

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists important provisions of the franchise and related agreements (including the Addendum to Franchise Agreement (the "Addendum")). You should read these provisions in the agreements attached to this offering circular.

Provision	Section in Franchise Agreement or Addendum to Franchise Agreement	Summary
a. Term of the franchise	Section 3.01	Term is equal to the term of the lease and is typically 20 years, except for a few restaurants being developed by IHOP under the Purchase Program, or being developed by franchisees which have already been approved by IHOP which will have terms of 25 years.
b. Renewal or extension of the term	Sections 3.02 and 3.03	If you are in compliance 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 20 years. If you are in compliance you can add a Renewal Term of not more than 10 years; the Initial Term plus the Special Renewal Term plus the Renewal Term cannot exceed 30 years. We may, at our sole discretion, agree to grant an extension for a longer term. 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, must have complied with your obligations during the Term, must pay an additional Initial Franchise Fee (if applicable), 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).
d. Termination by you	None	
e. Termination by IHOP without cause	None	
f. Termination by IHOP with cause	Section XII; Paragraphs 1, 2, and 3 of Addendum (if applicable); Paragraph 2 of the Addendum (Purchase Program)(if applicable)	IHOP can terminate only if you default or if your Purchase Agreement to acquire the property at the Franchised Location is terminated or fails to close when scheduled. In limited circumstances, if IHOP agrees to sell either a Single Store Development Agreement or Multi-Store Development Agreement in conjunction with 1 or more Restaurants, or 2 or more Restaurants, to you, a default under 1 of the Franchise Agreements, the Single Store Development Agreement or the Multi-Store Development Agreement will constitute a default under all of the Franchise Agreements.
g. "Cause" defined - defaults which can be cured	Section 12.01	You have 7 days to cure a default. Except for nonpayment of fees, if the default cannot be cured within 7 days, you must immediately begin to cure the default and you will be given an additional reasonable period of time to cure the default.

Provision	Section in Franchise Agreement or Addendum to Franchise Agreement	Summary
h. "Cause" defined - defaults which cannot be cured	Section 12.02	Knowingly fail to pay or report Gross Sales; material misrepresentations in franchise application; unlawful Assignment or Trademark use; conviction of material criminal offense, danger to public health or safety, noncompliance with law.
i. Your obligations on termination/non-renewal	Sections 10.05 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.
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 3 of Addendum (if applicable); 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 1 or more Restaurants or 2 or more Restaurants to you, if you desire to transfer 1 Restaurant you will be required to transfer all of the Restaurants and the Multi-Store Development Agreement to the same franchisee.
l. IHOP's approval of transfer by franchisee	Section 11.03; Paragraph 3 of Addendum (if applicable).	Transfers (including transfers of real estate acquired from IHOP or the purchase agreement for which was assigned by IHOP) require IHOP's written consent, which will not be unreasonably withheld.
m. Conditions for IHOP's approval of transfer	Section 11.03; Paragraph 3 of Addendum (if applicable).	New franchisee: qualifies, completes training, must execute 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. 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 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	None	
p. Your death or disability	Sections 11.02, 11.03 and 11.04	Same requirements as for transfer in "m" above, except we do not have right of first refusal.
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	None	

Provision	Section in Franchise Agreement or Addendum to Franchise Agreement	Summary
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 clause	Section 16.03	All agreements between the parties are in the Franchise Agreement, or related written agreements.
u. Dispute resolution by arbitration or mediation	Section XIII	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	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	California law applies

Multi-Store Development Agreement

The following table contains only a brief overview of certain important provisions of the Multi-Store Development Agreement and related agreements. You should read these provisions in the agreements attached to this offering circular. Section references are to the Multi-Store Development Agreement.

Provision	Section in Multi-Store Development Agreement	Summary
a. Term of the agreement	Section 4.1	Initial term is equal to the duration of the Development Obligations, but is typically 1 to 10 years.
b. Renewal or extension of the term	Sections 4.2 through 4.10	If you have complied with all the terms of your agreement, depending on the terms negotiated, you can either request an additional term of up to 5 years, 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 of up to 5 years each 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 4.10	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 execute a general release.
d. Termination by you	None	

Provision	Section in Multi-Store Development Agreement	Summary
e. Termination by IHOP without cause	None	
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 7 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, 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 executed 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 executed pursuant to the Multi-Store Development Agreement.
n. IHOP's right of first refusal to acquire your business	None	
o. IHOP's option to purchase your business	None	
p. Your death or disability	None	
q. Non-competition covenants during the term of the franchise	Section 10.2	Neither you nor your owners and affiliates, nor their officers, directors, and managers may operate a family-style restaurant, pancake house, or coffee shop during the term.
r. Non-competition covenants after the franchise is terminated or expires	None	
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.

