 Term. The term of this Lease shall be _____ years, commencing _____, 20____ (the "Commencement Date"). Notwithstanding anything in this Lease to the contrary, the term of this Lease shall not extend beyond _____, 20____.

ARTICLE 2 – RENT

2.1 Monthly Rent. Lessee agrees to pay Lessor during the Term, in advance on the first day of each calendar month, at the address set forth above or such other address as Lessor may specify in writing from time to time, a minimum base rent ("Minimum Monthly Rent") as set forth in the table below.

Excluding the Security Deposit in the amount of \$_____, which shall accompany the executed Lease, the date on which Minimum Monthly Rent first becomes payable (the "Rent Start Date") shall be 90 days following the Inspection Completion Date or the date upon which Subtenant receives permits to commence construction, whichever is earlier.

Lease Year	Monthly Rent	Annual Rent
Lease Years 1 – 5	\$	\$
Lease Years 6 – 10	\$	\$
Lease Years 11 – 15	\$	\$
Lease Years 16 – 20	\$	\$
Lease Years 21 – 25	\$	\$
Lease Years 26 – 30	\$	\$

If the Rent Start Date is other than the first day of a calendar month, the Minimum Monthly Rent for that month shall be prorated based upon a 30 day month and the actual number of days from the Rent Start Date to the end of that calendar month. The term "Lease Year" as used herein shall mean each consecutive 12 month period from and after the Commencement Date until the expiration of the Term; provided, however, if the Rent Start Date falls on a day other than the first day of a calendar month, then the first Lease Year shall be longer than one calendar year and shall end on the last day of the 12th full calendar month after the Commencement Date. Each subsequent Lease Year shall end on the last day of that same calendar month.

Minimum Monthly Rent to be received by Lessor shall be a net rental to Lessor and not subject to any deductions whatsoever arising from the use and/or occupancy of the Demised Premises by Lessee.

2.2 Late Charge. If Lessee fails to pay any installment of Minimum Monthly Rent, additional rent, or any other charge that Lessee is obligated to pay Lessor hereunder within 5 days after the same is due and payable, then, and without limiting Lessor in the exercise of any other right or remedy of Lessor hereunder with respect to such failure, a late charge equal

to 5% of the amount of the late payment shall accrue to compensate Lessor for any inconvenience or damage resulting from the late payment. If a late charge has accrued with regard to a particular payment, such late charge shall be due and payable within 5 days after Lessee's receipt of Lessor's written demand therefor; provided, however, such late charge shall not be imposed more than once for any particular late payment and shall not be applicable to any payment which becomes due on or after the date on which Lessor elects to pursue any remedy set forth in Article 10 below; and provided further that Lessor's demand for payment of such late charge shall be made, if at all, within 180 days after the date on which the payment which is the subject of the late charge was originally due and payable. Notwithstanding the foregoing to the contrary, Lessor expressly agrees that in the first instance of Lessee's failure to pay any installment of Minimum Monthly Rent, additional rent, or any other charge that Lessee is obligated to pay Lessor hereunder occurring in any consecutive 12 month period during the Term, the late charge set forth in this Section 2.2 shall become due and payable if Lessee fails to make the subject payment within 5 days after the date said payment is due.

2.3 Security Deposit. Upon execution of this Lease, Lessee shall provide to Lessor a security deposit in the amount of \$_____ in guaranteed funds as security for Lessee's full and faithful performance of its obligations under this Lease.

ARTICLE 3 - TAXES; UTILITIES

3.1 Real Property Taxes and Assessments. Lessee shall pay all real property taxes and assessments, or installments thereof, which are levied or assessed against the Demised Premises and become due during the Term. The amount of such taxes shall be additional rent hereunder. If Lessee fails to pay any real property taxes or assessments as provided, Lessor may, at its option pay the tax or assessment and Lessee shall immediately reimburse Lessor therefor.

3.2 Utilities Expenses. Lessee shall make all arrangements for obtaining, and during the Term shall pay for, all utilities and services furnished to or to be used on the Demised Premises, including, without limitation, electricity, water, gas, sewer, telephone service and trash collection, and for all service commencement charges and meter reading fees. Such charges and expenses shall be paid directly to the utility companies or other entities to which such charges and fees are payable.

3.3 Personal Property Taxes. During the Term, Lessee shall pay all personal property taxes levied upon the personal property installed in or placed on the Demised Premises by Lessee.

3.4 Proration. All of the real property taxes or assessments, costs, expenses and charges referred to in Articles 4 and 5, except personal property taxes and utility or other charges attributable solely to the operation of the business on the Demised Premises, shall be prorated between the parties as of the date Lessee accepts delivery of the Demised Premises, and for the last year of the Term, as of the expiration or termination date.

3.5 Contest. Lessee may, in its name and at its expense, contest any tax or levy in any manner permitted by law; provided, however, whenever necessary, Lessee may pursue any such contest in Lessor's name, and Lessor agrees to cooperate with Lessee and execute any

documents or pleadings reasonably required for such purpose; provided, however, that Lessor shall not be required to incur any costs in connection therewith. Such contest may include appeals from any judgments, decrees, or orders until a final determination is made by a court or governmental department or authority having final jurisdiction in the matter. Before commencing any such contest, Lessee shall obtain a bond sufficient to cover the amount of the imposition or levy which would be due if the decision were adverse to Lessee.

ARTICLE 4 - REPAIR AND MAINTENANCE OF THE IMPROVEMENTS

4.1 Repairs and Maintenance. Except as expressly provided in this Lease, during the Term Lessee will, at its sole expense, make all necessary repairs to the building and keep the Demised Premises and improvements in good condition and repair at its own cost and expense, including without limitation, the interior of the building, windows and other glass, and all of the exterior of the Demised Premises, including without limitation, the roof and exterior walls, the parking area and exterior lighting, all signs, landscaping and exterior doors, in good condition and state of repair at all times during the term of this Lease. Should the Master Lease provide for maintenance of any or all of the Demised Premises, common areas and/or the parking area by the Lessor (which maintenance may include, but need not be limited to, snow removal, lighting, insurance and other facilities) at Lessor's cost, Lessee shall pay, as additional rental, the amounts therein set forth.

Furthermore, all of the obligations and all sums required to be paid as provided in Article IV of the Master Lease which are the obligations of the Lessee thereunder shall be the obligation of the Lessee.

If at any time during the Term hereof it shall be required by any governmental agency as a condition to doing business on the Demised Premises that certain improvements be made or fixtures or equipment be furnished or replaced according to plans and specifications prescribed by such agency, Lessee shall bear the cost of making the improvements and/or furnishing or replacing such equipment for his/her sole account and without reimbursement from Lessor.

Lessor, Lessor, and their respective agents may at any time enter and inspect the Demised Premises to determine the manner in which they are being used, maintained and repaired.

Upon expiration of the Term hereof pursuant to the provisions of this Lease, Lessee shall promptly return the Demised Premises to Lessor in as good condition and repair, exposure to the elements, casualty, condemnation, acts of God and reasonable wear and tear excepted. The determination of "good condition and repair" shall take into account the age of the building and components thereof at the time of delivery to Lessor and "wear and tear".

Should the Lessee at any time during the Term hereof fail to so maintain or repair the Demised Premises as required by the Lessor, or should Lessee fail to pay any real or personal property tax or other cost pursuant to Article 4 hereof, Lessor may, at its sole option, pay same and charge such expenses to the Lessee's account. In the event of such disbursement by the Lessor, Lessee must reimburse Lessor therefor within 10 days after having been notified in writing of the nature and amount of such expenditure.

