UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **July 15, 2007**

IHOP CORP.

(Exact Name of Registrant as Specified in Charter)

Delaware	**001-15283**	**95-3038279**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)
450 North Brand, Glendale, California		**91203**
(Address of principal executive offices)		(Zip Code)

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

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

IHOP Corp., a Delaware corporation ("IHOP"), and its wholly owned subsidiary, CHLH Corp., a Delaware corporation ("Merger Sub," and, together with IHOP, the "Purchasers"), have entered into an Agreement and Plan of Merger, dated as of July 15, 2007 (the "Merger Agreement"), with Applebee's International, Inc., a Delaware corporation ("Applebee's"). Pursuant to the terms of the Merger Agreement, Merger Sub will be merged with and into Applebee's (the "Merger"), and Applebee's will continue as the surviving corporation in the Merger and as a wholly owned subsidiary of IHOP (the "Surviving Company").

At the effective time of the Merger, each outstanding share of common stock of Applebee's (the "Common Stock") (other than treasury shares, shares held by IHOP, Merger Sub or any subsidiary of Applebee's, and shares with respect to which appraisal rights are perfected in accordance with Section 262 of the Delaware General Corporation Law ("Section 262")), will be automatically converted into the right to receive $25.50 in cash, without interest (the "Merger Consideration").

Shares with respect to which appraisal rights are perfected in accordance with Section 262 will not be converted into the Merger Consideration, and, instead, holders of such shares will be entitled to payment of the fair value of such shares in accordance with Section 262.

The Merger does not require the approval of IHOP's stockholders and is not conditioned on receipt of financing by IHOP. However, the Merger is subject to customary closing conditions, including the approval of Applebee's stockholders and the receipt of required antitrust approvals or clearance.

The Purchasers and Applebee's have made customary representations and warranties in the Merger Agreement and have agreed to customary covenants,

including Applebee's covenant regarding operation of its business prior to the closing and Applebee's covenant prohibiting Applebee's, its subsidiaries and its representatives from soliciting, or providing confidential information or entering into discussions with respect to alternative transactions, except in limited circumstances relating to proposals that constitute, or are reasonably likely to lead to, a superior proposal.

The Merger Agreement provides that, upon termination under specified circumstances related to a competing acquisition proposal, Applebee's would be required to pay a termination fee of $60 million to IHOP.

IHOP intends to finance the Merger with a combination of debt and equity financing. The debt financing is expected to consist of two separate securitization transactions consisting of an additional issuance of asset-backed notes under the existing IHOP securitization program and the issuance of asset-backed notes under a securitization program to be established for Applebee's assets. IHOP has secured a bridge facility commitment to fund the transaction pending the completion of both securitizations. If the asset-backed notes to be issued under both securitization programs have not been sold before the Merger, IHOP may utilize up to $2.139 billion of bridge credit facilities (the "Bridge Facilities") provided by Lehman Brothers Inc., Lehman Brothers Commercial Bank and Lehman Commercial Paper Inc. (collectively, "Lehman"). Pursuant to a commitment letter, dated July 15, 2007 (the "Commitment Letter"), with IHOP and Merger Sub, Lehman has committed to provide the Bridge Facilities, consisting of (i) a first lien term loan of up to $1.85 billion, (ii) a first lien revolving credit facility of up to $100 million, and (iii) a second lien term loan of up to $189 million.

Lehman's commitment is subject to the satisfaction of certain customary conditions, including the execution of satisfactory documentation, the consummation of the equity financing described below, its receipt of IHOP's and Applebee's interim financial statements and other financial information, the satisfaction of the conditions in the Merger Agreement that are material to the the interests of the lenders under the Bridge Facilities, the accuracy of certain specified representations and warranties, the granting of liens for the benefit of the lenders under the Bridge Facilities and the obtaining by IHOP of waivers and amendments to the existing IHOP securitization program. The Commitment Letter terminates on the earlier to occur of (i) the consummation of the Merger without the utilization of the Bridge Facilities, (ii) the termination of the Merger Agreement and (iii) April 15, 2008. Loans will bear interest at either LIBOR or the higher of (i) the Federal Funds rate, as published by the Federal Reserve Bank of New York, plus ½ of 1%, and (ii) the prime commercial lending rate, in each case, plus a certain margin. The Bridge Facilities will be

secured by substantially all of IHOP's assets, including the Applebee's assets, subject to certain limitations including limitations arising from existing financing arrangements.