Provision	Section in Multi-Store Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 12.15	Generally, all claims under Multi-Store Development Agreement must be arbitrated in Los Angeles, California.
v. Choice of forum	Section 12.7	Los Angeles County, California, unless otherwise required by law.
w. Choice of law	Section 12.7	California law governs, except as to limitations on competition (as to which law of the state where the breach occurs will govern).

Some states have statutes and/or court decisions which may supersede your Franchise Agreement or Multi-Store Development Agreement in your relationship with IHOP, including the areas of termination and renewal of your franchise. Please refer to any state-specific addendum that may be attached to this Offering Circular for details.

18. PUBLIC FIGURES

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

19. EARNINGS CLAIMS

Each table below contains a schedule of the average annual Gross Sales during IHOP's most recent fiscal year, consisting of the 52 week period ended December 31, 2006, for the designated type of IHOP Restaurant, the square footage, seating capacity and configuration of which varies significantly from type to type. Each table shows the average Gross Sales of all Restaurants, as well as the averages within each quartile¹, and is further broken down by the geographic region in which the Restaurants are located (either Midwest, Northeast, South or West).² The tables

¹ The figures listed under the "25% Quartile," "50% Quartile," "75% Quartile" and "100% Quartile" headings represent the average annual Gross Sales of the Restaurants falling within each of the lowest 25%, 50%, 75% and 100%, respectively, of the total number of Restaurants in each applicable category.

² The "West" consists of the States of Arizona, Colorado, Idaho, New Mexico, Montana, Utah, Nevada, Wyoming, Alaska, California, Hawaii, Oregon and Washington. The "Midwest" consists of the States of Indiana, Illinois, Michigan, Ohio, Wisconsin, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota. The "South" consists of the States of Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia, Alabama, Kentucky, Mississippi, (continued...)

exclude: (a) Restaurants which have been in operation less than 18 months as of January 2, 2006;³ (b) Restaurants which were closed for remodeling or for other reasons during part of the years 2005 and/or 2006; and (c) Restaurants located in the state of Florida, and one Restaurant in the State of Georgia, which are either operated by our area franchisee or subfranchised units licensed by our area franchisee for that state and which do not report weekly Gross Sales to IHOP.

We compiled the figures presented in the tables from sales reported to us by our franchisees on a weekly basis. The sales information provided by our franchisees has not been audited or independently verified and has not necessarily been prepared on a basis consistent with generally accepted accounting principles. We have also included a Table showing that average annual Gross sales of all Affiliate-owned Restaurants⁴. If you have expressed an interest in purchasing one or more particular Affiliate-owned Restaurants and we are willing to consider franchising *it/them* to you, we will provide you with detailed information concerning the actual operating results of those restaurants. Substantiation of the data used in preparing this Item 19 disclosure will be made available to prospective franchisees upon reasonable request.

The amount of sales for your Restaurant may be directly affected by many factors, such as the Restaurant's size; geographic location; weather; national disasters or acts of war or terrorism; demographics; the effectiveness of IHOP's overall marketing as well as your regional and local marketing efforts; the level of existing "IHOP" brand awareness and acceptance in the market; continued consumer acceptance of the IHOP brand and concepts and consumer dietary preferences; availability and cost of products and labor; competition and presence of other competing restaurants, and the quality of management and service. The annual sales numbers set forth in the tables will not reflect the seasonal nature of sales, which can vary significantly in some locations based on the seasons and weather conditions.

TABLE 1

Franchisees – Building Types: A-B-C

(...continued)

Tennessee, Arkansas, Louisiana, Oklahoma and Texas. The "Northeast" consists of the States of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, New Jersey, New York and Pennsylvania.

³ Sales of Restaurants open less than 18 months are often not reflective of, and tend to be higher than, how that Restaurant will do in the long run.

⁴ Tables 1-4 (Franchisee Restaurants) include some Restaurants that may have been operated by franchisees as of December 31, 2006, but which had been acquired from IHOP (or an affiliate) during that year. Table 5 (Company and Affiliate-Owned Restaurants) would include some Restaurants that may have been owned by an Affiliate as of December 31, 2006, but which had been reacquired from franchisees during that year, but there were no Affiliate-Owned Restaurants in operation more than 18 months as of January 2, 2006.