4.2 Alterations. Lessee shall have the right, at any time and from time to time during the Term, to make non-structural changes or alterations to the Demised Premises provided however the cost shall not exceed \$10,000.00. Before making non-structural changes or alterations costing in excess of \$10,000.00, or any structural changes or alterations, Lessee shall give Lessor at least 30 days prior written notice to enable Lessor and the Lessor to post notices of non-responsibility, and Lessee shall permit Lessor and the Lessor or their respective authorized representatives to enter upon the Demised Premises during normal business hours for the purpose of posting such notices. All changes and alterations shall be performed and constructed in a good and workmanlike manner, in compliance with all applicable building codes and the requirements of all governmental agencies or departments have jurisdiction therefor, and in compliance with the Master Lease.

4.3 Compliance with Laws and ADA Compliance. Lessee shall comply with all laws, ordinances, codes, orders and regulations affecting the construction, use, occupancy, alteration, cleanliness, safety and operation of the Demised Premises, which are in force now or later. Lessor and Lessee acknowledge that, in accordance with the provisions of the Americans with Disabilities Act of 1990, as amended (the ADA), responsibility for compliance with the terms and conditions of Title III of the ADA and the accessibility standards may be allocated as between Lessor and Lessee. Notwithstanding anything to the contrary contained in the Lease, Lessor and Lessee agree that the responsibility for compliance with the ADA shall be allocated as follows: (i) Lessee shall be responsible for compliance with the provisions of the ADA for any and all alterations within the Leased Premises [i.e. the portion of the property for which Lessee is responsible if Lessee constructs such alterations, without the assistance of Lessor, regardless of whether Lessor consents to such alterations]; and (ii) Lessor shall be responsible for compliance with the provisions of the ADA for the property exterior of the Building and within the common areas, unless such compliance is required as a result of Lessee's work, in which event Lessee shall be responsible for such compliance. Notwithstanding the foregoing, Lessee shall not be responsible for any ADA compliance resulting in whole or in part from alterations installed by Lessor in the Building.

ARTICLE 5 - LIENS

If, at any time during the Term, the Demised Premises become subject to a lien for labor or materials furnished to Lessee in the construction of the building or repair of the improvements, within 20 days after Lessee's receipt of written notice informing Lessee of the recording of such lien, Lessee shall cause the lien to be bonded or discharged, and shall otherwise save Lessor harmless on account thereof; provided, however, that if Lessee desires in good faith to contest the validity or correctness of any such lien it may do so, and Lessor shall cooperate to whatever extent may be necessary, provided only that Lessee shall indemnify Lessor and Lessor against any costs, loss, liability or damage on account thereof.

ARTICLE 6 - USE OF DEMISED PREMISES

The Demised Premises shall be used for the purpose of conducting thereon the business of a prototypical IHOP restaurant or for any lawful purpose not in contravention of the Master Lease, applicable zoning laws or private covenants or restriction. Any use other than what is contemplated by this paragraph shall require Lessor approval. The Demised Premises shall not be used in such manner as to knowingly violate any applicable law, rule,

ordinance or regulation of any governmental body.

ARTICLE 7 - LIABILITY INSURANCE

7.1 Lessee's Insurance. Lessee agrees that on or before the Commencement Date of the Term it will obtain, for the mutual benefit of Lessor, Lessor and Lessee, commercial general liability insurance covering the Demised Premises and the business conducted thereon (including coverage related to serving food and beverages, and if alcoholic beverages are served in the Demised Premises, appropriate liability coverage related thereto) from an insurance company authorized or admitted to conduct business in the State of _____, and rated A-/VII or better by the A. M. Best Company. Such insurance shall provide coverage of at least \$5,000,000.00 combined single limit for death or injury to one or more persons and property damage, shall name Lessor and Lessor as additional insureds thereunder. Lessee agrees to maintain such insurance in full force and effect during the Term, at its sole cost and expense. Lessee shall provide Lessor with a certificate of the company issuing the policy, certifying that the same is in full force and effect.

(a) Insurance Coverage. From and after the date of delivery of the Premises from Lessor to Lessee, Lessee will carry and maintain, at its sole cost and expense, the following types of insurance, in the amounts specified and in the form hereinafter provided for:

(ii) Insurance covering all of the items included in Lessee's leasehold improvements and heating, ventilating and air conditioning equipment maintained by Lessee under the terms of this Lease, trade fixtures, merchandise and personal property from time to time in, on or upon the Premises, and alterations, additions or changes made by Lessee in an amount not less than 100% of their full replacement value from time to time during the Term, providing protection against perils included within the standard form of "all-risks" fire and casualty insurance policy, together with insurance against sprinkler damage, vandalism and malicious mischief. Any policy proceeds relating to the Premises from such insurance shall be paid to Lessor and such proceeds shall be used for the repair, construction and restoration or replacement of the property damaged or destroyed unless this Lease shall cease and terminate under the provisions of Section 17 of this Lease.

(iii) Workers' Compensation and Employer's Liability insurance affording statutory coverage and containing statutory limits with the Employer's Liability portion thereof to have minimum limits of \$500,000.00.

(iv) Any other form or forms of insurance or any changes or endorsements to the insurance required herein as Lessor, or any mortgagees or lessors of Lessor may reasonably require, from time to time, provided such forms of insurance, changes or endorsements are reasonably necessitated by Lessee's particular use of the Premises or reasonable business practices.

(b) Insurance Policy Requirement. All policies of the insurance provided for in this Section 16 shall be issued in form reasonably acceptable to Lessor by insurance companies with a rating and financial size of not less than A-VII in the most current available "Best's Insurance Reports", and licensed to do business in the state in which the Premises is located. Each and every such policy:

(i) shall name Lessor as an additional insured (as well as any mortgagee of Lessor of which Lessee has received written notice and any other party reasonably designated by Lessor to Lessee in writing) and the coverage in (ii), (iii) and (iv) shall also name Lessor as loss payee.

(ii) shall (and a certificate thereof shall be delivered to Lessor at or prior to the execution of the Lease) be delivered to each of Lessor and any such other parties in interest within 30 days after delivery of possession of the Premises to Lessee and thereafter within 30 days prior to the expiration of each such policy, and, as often as any such policy shall expire or terminate. Renewal or additional policies shall be procured and maintained by Lessee in like manner and to like extent;

(iii) shall be endorsed to contain a provision that the insurer will give to Lessor, and any ground lessor or Holder (as hereinafter defined) of which Lessee has received written notice at least 30 days' notice in writing in advance of any material change, cancellation, termination or lapse, or the effective date of any reduction in the amounts of insurance; and

(iv) shall be written as a primary policy which does not contribute to and is not in excess of coverage which Lessor may carry.

7.2 Exculpation of Lessor and Lessor. It is expressly understood and agreed by and between Lessor and Lessee that Lessor shall have no liability for damage or injury to any person or property in, on, or about the Demised Premises caused by or resulting from electricity, gas, rain, ice, snow, or leakage or flow of water from or into any part of the improvements, or from any other cause or occurrence, unless such damage or injury is caused by or results from the willful act or omission of Lessor or its agents, employees, representatives, or contractors. In addition, Lessee agrees that Lessor, as the fee owner of the Demised Premises shall have no liability for damage or injury to any person or property in, on, or about the Demised Premises caused by or resulting from electricity, gas, rain, ice, snow, or leakage or flow of water from or into any part of the improvements, or from any other cause or occurrence, unless such damage or injury is caused by or results from the willful act or omission of Lessor or its agents, employees, representatives, or contractors.