The equity financing consists of preferred stock to be sold to MSD SBI, L.P., an affiliate of MSD Capital, L.P. ("MSD"), and affiliates of Chilton Investment Company, LLC (collectively, "Chilton"). IHOP has entered into a stock purchase agreement, dated as of July 15, 2007 (the "MSD Stock Purchase Agreement"), with MSD, pursuant to which MSD has agreed to purchase, concurrently with the closing of the Merger, between $50.0 million and $133.8 million of a newly created series of perpetual preferred stock of IHOP (the exact dollar amount of the investment to be specified by IHOP at least two business days prior to the closing). In addition, IHOP has entered into a stock purchase agreement, dated as of July 15, 2007 (the "Chilton Stock Purchase Agreement"), with Chilton, pursuant to which Chilton has agreed to purchase, concurrently with the closing of the Merger, $35.0 million of a newly created series of convertible preferred stock of IHOP (convertible into shares of IHOP common stock). MSD's and Chilton's obligations to purchase the preferred stock are subject to specified conditions, including the simultaneous closing of the transactions contemplated by the Merger Agreement. MSD owns 2,100,100 shares of IHOP common stock, which represented approximately 12% of the number of shares outstanding as of April 27, 2007.

The foregoing summary of the Merger Agreement, the MSD Stock Purchase Agreement and the Chilton Stock Purchase Agreement, and the transactions contemplated thereby, does not purport to be complete and is subject to, and qualified in its entirety by, the full text of such documents that are filed as Exhibits 2.1, 10.1 and 10.2, respectively, to this Current Report, and are incorporated herein by reference.

The Merger Agreement, the MSD Stock Purchase Agreement and the Chilton Stock Purchase Agreement have been included to provide investors with information regarding their terms. They are not intended to provide any factual information about IHOP. The representations, warranties and covenants contained in each of the agreements are made only for purposes of those agreements and as of the specific dates set forth therein, are solely for the benefit of the parties thereto, and may be subject to limitations agreed upon by the contracting parties. The representations and warranties may have been made for the purposes of allocating contractual risk between the parties instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors are not third-party beneficiaries of these agreements, and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or conditions of IHOP, Applebee's or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of these agreements, which subsequent information may or may not be fully reflected in IHOP's public disclosure.

Item 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of July 15, 2007, by and among IHOP Corp., CHLH Corp. and Applebee's International, Inc.
10.1	Series A Perpetual Preferred Stock Purchase Agreement, dated as of July 15, 2007, by and between IHOP Corp. and MSD SBI, L.P.
10.2	Series B Convertible Preferred Stock Purchase Agreement, dated as of July 15, 2007, by and among IHOP Corp. and the purchasers identified on Schedule A thereto.

SIGNATURE

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

Date: July 17, 2007

IHOP CORP.

By: /s/ THOMAS G. CONFORTI
Thomas G. Conforti
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX TO CURRENT REPORT ON FORM 8-K

Exhibit Number	Description
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AGREEMENT AND PLAN OF MERGER

dated as of July 15, 2007,

among

IHOP CORP.,

CHLH CORP.

and

APPLEBEE'S INTERNATIONAL, INC.

TABLE OF CONTENTS

AGREEMENT AND PLAN OF MERGER (this "Agreement") dated as of July 15, 2007, among IHOP CORP., a Delaware corporation ("Parent"), CHLH CORP., a Delaware corporation and a wholly owned Subsidiary of Parent ("Sub"), and APPLEBEE'S INTERNATIONAL, INC., a Delaware corporation (the "Company").

WHEREAS, the Board of Directors of each of the Company and Sub has approved and declared advisable, and the Board of Directors of Parent has approved, this Agreement and the merger of Sub with and into the Company (the "Merger"), upon the terms and subject to the conditions set forth in this Agreement, whereby each issued and outstanding share of common stock, par value $0.01 per share, of the Company ("Company Common Stock"), other than (a) shares of Company Common Stock held by the Company, as treasury stock, or otherwise owned by Parent, Sub or any subsidiary of the Company and (b) the Appraisal Shares (as defined herein), will be converted into the right to receive $25.50 in cash; and

WHEREAS, Parent, Sub and the Company desire to make certain representations, warranties, covenants and agreements in connection with the Merger and also to prescribe various conditions to the Merger.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, and

subject to the conditions set forth herein, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" of any person means another person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first person.

"business day" means any day on which banks are not required or authorized to be closed in the City of New York.