This building type is an older prototype, known as an "A" Frame, and includes the "A", "B" and "C" building types which are variations of the "A" Frame. These buildings are typically less than 3000 square feet in size and have less than 100 seats. Some "A" Frames have been remodeled to increase both the square footage and seating capacity, beyond 100 seats and 3000 square feet.

	Average Sales	% of total at or above avg	25% Quartile	50% Quartile	75% Quartile	100% Quartile
Total National Sales	1,563,998	45.28 %	993,666	1,167,399	1,332,167	1,563,998
Number of Restaurants	159	72	40	80	120	159

MIDWEST	1,443,769	52.94%	1,105,019	1,204,905	1,314,901	1,443,769
	17	9	5	9	13	17

NORTHEAST	1,848,450	48.89 %	1,129,903	1,348,686	1,568,794	1,848,450
	45	22	12	23	34	45

SOUTH	1,591,640	52.08 %	1,122,684	1,313,710	1,441,869	1,591,640
	48	25	12	24	36	48

WEST	1,317,399	36.73 %	907,281	998,330	1,105,807	1,317,399
	49	18	13	25	37	49

TABLE 2
Franchisees --Building Type: D Building

This type of Restaurant is one of our two current prototype buildings (the other being Type "G" as described in Table 3). It is approximately 5000 square feet in size and has approximately 176 seats.

	Average Sales	% of total at or above avg	25% Quartile	50% Quartile	75% Quartile	100% Quartile
Total National Sales	1,904,373	45.57 %	1,266,971	1,476,435	1,670,178	1,904,373
Number of Restaurants	305	139	77	153	229	305

MIDWEST	1,623,045	41.03%	1,071,125	1,216,760	1,400,920	1,623,045
	39	16	10	20	30	39

NORTHEAST	1,861,981	44.44%	1,470,710	1,592,205	1,692,613	1,861,981
	9	4	3	5	7	9

SOUTH	2,084,250	50.29 %	1,494,182	1,690,077	1,866,647	2,084,250
	173	87	44	87	130	173

WEST	1,669,070	41.67 %	1,161,014	1,303,179	1,447,779	1,669,070
	84	35	21	42	63	84

TABLE 3
Franchisees – Building Type: G Building

Type "G" is one of our two current prototype buildings (in addition to Type "D" described in Table 2). It is approximately 4000 square feet in size and has approximately 130 seats.

	Average Sales	% of total at or above avg.	25% Quartile	50% Quartile	75% Quartile	100% Quartile
Total National Sales	1,659,492	46.30 %	1,185,889	1,348,942	1,484,743	1,659,492
Number of Restaurants	257	119	65	129	193	257

MIDWEST	1,600,898	46.88 %	1,131,623	1,272,037	1,406,516	1,600,898
	64	30	16	32	48	64

NORTHEAST	1,641,832	41.67%	1,395,782	1,479,921	1,543,948	1,641,832
	12	5	3	6	9	12

SOUTH	1,817,437	46.67 %	1,361,091	1,520,292	1,660,211	1,817,437
	90	42	23	45	68	90

WEST	1,546,821	46.15 %	1,113,789	1,264,116	1,388,398	1,546,821
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	91	42	23	46	69	91
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TABLE 4
Franchisees – Non-Prototype Buildings

The following Table includes franchised Restaurants which are not configured in accordance with one of our standard building types, including "Conversion" units, "End Cap" and "In-Line" units.

A "Conversion" consists of an existing facility, whether restaurant or not, which was converted to an IHOP Restaurant through the application of IHOP brand elements into an IHOP Restaurant. The typical conversion has between 100 to 300 seats, and may include "End Cap," "In-Line" and free-standing units.

An "End Cap" building type indicates an IHOP Restaurant which is part of a contiguous building where the IHOP is a tenant located at the end of the building. Size and seating capacity will vary between 3000 to 7000 square feet and 100 to 300 seats.

An "In-Line" building type indicates an IHOP Restaurant which is part of a contiguous multi-tenant building, with the IHOP Restaurant located in an in-line position, not on either end of the building. Building size and seating capacity will vary between 3000 and 7000 square feet and 100 to 300 seats.