7.3 Lessee's Indemnification. During the Term, Lessee agrees to protect, defend (with counsel reasonably satisfactory to Lessor), indemnify and save Lessor harmless from and against all claims, costs, expenses and liability arising from (a) Sublessee's possession, use, control or management of the Demised Premises, (b) any condition upon the Demised Premises resulting from a breach or default in the performance of any covenant or agreement on Lessee's part to be performed hereunder, (c) the willful act or omission or negligence of Lessee or its employees, agents, licensees, or contractors, or (d) injury or damage to persons or property in or on the Demised Premises; provided, however, that if it is shown that a willful act or omission or some negligence of Lessor or its agents, employees, licensees or contractors, or a breach or default by Lessor hereunder, contributed to any loss, then this indemnity shall apply only to a percentage of the claims, costs, expenses or liabilities relating to the loss, which percentage shall be determined by subtracting from 100% the percentage of the loss shown to be contributed by the willful or negligent acts or omissions of Lessor or its agents, employees, licensees or contractors of by a breach or default by Lessor hereunder.

ARTICLE 8 - BANKRUPTCY

If at any time during the Term hereof proceedings in bankruptcy, insolvency or other similar proceedings be instituted by or against Lessee, whether or not such proceedings result in an adjudication against Lessee, or should a receiver of the business or assets of Lessee be appointed, such proceedings or adjudication shall not affect the validity of this Lease so long as Minimum Monthly Rent and additional rent reserved hereunder continues to be paid to Lessor and the other terms, covenants and conditions of this Lease on the part of the Lessee to be performed, are performed, and in such event this Lease shall continue to remain in full force and effect in accordance with the terms herein contained.

ARTICLE 9 - ASSIGNMENT; SUBLETTING

9.1 Assignment. Lessee may not assign this Lease, in whole or in part, without obtaining the prior written consent of Lessor, provided, however, that Lessee may assign this Lease, in whole or in part, without such consent: (a) as security or otherwise to a national or state chartered bank or other financial institution, (b) to a corporation controlled by, controlling, or under common control, Lessee, (c) to any surviving corporation resulting from a merger or consolidation of Lessee with any other corporation, or (d) to any corporation which purchases or otherwise acquires all or substantially all of the assets of Lessee. No such assignment shall relieve Lessee from its obligations hereunder. Consent to any assignment for which Lessor's consent is required shall not be deemed consent to any subsequent assignment.

9.2 Subletting. Lessee may not sublet the Demised Premises, without Lessor's prior written consent.

ARTICLE 10 - DEFAULT

10.1 Lessor's Remedies. In the event of a default by Lessee in the payment of any sum due and payable to Lessor hereunder, if the default is not cured within 15 days after Lessee's receipt of written notice thereof from Lessor, or, in the event of a non-monetary default, if the default is not cured within 30 days after Lessee's receipt of written notice thereof, or, if the default cannot reasonably be cured within such 30 day period, if Lessee does not commence to cure the default within such 30 day period, or does not thereafter continue its efforts with due diligence, then, at Lessor's option, and without limiting Lessor in the exercise of any other rights or remedies which Lessor may have at law or in equity by reason of such breach, with or without notice or demand, Lessor may:

(A) Without terminating this Lease, reenter the Demised Premises with or without process of law and take possession of the same and expel or remove Lessee and all other parties occupying the Demised Premises, and at any time and from time to time relet the Demised Premises or any part thereof for the account of Lessee, for such term, upon such conditions and at such rental as Lessor may deem proper. In such event, Lessor may receive and collect the rent from such reletting and shall apply it against any amounts due from Lessee hereunder, including, without limitation, such expenses as Lessor may have incurred in recovering possession of the Demised Premises, placing the same in good order and condition, altering or repairing the same for reletting, and all other expenses, commission and charges, including attorneys' fees, which Lessor may have paid or incurred in connection with such repossession and reletting. Lessor may execute any Lease made pursuant hereto in

Lessor's name or in the name of Lessee, as Lessor may see fit, and the lessee thereunder shall be under no obligation to see to the application by Lessor of any rent collected by Lessor, nor shall Lessee have any right to collect any rent thereunder. Whether or not the Demised Premises are relet, Lessee shall pay to Lessor all amounts required to be paid by Lessee up to the date of Lessor's reentry, and thereafter Lessee shall pay to Lessor, until the end of the Term, the amount of all rent and other charges required to be paid by Lessee hereunder, less the proceeds of such reletting as provided above. Such payments by Lessee shall be due at such times as are provided elsewhere in this Lease, and Lessor need not wait until the termination of this Lease to recover them by legal action or otherwise. Lessor shall not be deemed to have terminated this Lease or the liability of Lessee for the total rent hereunder by any reentry or other act, unless Lessor shall give Lessee written notice of Lessor's election to terminate this Lease.

(B) Terminate this Lease by giving written notice to Lessee of Lessor's election to so terminate, reenter the Demised Premises with or without process of law and take possession of the same, and expel or remove Lessee and all other parties occupying the Demised Premises. In such event, Lessor shall thereupon be entitled to recover from Lessee:

(1) The worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(2) The worth at the time of award of the amount by which (a) the unpaid rent which would have been earned after termination until the time of award exceeds (b) the amount of such rental loss Lessee proves could have been reasonably avoided; plus

(3) The worth at the time of award of the amount by which (a) the unpaid rent for the balance of the Term after the time of award, exceeds (b) the amount of such rental loss that Lessee proves could be reasonably avoided; plus

(4) Any other amount reasonably necessary to compensate Lessor for all detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which, in the ordinary course of things, would be likely to result therefrom.

As used in Subsections (i) and (ii) above, the "worth at the time of award" is computed by allowing interest at the rate of 10% per annum. As used in Subsection (iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus 1%.

10.2 Limitation on Recourse Against Lessor. In the event of a default or breach by Lessor in the performance of any of Lessor's obligations hereunder or a violation by Lessor of any of the provisions of this Lease, Lessor's liability therefor shall be limited to Lessor's estate in the Demised Premises and the rents, issues and profits therefrom. Lessor shall not be in default hereunder if curative action is commenced within 30 days after the Lessee delivers written notice of default to Lessor and thereafter Lessor diligently pursues until cured within 60 days.

ARTICLE 11 - PROPERTY INSURANCE

11.1 Lessee to Obtain "All Risk" Insurance. Lessee shall, at its cost and expense, obtain and maintain so-called "All Risk" property insurance with a code upgrade endorsement, with an insurance company authorized or admitted to do business in the State of _____, and rated A-/VII or better by the A.M. Best Company, for the mutual benefit of Lessee, Lessor, and Lessor, covering the improvements in an amount equal to 100% of the full replacement cost thereof, excluding building foundations and excavation costs. As often as any such policy expires or terminates, a renewal or replacement policy providing similar coverage shall be obtained by Lessee. In the event of fire or other casualty, proceeds of any such policy shall be payable to Lessee and Lessor, as their respective interests may appear, in accordance with the terms of Article 13 below. Lessee shall provide Lessor with a certificate of the company issuing the policy, certifying that the same is in full force and effect.