"Company Disclosure Letter" means the letter dated as of the date of this Agreement delivered by the Company to Parent and Sub.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Intellectual Property Rights" shall mean all intellectual property rights of any kind or nature throughout the world, including all (i) U.S. and foreign patents, patent applications, patent disclosures, and all continuations, continuations-in-part, divisionals, reissues, re-examinations, substitutions, and extensions thereof ("Patents"), (ii) U.S. and foreign trademarks, service marks, company names, trade names, Internet domain names, logos, slogans, trade dress, and other designations of source or origin, together with the goodwill connected with the use of and symbolized by any of the foregoing ("Trademarks"), (iii) U.S. and foreign copyrights and copyrighted subject matter (including, to the extent applicable, Software and databases) ("Copyrights"), (iv) rights of publicity, (v) trade secrets and other know-how, inventions and proprietary processes (including proprietary Software and operating procedures), formulae, models and methodologies ("Trade Secrets") and (vi) applications, registrations, renewals, and recordings for the foregoing.

"Knowledge" means (i) with respect to the Company, the actual knowledge of any of the persons set forth in Section 1.01 of the Company Disclosure Letter and (ii) with respect to Parent or Sub, the actual knowledge of the chief executive officer, chief financial officer and general counsel of Parent.

"Material Adverse Effect" means any change, effect, event, occurrence or state of facts that, individually or together with any other change, effect, event, occurrence or state of facts that is materially adverse to the business, financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, other than any change, effect, event or occurrence resulting from (i) economic, financial market or geopolitical conditions in general, (ii) changes in Law or applicable accounting regulations or principles or interpretations thereof, (iii) conditions in the casual dining or restaurant industries generally, (iv) any change in the Company's stock price or trading volume, in and of itself, or any failure, in and of itself, by the Company to meet published revenue or earnings projections, (v) any outbreak or escalation of hostilities or war or any act of terrorism and (vi) the announcement of the Company's intention or desire to enter into this Agreement or a similar agreement or the announcement of this Agreement and the transactions contemplated hereby and performance of obligations under this Agreement (including any action or inaction as a result thereof by the Company's franchisees, employees, vendors or competitors) except, in the case of clauses (i), (iii) and (v), to the extent the Company and its Subsidiaries, taken as a whole, are disproportionately affected thereby as compared to other companies in the casual dining and restaurant industries generally.

"Parent Material Adverse Effect" means any change, effect, event, occurrence or state of facts that prevents or materially impedes, interferes with, hinders or delays the consummation by Parent or Sub of the Merger or the other transactions contemplated by this Agreement.

"person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

"Software" means computer programs and other software (whether in source code, object code, or other form) and related documentation, other than in each case "shrink wrap," "click wrap," and other "off the shelf" software commercially available to the public generally.

"Subsidiary" of any person means another person, an amount of the voting securities, other voting rights or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, more than 50% of the equity interests of which) is owned directly or indirectly by such first person.

"WARN Act" shall mean the Worker Adjustment and Retraining Notification Act of 1988, as amended.

SECTION 1.02. Index of Defined Terms. Each of the following defined terms is defined in the corresponding Section of this Agreement listed in the following index:

Adverse Recommendation Change	Section 5.02(b)
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Agreement	Preamble
Annual Amount	Section 6.05(c)
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Governmental Entity	Section 4.01(d)
Hazardous Materials	Section 4.01(j)(ii)(B)
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Indebtedness	Section 4.01(c)(iv)
Indemnified Party	Section 6.05(a)
Intellectual Property Rights	Section 1.01
Judgment	Section 4.01(d)
Knowledge	Section 1.01
Law	Section 4.01(d)
Leased Real Property	Section 4.01(n)(ii)
Liens	Section 4.01(b)
Material Adverse Effect	Section 1.01
Merger	Recitals
Merger Consideration	Section 3.01(c)

Multiemployer Plan	Section 4.01(l)(vi)
Notice of Superior Proposal	Section 5.02(b)
Offering Period Last Day	Section 3.03(c)
Option/SAR Amount	Section 3.03(a)
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Voting Company Debt	Section 4.01(c)(i)
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SECTION 1.03. Interpretation. When a reference is made in this Agreement to an Article, a Section or Exhibit, such reference shall be to an Article or a Section of, or an Exhibit to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "or" when used in this Agreement is not exclusive. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a person are also to its permitted successors and assigns.

ARTICLE II

The Merger

SECTION 2.01. The Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the General Corporation Law of the State of Delaware (the "DGCL"), Sub shall be merged with and into the Company at the Effective Time. Following the Effective Time, the separate corporate existence of Sub shall cease, and the Company shall continue as the surviving corporation in the Merger (the "Surviving Corporation").