	Average Sales	% of total at or above avg	25% Quartile	50% Quartile	75% Quartile	100% Quartile
Total National Sales	1,754,600	42.53 %	1,121,155	1,287,910	1,477,979	1,754,600
Number of Restaurants	221	94	56	111	166	221

MIDWEST	1,485,314	36.36%	1,129,993	1,223,178	1,335,130	1,485,314
	22	8	6	11	17	22

NORTHEAST	1,891,061	46.67%	1,170,887	1,357,487	1,598,367	1,891,061
	30	14	8	15	23	30

SOUTH	2,009,558	48.15 %	1,330,465	1,558,507	1,762,792	2,009,558
	54	26	14	27	41	54

WEST	1,650,797	41.74 %	1,071,253	1,219,876	1,386,061	1,650,797
	115	48	29	58	87	115

TABLE 5
Company and Affiliate-owned Restaurants: All Building Types

The following Table includes Restaurants owned and operated by IHOP (or an Affiliate) on December 31, 2006, including those which were acquired from franchisees during 2006. ⁴

	Average Sales	% of total at or above avg.	25% Quartile	50% Quartile	75% Quartile	100% Quartile
Total National Sales						
Number of Restaurants	0					0

Regarding the Purchase Program involving the sale of an Affiliate-operated restaurant only, if requested to do so by you or your representative, and if we are willing to consider franchising it to you, we will permit you to inspect the books and records of the applicable Affiliate pertaining to the results of operation of the particular IHOP Restaurant under consideration by you. The books and records prepared by an Affiliate will be in accordance with generally accepted accounting principles ("G.A.A.P."), for the periods during which the Affiliate owned and operated the IHOP Restaurant. In some cases, our Affiliate may acquire an IHOP Restaurant from a franchisee, by purchase or upon expiration or termination of a franchise agreement, in which event we may provide you with financial information concerning the operating results of that IHOP Restaurant, as reported to us by that franchisee, but we make no representation or warranty that any such financial information conforms to G.A.A.P. or is otherwise accurate or complete. In such instances, you must rely upon your own investigation and assume all risks concerning the accuracy, completeness and reliability of such information.

In addition, IHOP neither represents nor warrants that the level of sales achieved by an Affiliate, or any such franchisee, will be the same as the sales which may be achieved by you. Moreover, various expenses incurred by an Affiliate, or by any such franchisee, in the operation of the unit and various allocations of charges against the operation of the unit by an Affiliate, or any such franchisee, probably will differ from the expenses actually incurred by you. As a consequence, your results of operation of the Restaurant as a franchise probably will not be the same as the results of operation of the Restaurant by an Affiliate, or even by a previous franchisee. Therefore, IHOP believes that review of the books and records by a person who lacks expertise and experience in analysis of financial data probably would not be meaningful and suggests that the books and records be inspected by an accountant if you lack the necessary expertise and experience.

WE DO NOT MAKE ANY REPRESENTATION OR CLAIM REGARDING HOW THE ACTUAL SALES AT YOUR RESTAURANT WOULD COMPARE TO THE SALES FIGURES PRESENTED. THE SALES INFORMATION PROVIDED ABOVE SHOULD NOT BE CONSIDERED TO BE THE ACTUAL OR PROBABLE SALES THAT MIGHT BE REALIZED BY ANY FRANCHISEE. THIS SALES INFORMATION IS BASED ON ACTUAL HISTORICAL RESULTS OF THE DESCRIBED FRANCHISED IHOP RESTAURANTS, AND SHOULD NOT BE CONSIDERED AS REPRESENTATIVE OF YOUR ACTUAL OR POTENTIAL SALES. WE DO NOT REPRESENT THAT YOU CAN EXPECT TO ATTAIN THE SALES LEVELS OF THOSE RESTAURANTS. RESULTS, IN SOME GEOGRAPHIC AREAS, MAY BE HEAVILY INFLUENCED BY THE FACT THAT THE RESTAURANTS ARE LOCATED IN ESTABLISHED MARKETS AND THESE RESULTS MAY NOT BE RELEVANT IN NEW OR EMERGING MARKETS. YOUR RESULTS ARE LIKELY TO DIFFER FROM RESULTS OF OTHER IHOP RESTAURANTS. WE DO NOT MAKE ANY REPRESENTATIONS THAT YOU MAY OR WILL DERIVE INCOME FROM YOUR RESTAURANT.

YOU ARE STRONGLY URGED TO CONSULT WITH YOUR FINANCIAL, BUSINESS AND LEGAL ADVISORS IN CONNECTION WITH THE INFORMATION LISTED IN THIS ITEM 19.