11.2 Lessee to Obtain "Business Interruption" Insurance. Notwithstanding the damage or destruction of the Demised Premises, rent and taxes payable hereunder shall not abate, although the Demised Premises are closed for restoration. In order to assure the payment of the rent and taxes hereunder, Lessee hereby covenants and agrees to obtain business interruption insurance coverage, naming Lessor as a coinsured, that shall include an increment sufficient to cover the rent and taxes payable hereunder for at least 12 months, Lessee hereby further covenanting and agreeing to assign to Lessor the proceeds of any proof of loss under such business interruption policy to the extent of the rent and taxes payable hereunder for the period of the loss, together with any and all arrearages hereunder at any time.

ARTICLE 12 - DAMAGE AND DESTRUCTION

12.1 No Abatement of Rent. Notwithstanding any statute or rule of law of the state in which the Demised Premises are located to the contrary, in the event of any damage to or destruction of the improvements or any part thereof by fire or other casualty, this Lease shall continue in full force and effect.

12.2 Restoration of Improvements. If the improvements and equipment on the Demised Premises or any part thereof are damaged or destroyed, Lessee shall diligently proceed to repair, restore, and replace the improvements and shall have available to it all proceeds from the property insurance maintained by Lessee pursuant to Article 11 above. Lessee shall as promptly as possible, cause the repair, restoration, or replacement of the Demised Premises to substantially the same condition that they were in before their damage or destruction.

ARTICLE 13 - CONDEMNATION

12.1 Complete Taking. In the event that the whole Demised Premises shall be taken during the term of this Lease for any public or quasi-public use under any governmental law, ordinance, regulation or by right of eminent domain, or shall be sold to the condemning authority under threat of condemnation (any of such events being hereinafter referred to as a "taking"), then this Lease shall terminate as of the date of such taking. In the event any part of the building located on the Demised Premises or a "material portion of the land" (as hereinafter defined) is taken, or if any part of a driveway or other access way which is reasonably necessary for access to the business on the Demised Premises shall be taken,

then Lessee shall have the option of terminating this Lease as of the earlier of the date title to such Demised Premises passes to the governmental authority, or the date the governmental authority shall take possession of the Demised Premises.

12.2 Partial Taking. In the event of any taking (other than a taking of the whole Demised Premises) which does not give rise to an option to terminate or in the event of a taking which does give rise to an option to terminate and Lessee does not elect to terminate, Lessor shall make its award available to Lessee and Lessee shall, to the extent of the award from such taking (which word "award" shall mean the net proceeds after deducting expenses of any settlement, or net purchase price under a sale in lieu of condemnation) promptly restore or repair the Demised Premises and all improvements thereon (except the items which Lessee is entitled to remove) to the same condition as existed immediately prior to such taking insofar as is reasonably possible. If the estimated cost of restoration or repair shall exceed the amount of Lessor's award, Lessee shall pay the amount of such excess. If the award shall exceed the amount spent to effect such restoration, repair or replacement, such excess shall unconditionally belong to Lessor and shall be paid to Lessor.

12.3 Right to Recover. In the event of a partial taking where this Lease is not terminated, Lessee shall not be entitled (except for use in reconstruction) to any part of the compensation or award given Lessor for its fee interest in the Demised Premises, but Lessor shall have the right to recover from the condemning authority such compensation as is specifically awarded to Lessor (i) to reimburse Lessor for any cost which Lessor may incur in removing, altering and/or replacing Lessor's property, and (ii) for loss of business.

ARTICLE 13 - QUIET ENJOYMENT AND TITLE

13.1 Covenant of Quiet Enjoyment. Subject to the terms of this Lease, upon paying the Minimum Monthly Rent and any additional rent and performing the other terms, covenants and conditions of this Lease on Lessee's part to be performed, Lessee shall and may peaceably and quietly have, hold, occupy, possess and enjoy the Demised Premises during the Term.

13.2 Right to Possession. Lessor covenants, warrants and represents that: (a) the Demised Premises are now unoccupied and tenant-free, and (b) absolute, tenant-free possession of the Demised Premises will be delivered to Lessee.

13.3 Ownership; Authority. Lessor covenants, warrants and represents that: (a) Lessor alone has the full right to Lease the Demised Premises for the Term as set forth in this Lease, and (b) Lessor has not entered into any agreement or instrument of any kind which would prohibit the use of the Demised Premises for the operation of a restaurant. It is expressly understood and agreed that these covenants by Lessor constitute a warranty by Lessor and that if Lessor does not have the sole right to Lease the Demised Premises or if there are any such restrictions, then (i) at the option of Lessee, this Lease shall become null and void and no rent shall accrue for the remainder Term or any part thereof, and (ii) Lessee may pursue any remedy available at law or in equity to recover damages or other relief.

13.4 Lessor Estoppel and Covenants. Lessor covenants, warrants, and represents that (a) Lessor is rightfully and lawfully in possession of the land described on Exhibit A, as the rightful owner [*Sublease Lessee under the Master Lease*]; [*Sublease: (b) the Master Lease*

is in full force and effect and has not been amended except as set forth in Section 1.1, 2.1 of this Sublease; (c) at the time of execution of this Lease, no event has occurred which constitutes, or with the passage of time would constitute, a default by Lessor as Lessee under the Master Lease; and (d) during the Term of this Lease, Lessor will not take any action, or fail to take any action, which action or failure to act would constitute, or result in, a default under the Master Lease.] Lessor understands and acknowledges that in entering into this Lease, Lessee is relying upon the covenants, representations, and warranties of Lessor set forth in this Section 13.4, and Lessor agrees that if any such representation or warranty is subsequently found to be incorrect or Lessor breaches any such covenants, then this Lease shall, at the option of Lessee, become null and void and thereafter no rent shall be due or accrue under this Lease.

ARTICLE 14 - SUBORDINATION

Provided that Lessor delivers to Lessee an agreement in writing and in recordable form from any future mortgagee or holder of a deed of trust or other encumbrance with respect to the Demised Premises to the effect that (a) such person shall not for any reason disturb the possession, use or enjoyment of the Demised Premises by Lessee, its successors and assigns, so long as all of the obligations of Lessee are fully performed in accordance with the terms of this Lease. *[may or may not apply: and (b) such person shall permit payment and application of insurance proceeds and condemnation proceeds in accordance with Articles 13 and 14 above, respectively, in the event of damage to or destruction of the improvements, or condemnation of the improvements or any part of the Demised Premises,]* then Lessee agrees to subordinate its rights hereunder to the lien of such mortgage, deed of trust or other encumbrance which may hereafter affect the Demised Premises. Provided such agreement is obtained, Lessee shall promptly execute and deliver to Lessor upon demand any instrument which may be necessary to effect such subordination.

ARTICLE 15 - REMOVAL OF DISTINCTIVE FEATURES

Lessor agrees that upon the expiration or earlier termination of this Lease, Lessee shall have the unqualified right to remove from the Demised Premises all signs, and other distinctive features of the business operated on the Demised Premises. Lessee shall, at its expense, repair any damage caused by such removal.

Lessor acknowledges, consents and agrees that all furniture, fixtures, chattels and equipment installed in or on or located in or about the improvements or other parts of the Demised Premises which are installed in or placed on the Premises by Lessee, (the "Trade Fixtures") shall be and at all time remain the property of Lessee and the same may be removed by Lessee at any time during the Term or upon the expiration or earlier termination of the Term, whether or not any such Trade Fixtures may be regarded as property of Lessor by operation of law or otherwise. Lessee shall, at its expense, repair any structural damage to the building or its interior caused by such removal.

ARTICLE 16 - REAL ESTATE COMMISSIONS

Lessor agrees to pay to _____ ("Lessor's Agent") for assisting with this Lease, a commission in an amount specified in a separate contract between Lessor and Lessor's Agent. Lessee represents that, except for Lessor's Agent, it has not dealt with any

real estate broker or other person acting in a similar capacity who might be entitled to a commission or finder's fee in this transaction. Each party hereby indemnifies the other and agrees to hold the other harmless from any commission, finder's fee or similar claims, and any liability, damages, judgments, and costs related thereto, including reasonable attorneys' fees and costs, arising through actions of the indemnifying party in contravention of the representations contained herein.

ARTICLE 17 - NOTICES AND DEMANDS

Any notice, demand or other communication required or permitted by law or any provision of the Lease to be given or served on either party shall be in writing, addressed to the party at the address set forth below, or such other address as the party may designate from time to time by notice, and (i) deposited in the United States mail, registered or certified, return receipt requested, postage prepaid, (ii) delivered by an overnight private mail service which provides delivery confirmation such as, without limitation, Federal Express, Airborne or UPS, or (iii) personally delivered at such address. All communications delivered as set forth herein shall be deemed received by the addressee on the delivery date or the delivery refusal date shown on the return receipt or the delivery confirmation.

To Lessor:

To Lessee:

IHOP PROPERTY LLC.
450 N. Brand Blvd., 7th Floor
Glendale, CA 91203-1903
Attention: Legal Department

ARTICLE 18 - ATTORNEYS' FEES

If any action or proceeding, whether judicial or non-judicial, is commenced with respect to any claim or controversy arising from a breach of this Lease or seeking the interpretation or enforcement of this Lease, including any exhibits attached hereto, in addition to any and all other relief, the prevailing party or parties in such action or proceeding shall receive and be entitled to recover all costs and expenses, including reasonable attorneys' fees and costs, incurred by it on account of or related to such action or proceeding.

ARTICLE 19 - GENERAL PROVISIONS

19.1 Binding on Successors. All of the covenants, agreements, provisions and conditions of this Lease shall inure to the benefit of and be binding upon the parties hereto, their successors, legal representatives and assigns.

19.2 Severability. If any term or provision of this Lease or the application thereof to any person or circumstance shall be invalid or unenforceable, to any extent, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the maximum extent permitted by law.

19.3 Entire Agreement. This Lease and the exhibits attached hereto contain the entire agreement between the parties and shall not be modified in any manner except by a document executed by the parties hereto or their respective successors in interest.

19.4 Captions. The captions used in this Lease are inserted as a matter of convenience only, in no way define, limit or describe the scope of this Lease or the intentions of the parties hereto, and shall not in any way affect the interpretation or construction of this Lease.

19.5 Gender and Number. Words of any gender in this Lease shall be held to include any other gender, and words in the singular shall be held to include the plural, and vice versa, as the context permits or requires.

19.6 "Affiliate" Defined. The term "affiliate" as used in this Lease shall mean and be understood to encompass any direct or indirect corporate parent of Lessee, and any direct or indirect corporate subsidiary of Lessee, in addition to any corporation that is an actual affiliate of Lessee in the commonly used meaning of the term.

19.7 Guarantors. Concurrent with the execution of the Lease, Lessee shall execute a corporate Guaranty of Lease, which shall remain effective through the expiration of the Lease term.

19.8 Approvals. Wherever Lessor's or Lessee's approval or consent is required herein, such approval or consent shall not be unreasonably withheld or delayed.

19.9 No Waiver. A waiver by Lessor or Lessee of any breach of any provision of this Lease shall not be deemed a waiver of any breach of any other provision hereof or of any subsequent breach by Lessee or Lessor of the same or any other provision.

19.10 Holdover. If Lessee holds over after the expiration of the Term with the consent, express or implied, of Lessor, such holding over shall be construed to be a tenancy from month to month only, and Lessee shall pay the rent, additional rent and other sums as herein required for such further time as Lessee continues its occupancy. If Lessee hold over after the expiration of the Term without Lessor's consent, such holding over shall be construed to be a tenancy from month to month at the sufferance of Lessor, terminable upon 30 days written notice, and the Minimum Monthly Rent due from Lessee during such holding over shall be equal to 125% of the Minimum Monthly Rent in effect immediately prior to the expiration of the Term. The acceptance of rent during any period of holding over shall not be construed as a renewal of this Lease and shall not affect Lessor's right of reentry or any rights of Lessor hereunder or as otherwise provided by law.

19.11 Time of Essence. Time is of the essence with regard to every provision of this Lease and the exhibits attached hereto.

19.12 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the state in which the Demised Premises are located.

19.13 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same document.

19.14 No Third Party Rights. The terms and provisions of this Lease shall not be deemed to confer any rights upon, nor obligate any party hereto to, any person or entity other than the parties hereto.

19.15 Unexecuted Lease. The submission of this Lease for review or execution does not constitute a reservation of, or option for, the rights conferred herein. This Lease shall become effective only upon its execution and delivery by both Lessor and Lessee.

19.16 Lessor's Right of Entry. Lessor reserves the right with 48 hours prior notice (excepted in the event of an emergency), to enter upon the Demised Premises at any time during regular business hours to inspect the same or for the purpose of exhibiting the same to prospective purchasers or mortgagees or, during the last 6 months of the Term, to prospective lessees. Lessor may post any customary sign stating "for lease" or "for sale" during the last 6 months of the Term.

19.17 Estoppel Certificates. Lessor and Lessee agree that within 10 days after receipt of a written request from either to the other, the party receiving the request will execute and deliver to the other a certificate certifying (i) that this Lease is unmodified and in full force and effect, or, if modified, stating the nature of the modifications and that, as so modified, this Lease is in full force and effect, (ii) the date to which the rent and other charges hereunder are paid in advance, if any, (iii) the then-scheduled expiration date of the Term and the number and duration of any unexercised, unexpired options to extend the Term, and (iv) that to the certifying party's knowledge, as of the date of the certificate, there are no uncured defaults hereunder on the part of the requesting party or specifying such defaults as are claimed by the certifying party.

19.18 Due Authorization. Each person executing this Lease on behalf of Lessor and Lessee, respectively, warrants and represents that the partnership, joint venture or corporation, as the case may be, for whom he or she is acting, has duly authorized the transactions contemplated herein and the execution of this Lease by him or her and that, when so executed, this Lease shall constitute a valid and binding obligation of the party on whose behalf it is so executed.

19.19 Relationship of Parties. Nothing contained in this Lease shall be deemed to create a partnership or joint venture between Lessor and Lessee, and Lessor and Lessee's relationship in this Lease shall be deemed to be one of landlord and tenant only.

19.20 Force Majeure. If either party is delayed in the performance of any obligation on its part to be performed under this Lease because of any of the following causes: action of the elements, war, riot, labor dispute, inability to procure, or general shortage of, labor or materials in the normal channels of trade, delay in transportation, delay in inspections, governmental action or moratorium, or any other cause beyond the reasonable control of the party so obligated, whether similar or dissimilar to the foregoing, financial inability excepted, then the time permitted for performance shall be extended for a period equal to the period of the delay, except that the foregoing shall in no way affect Lessee's obligation to pay Monthly Rent or any other amount payable under this Lease or the length of the Term of this Lease.

19.21 Incorporation of Exhibits. All exhibits attached to this Lease are hereby incorporated herein as though set forth in full in this Lease itself.

19.22 [If a Sublease] No Option to Extend. *Lessee acknowledges and agrees that Lessee shall have no rights under Section 1.3 of the Master Lease, which remains the exclusive right of Lessee thereunder.*

(Signatures immediately follow this page.)

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first written above.

LESSOR:

IHOP PROPERTY LLC,
a Delaware limited liability company

By:
Name:
Title:

LESSEE:

By: _____
Name:
Title:

EXHIBIT A

LEGAL DESCRIPTION

[Insert legal description.]

EXHIBIT B

[COPY OF MASTER LEASE OR OTHER LEASE DOCUMENT]

STATE ADDENDA

EXHIBIT V

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchisee Agreement contains provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

1. YOU MUST SIGN A GENERAL RELEASE OF CLAIMS IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE SECTION 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTIONS 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE SECTION 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043).

2. Neither the franchisor nor any person or franchise broker disclosed in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

3. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF CORPORATIONS BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF HAWAII

1. The following paragraph shall be added to the state cover page:

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The agent for receipt of service of process for the Franchisor, IHOP Property LLC, and IHOP Leasing LLC, is the Hawaii Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, 335 Merchant Street, Room 205, Honolulu, Hawaii 96813.

2. Each provision of this Addendum to the Disclosure Document is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E-1, et seq., are met independently without reference to this Addendum to the Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

ADDENDUM TO DISCLOSURE DOCUMENT
PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions will supersede and apply to all franchises offered and sold in the State of Illinois:

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. Notice Required by Law:

THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS 705/19 AND 705/20.

2. The provisions of the Franchise Agreement and all other agreements concerning governing law, jurisdiction, venue, choice of law and waiver of jury trials will not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act. The Illinois Franchise Disclosure Act will govern the Franchise Agreement with respect to Illinois franchisees and any other person under the jurisdiction of the Illinois Franchise Disclosure Act.

3. Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.”

4. Item 17t is amended to include the following:

“This section does not exclude representations made in this Franchise Disclosure Document.”

5. Items 17v and 17w are amended by deleting the current language under the Summary column and adding the following in its place and stead:

“Illinois law applies.”

ADDENDUM TO MULTI-STORE DEVELOPMENT AGREEMENT FOR
THE STATE OF ILLINOIS

This Addendum is agreed to this _____ day of _____, 20__, between IHOP FRANCHISOR LLC and _____ to amend the Multi-Store Development Agreement which was entered into between the parties concurrently herewith as follows:

1. The following sentence shall be inserted at the end of Article XII , Paragraph 12.7 of the Multi-Store Development Agreement:

‘The Illinois Franchise Disclosure Act of 1987, as amended, shall apply to any franchise offered or sold in Illinois, notwithstanding anything to the contrary contained in this Agreement.’

2. The last sentence of Article XII, Paragraph 12.15(a) of the Multi-Store Development Agreement shall be deleted and the following shall be inserted in its place and stead:

‘The situs of arbitration proceedings shall be in Illinois in that city in or nearest to the Development Area which has an American Arbitration Association office or an office that handles proceedings that follow rules and procedures promulgated by the American Arbitration Association or a similar association, and facilities for arbitration.’

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all its terms, and agrees that it shall be effective as of the date hereof.

IHOP FRANCHISOR LLC

By: _____
Its: _____

FRANCHISEE:

(Print name of Franchisee)

By: _____
Its: _____

ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

This Addendum is agreed to this _____ day of _____, 20____,
between IHOP FRANCHISOR LLC and _____ to amend and revise the
Franchise Agreement which was entered into between the parties concurrently herewith as follows:

1. The following sentence shall be inserted at the end of Article XVI, Paragraph 16.09 of the
Franchise Agreement:

“The Illinois Franchise Disclosure Act of 1987, as amended, shall apply to any franchise
offered or sold in Illinois, notwithstanding anything to the contrary contained in this
Agreement.”

2. The following sentence shall be deleted from the bottom of page 52 of the Franchise
Agreement:

“I hereby acknowledge that at least fourteen calendar days prior to the date that I have
executed this agreement, or have paid any consideration therefore, I received, and have
since read, Franchisor’s franchise disclosure document; I hereby also acknowledge
that I received a completely prepared copy of this agreement more than seven calendar
days prior to the date I have executed same.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read and
understood this Addendum and consents to be bound by all its terms, and agrees that it shall be effective
as of the date hereof.

IHOP FRANCHISOR LLC

By: _____
Its: _____

FRANCHISEE:

(Print name of Franchisee)

By: _____
Its: _____

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

1. The following paragraph shall be added to the end of the Disclosure document:

“No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

2. Item 17. Renewal, Termination, Transfer and Dispute Resolution shall be amended by the additional of the following language:

Any general release executed by Franchisee in connection with renewal and/or assignment/transfer shall not apply to liabilities under the Maryland Franchise Registration and Disclosure Law (“Maryland Franchise Law”).

No representations contained in the Franchise Agreement executed by Franchisee are intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee (Paragraph 12.02(f)) may not be enforceable under federal bankruptcy law (4 U.S.C. Section 101 et seq.).

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

1. The following paragraph shall be added to the end of the Disclosure document:

“No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

2. Item 17. Renewal, Termination, Transfer and Dispute Resolution shall be amended by the additional of the following language:

Any general release executed by Franchisee in connection with renewal and/or assignment/transfer shall not apply to liabilities under the Maryland Franchise Registration and Disclosure Law (“Maryland Franchise Law”).

No representations contained in the Franchise Agreement executed by Franchisee are intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee (Paragraph 12.02(f)) may not be enforceable under federal bankruptcy law (4 U.S.C. Section 101 et seq.).

ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND

This Addendum is agreed to this _____ day of _____, 20____, between IHOP FRANCHISOR LLC and _____ to amend and revise the Franchise Agreement which was entered into between the parties concurrently herewith as follows:

“Any general release required as a condition of renewal and/or assignment/transfer shall not apply to liabilities under the Maryland Franchise Law.

No representations contained in this Franchise Agreement are intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all its terms, and agrees that it shall be effective as of the date hereof.

IHOP FRANCHISOR LLC

By: _____
Its: _____

FRANCHISEE:

(Print name of Franchisee)

By: _____
Its: _____

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT FOR
THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(a) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(b) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTTLING ANY AND ALL CLAIMS.

(c) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISION OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(d) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE AT THE TIME OF EXPIRATION OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(e) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(f) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(g) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED TRANSFEREE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(h) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (c).

(i) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

*

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE DEPARTMENT OF ATTORNEY GENERAL AT THE FOLLOWING ADDRESS:

525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913
(517) 335-7567

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA

1. Cover Page, Risk Factors 1 and 2 are amended by the addition of the following language:

Minnesota Statute §80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. Item 17, Renewal, Termination, Transfer and Dispute Resolution, shall be amended by the addition of the following paragraphs:

Minnesota Statute §80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota law provides franchisees with certain termination rights. With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C. 14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' written notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

3. Minnesota law considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subdivision (g). Franchisor will protect the Franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

4. Minnesota Rules 2860.4400 (0) prohibits a franchisor from requiring a franchisee to assent to a general release.

5. Each provision of this addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Law or the Rules and Regulations promulgated thereunder by the Minnesota Commission of Commerce are met independently without reference to this addendum to the disclosure document.

ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA

This Addendum is agreed to this ____ day of _____, 20____, between IHOP FRANCHISOR LLC and _____ to amend and revise the Franchise Agreement which was entered into between the parties concurrently herewith as follows:

1. 12.05 "Conformity With Laws" shall be amended by adding the following:

Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, Subdivision 3, 4 and 5 require, except in certain specified cases, that a Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the franchise or license will not be unreasonably withheld.
2. The following sentence shall be inserted at the end of Article XVI, Paragraph 16.09 of the Franchise Agreement:

"This section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all its terms, and agrees that it shall be effective as of the date hereof.

IHOP FRANCHISOR LLC

By: _____
Its: _____

FRANCHISEE:

(Print name of Franchisee)

By: _____
Its: _____

ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK

This Addendum is agreed to this _____ day of _____, 20__, between IHOP FRANCHISOR LLC and _____ to amend and revise the Franchise Agreement which was entered into between the parties concurrently herewith as follows:

1. The following sentence shall be inserted at the end of Article XVI, Paragraph 16.9 of the Franchise Agreement:

“Nevertheless, where the New York Franchise Sales Act speaks to the issue, then that law shall apply.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all its terms, and agrees that it shall be effective as of the date hereof.

IHOP FRANCHISOR LLC

By: _____
Its: _____

FRANCHISEE:

(Print name of Franchisee)

By: _____
Its: _____

ADDENDUM TO DEVELOPMENT AGREEMENT
FOR THE STATE OF NEW YORK

This Addendum is agreed to this _____ day of _____, 20____, between IHOP FRANCHISOR LLC and _____ to amend and revise the Development Agreement which was entered into between the parties concurrently herewith as follows:

2. The following sentence shall be inserted at the end of Section 12.7 of the Development Agreement:

“Nevertheless, where the New York Franchise Sales Act speaks to the issue, then that law shall apply.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all its terms, and agrees that it shall be effective as of the date hereof.

IHOP FRANCHISOR LLC

By: _____
Its: _____

FRANCHISEE:

(Print name of Franchisee)

By: _____
Its: _____

ADDENDUM TO THE DISCLOSURE DOCUMENT
PURSUANT TO THE NORTH DAKOTA FRANCHISE DISCLOSURE ACT

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following supersede and apply to all franchises offered and sold in the State of North Dakota:

- 1 Covenants restricting competition in the State of North Dakota may be subject to Section 9-08-06 of the North Dakota Century Code.
- 2 The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or California law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law, rather than California law.
- 3 Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from the Franchise Agreement.
- 4 Any provision in the Franchise Agreement which requires you to waive your right to a trial by jury is deleted from the Franchise Agreement.
- 5 No release language set forth in the Franchise Agreement shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising for the State of North Dakota.

ADDENDUM TO MULTI-STORE DEVELOPMENT AGREEMENT
FOR THE STATE OF NORTH DAKOTA

This Addendum is entered into this _____ day of _____ 20__ between IHOP FRANCHISOR LLC and _____ to amend the Multi-Store Development Agreement which was entered into between the parties concurrently herewith as follows:

1. The following sentence shall be inserted at the end of Article XII, Paragraph 12.7 of the Multi-Store Development Agreement:

“Notwithstanding the provisions of Paragraph 12.7 of the Multi-Store Development Agreement, the provisions of the North Dakota Century Code will control to the extent any provision of the Multi-Store Development Agreement and/or California law are inconsistent with the Code.”

2. The last sentence of Article XII, Paragraph 12.15 (a) of the Multi-Store Development Agreement shall be deleted and the following shall be inserted in its place and stead:

“The situs of arbitration proceedings shall be in North Dakota in that city nearest the Franchised Location which has an American Arbitration Association office or an office that handles proceedings that follow rules and procedures promulgated by the American Arbitration Association or a similar association, and facilities for arbitration.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all its terms, and agrees that it shall be effective as of the date hereof.

IHOP FRANCHISOR LLC

By: _____
Its: _____

FRANCHISEE:

(Print name of Franchisee)

By: _____
Its: _____

ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA

This Addendum is entered into this _____ day of _____, 20__, between IHOP FRANCHISOR LLC and _____ to amend the Franchise Agreement which was entered into between the parties concurrently herewith as follows:

1. The last sentence of Article XIII, Paragraph 13.01(a) of the Franchise Agreement shall be deleted and the following shall be inserted in its place and stead:

“The situs of arbitration proceedings shall be in North Dakota in city nearest the Franchised Location which has an American Arbitration Association office or an office that handles proceedings that follow rules and procedures promulgated by the American Arbitration Association or a similar association, and facilities for arbitration.”

2. The following sentence shall be inserted at the end of Article XIII, Paragraph 13.02 of the Franchise Agreement:

“Notwithstanding the provisions contained herein, to the extent that any provisions are not in accordance with the North Dakota Century Code, such provisions shall be subject to any applicable North Dakota law to the contrary.”

3. The following sentence shall be inserted at the end of Article XVI, Paragraph 16.01 of the Franchise Agreement:

“Notwithstanding the provisions Paragraph 16.01 of the Franchise Agreement, the provisions of the North Dakota Century Code will control to the extent any provision of the Franchise Agreement and/or California law are inconsistent with the Code.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all its terms, and agrees that it shall be effective as of the date hereof.

IHOP FRANCHISOR LLC

By: _____
Its: _____

FRANCHISEE:

(Print name of Franchisee)

By: _____
Its: _____

ADDENDUM TO FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND

This Addendum is agreed to this _____ day of _____ 20____ between IHOP FRANCHISOR LLC and _____ to amend and revise the Franchise Agreement which was entered into between the parties concurrently herewith as follows:

“A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms, and agrees that it shall be effective as of the date hereof.

IHOP FRANCHISOR LLC

By: _____

Its: _____

FRANCHISEE:

(Print name of Franchisee)

By: _____

Its: _____

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
FOR THE COMMONWEALTH OF VIRGINIA

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Development Agreement and/or Franchise Agreement do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

ADDENDUM TO FRANCHISE AGREEMENT
FOR STATE OF WASHINGTON

THIS ADDENDUM is entered into on _____, 20__ by and between IHOP FRANCHISOR LLC (hereinafter referred to as “Franchisor”) and _____ (hereinafter referred to as “Franchisee”), with reference to the following facts:

A. Concurrently herewith, Franchisor and Franchisee have entered into a Franchise Agreement, Sublease and Equipment Lease (hereinafter referred to as the “Franchise Documents”) in respect of the International House of Pancakes restaurant located at _____.

B. Pursuant to the laws of the State of Washington, and specifically under RCW 19.100.180(2)(i) and (j) of the Franchise Investment Protection Act (hereinafter referred to as the “Act”), a Franchisor is required to fully disclose a franchisee’s rights with respect to termination and renewal in the body of the Franchise Agreement.

WHEREFORE, IT IS AGREED:

The Franchise Agreement is hereby amended to fully disclose the rights of franchisee in the State of Washington with respect to termination and renewal of the franchise as follows:

1. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

2. The Franchise Investment Protection Act, RCW Sections 19.100.010 through 19.100.940, governs the circumstances under which a Franchisor may terminate or fail to renew a franchise. Section 19.100.180(2)(j) of the Act prohibits a Franchisor from terminating a franchise prior to the expiration of its term except for good cause, and after reasonable written notice and opportunity to cure the default. Under certain circumstances, such as abandonment of the business, adjudication of bankruptcy or insolvency, the making of an assignment for the benefit of creditors, the conviction for violating any law relating to the franchise business, or three willful and material breaches of the same provisions of the franchise agreement within a twelve- month period, no notice is required prior to termination. Upon termination for good cause, a Franchisor must purchase, at a fair market value at the time of termination, the Franchisee’s inventory and supplies, except for personalized materials which have no value to the Franchisor, items not reasonably required to conduct the franchise business, and if Franchisee retains control of the premises, any inventory and supplies not purchased from Franchisor or on its express requirement. Also, the Franchisor may offset against amounts owed to the Franchisee, any amounts owed by the Franchisee to the Franchisor.

3. The Act also provides that if the Franchisor refuses to renew a franchise, the Franchisor must fairly compensate the Franchisee for the fair market value at the time of expiration of the franchise, of the Franchisee’s inventory, supplies, equipment and furnishings purchased from the Franchisor and good will, except for those items not reasonably required for the conduct of the franchise business. However, the Franchisor need not compensate the Franchisee for good will if the Franchisee is given at least one year’s prior written notice of non renewal and the Franchisor agrees in writing not to enforce any covenant which restrains the Franchisee from competing with Franchisor. Also, the Franchisor may offset against amounts owed to the Franchisee any amounts owed by the Franchisee to the Franchisor.

4. Notwithstanding the provisions of Paragraph 16.09 of the Franchise Agreement, the provisions of the Washington Franchise Investment Protection Act will control to the extent any provisions of the Franchise Agreement and/or California law are inconsistent with the Act.

5. Any general release does not include or extend to any of the Franchisee's rights under the Washington Franchise Investment Protection Act.

6. All other terms of the Franchise Documents shall remain the same and in full force and effect.

IHOP FRANCHISOR LLC

By: _____
Its: _____

FRANCHISEE:

(Print name of Franchisee)

By: _____
Its: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATES	EFFECTIVE DATE
California	PENDING
Hawaii	PENDING
Illinois	PENDING
Indiana	PENDING
Maryland	PENDING
Michigan	PENDING
Minnesota	PENDING
New York	PENDING
North Dakota	PENDING
Rhode Island	PENDING
South Dakota	PENDING
Virginia	PENDING
Washington	PENDING
Wisconsin	PENDING

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans

**RECEIPT
TO BE RETURNED**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If IHOP offers you a franchise, IHOP must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, IHOP or an affiliate in connection with the proposed franchise sale or grant.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Iowa requires that we give you this Disclosure Document at the earliest of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If IHOP does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state regulatory agency listed in Exhibit N.

The franchisor is IHOP Franchisor LLC, located at 10 W. Walnut St., Pasadena CA 91103. Its telephone number is (818) 240-6055.

The name, principal business address and telephone number of the franchise seller(s) offering this franchise is as follows:

☐	Jim Darby	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Jacob Barden	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Nicole Durham-Mallory	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	William Urrego	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Gary Moore	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Charles Scaccia	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Jean Cornett Hervey	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Brett Kelly	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Manny Packing	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Valerie Thodde	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Ryan Varjgas	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐		

(Please check the name(s) and complete as applicable)

Issuance Date: March 27, 202⁴³. See state cover page for effective dates in registration states.

This Disclosure Document is for use in all states.

The name and address of the persons and/or entities listed on Exhibit O, are authorized to receive service of process for IHOP.

I received a disclosure document dated March 27, 2024⁴³, that included the following Exhibits:

Exhibit A	List of Franchisees
Exhibit A-1	List of Company-Owned Outlets
Exhibit A-2	List of Franchisees Who Have Ceased to do Business
Exhibit B	Franchise Agreement
Exhibit C	Rider for Novation Program
Exhibit D	Equipment Lease
Exhibit E	Equipment Purchase Agreement
Exhibit F	Expendables Purchase Agreement-Food and Paper Goods Inventory
Exhibit G	Financial Statements
Exhibit H	Sublease
Exhibit I-1	Guarantee of Obligations (Franchise Agreement)
Exhibit I-2	Guarantee of Obligations (Development Agreement)
Exhibit J	Multi-Store Development Agreement
Exhibit K	Single Store Development Agreement
Exhibit L	Promissory Note
Exhibit L-1	Down Payment Promissory Note
Exhibit M	Table of Contents of Operations Manuals
Exhibit N	List of State Regulatory Agencies and Administrators
Exhibit O	List of Registered Agents for Service of Process
Exhibit P	Expendables Purchase Agreement-Smallwares
Exhibit Q	Development Impact Assistance Program
Exhibit R	General Release
Exhibit S	Addendum to Lease
Exhibit T	Addendum to Franchise Agreement (Purchase Program)
Exhibit U	Lease
Exhibit V	State Addenda

Date: _____

Prospective Franchisee:

By: _____

Name: _____

Individually and on behalf of any and all entities in the following franchise group:

Franchise Group: _____

(SIGN AND RETURN)

**RECEIPT
TO BE RETAINED**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If IHOP offers you a franchise, IHOP must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, IHOP or an affiliate in connection with the proposed franchise sale or grant.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Iowa requires that we give you this Disclosure Document at the earliest of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If IHOP does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state regulatory agency listed in Exhibit N.

The franchisor is IHOP Franchisor LLC, located at 10 W. Walnut St., Pasadena CA 91103. Its telephone number is (818) 240-6055.

The name, principal business address and telephone number of the franchise seller(s) offering this franchise is as follows:

☐	Jim Darby	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Jacob Barden	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Nicole Durham-Mallory	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Tony Moralejo	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	William Urrego	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Gary Moore	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Charles Scaccia	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Jean Cornett Hervey	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Brett Kelly	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Manny Packing	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Valerie Thodde	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐	Ryan Varigas	10 W. Walnut St., Pasadena CA 91103 (818) 240-6055
☐		

(Please check the name(s) and complete as applicable)

Issuance Date: March 27, 2024⁴³. See state cover page for effective dates in registration states.

This Disclosure Document is for use in all states.

The name and address of the persons and/or entities listed on Exhibit O, are authorized to receive service of process for IHOP.

I received a disclosure document dated March 27, 202~~4~~³, that included the following Exhibits:

Exhibit A	List of Franchisees
Exhibit A-1	List of Company-Owned Outlets
Exhibit A-2	List of Franchisees Who Have Ceased to do Business
Exhibit B	Franchise Agreement
Exhibit C	Rider for Novation Program
Exhibit D	Equipment Lease
Exhibit E	Equipment Purchase Agreement
Exhibit F	Expendables Purchase Agreement-Food and Paper Goods Inventory
Exhibit G	Financial Statements
Exhibit H	Sublease
Exhibit I-1	Guarantee of Obligations (Franchise Agreement)
Exhibit I-2	Guarantee of Obligations (Development Agreement)
Exhibit J	Multi-Store Development Agreement
Exhibit K	Single Store Development Agreement
Exhibit L	Promissory Note
Exhibit L-1	Down Payment Promissory Note
Exhibit M	Table of Contents of Operations Manuals
Exhibit N	List of State Regulatory Agencies and Administrators
Exhibit O	List of Registered Agents for Service of Process
Exhibit P	Expendables Purchase Agreement-Smallwares
Exhibit Q	Development Impact Assistance Program
Exhibit R	General Release
Exhibit S	Addendum to Lease
Exhibit T	Addendum to Franchise Agreement (Purchase Program)
Exhibit U	Lease
Exhibit V	State Addenda

Date: _____

Prospective Franchisee:

By: _____

Name: _____

Individually and on behalf of any and all entities in the following franchise group:

Franchise Group: _____

(RETAIN FOR YOUR RECORDS)