SECTION 2.02. Closing. The closing of the Merger (the "Closing") will take place at 10:00 a.m., New York time, on the second business day after the later to occur of (i) satisfaction or, to the extent permitted by Law, waiver of the conditions set forth in Article VII (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permitted by Law, waiver of

those conditions) and (ii) the date of completion of the Bridge Marketing Period (or, if Parent so notifies the Company, a date during the Bridge Marketing Period not less than three business days following such notice to the Company), at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036, unless another time, date or place is agreed to in writing by Parent and the Company. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date."

SECTION 2.03. Effective Time. Subject to the provisions of this Agreement, as promptly as practicable on the Closing Date, the parties shall file a certificate of merger (the "Certificate of Merger") in such form as is required by, and executed and acknowledged in accordance with, the relevant provisions of the DGCL and shall make all other filings and recordings required under the DGCL. The Merger shall become effective at such date and time as the Certificate of Merger is filed with the Secretary of State of the State of Delaware or at such subsequent date and time as Parent and the Company shall agree and specify in the Certificate of Merger. The date and time at which the Merger becomes effective is referred to in this Agreement as the "Effective Time".

SECTION 2.04. Effects of the Merger. The Merger shall have the effects set forth in Section 259 of the DGCL.

SECTION 2.05. Certificate of Incorporation and Bylaws. (a) The Certificate of Incorporation of the Company, as amended (as in effect on the date hereof, the "Company Certificate of Incorporation"), shall be amended at the Effective Time to read the same as the certificate of incorporation of Sub as in effect immediately prior to the Effective Time, and shall be the certificate of incorporation of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable Law; provided, however, that Article First thereof shall read as follows: "The name of the Corporation is Applebee's International, Inc. (hereinafter, the "Corporation")."

(b) The Amended and Restated Bylaws of the Company (as in effect on the date hereof, the "Company Bylaws") shall be amended at the Effective Time to read the same as the bylaws of Sub as in effect immediately prior to the Effective Time, and shall be the bylaws of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable Law.

SECTION 2.06. Directors. The directors of Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be.

SECTION 2.07. Officers. The officers of the Company immediately prior to the Effective Time shall be the officers of the Surviving Corporation, until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be.

ARTICLE III

Effect of the Merger on the Capital Stock of the
Constituent Corporations; Exchange Fund;
Company Equity Awards

SECTION 3.01. Effect on Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of Company Common Stock or any shares of capital stock of Parent or Sub:

(a) Capital Stock of Sub. Each share of capital stock of Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the Surviving Corporation.

(b) Cancellation of Treasury Stock and Parent-Owned Stock. Each share of Company Common Stock that is held by the Company, as treasury stock, or otherwise owned by Parent, Sub or any subsidiary of the Company immediately prior to the Effective Time shall automatically be canceled and shall cease to exist, and no consideration shall be delivered in exchange therefor.

(c) Conversion of Company Common Stock. Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time or issuable pursuant to any outstanding options, warrants or other rights (including shares of Company Restricted Stock, but excluding shares to be canceled in accordance with Section 3.01(b) and, except as provided in Section 3.01(d), the Appraisal Shares) shall be converted into the right to receive $25.50 in cash, without interest (the "Merger Consideration"). At the Effective Time, all such shares of Company Common Stock shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder of a certificate that immediately prior to the Effective Time

represented any such shares of Company Common Stock (each, a "Certificate") shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration.

(d) Appraisal Rights. Notwithstanding anything in this Agreement to the contrary, shares (the "Appraisal Shares") of Company Common Stock issued and outstanding immediately prior to the Effective Time that are held by any holder who is entitled to demand and properly demands appraisal of such shares pursuant to, and who complies in all respects with, the provisions of Section 262 of the DGCL ("Section 262") shall not be converted into the right to receive the Merger Consideration as provided in Section 3.01(c), but instead such holder shall be entitled to payment of the fair value of such shares in accordance with the provisions of Section 262. At the Effective Time, the Appraisal Shares shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder of Appraisal Shares shall cease to have any rights with respect thereto, except the right to receive the fair value of such shares in accordance with the provisions of Section 262. Notwithstanding the foregoing, if any such holder

shall fail to perfect or otherwise shall waive, withdraw or lose the right to appraisal under Section 262 or a court of competent jurisdiction shall determine that such holder is not entitled to the relief provided by Section 262, then the right of such holder to be paid the fair value of such holder's Appraisal Shares under Section 262 shall cease and such Appraisal Shares shall be deemed to have been converted at the Effective Time into, and shall have become, the right to receive the Merger Consideration as provided in Section 3.01(c). The Company shall give prompt notice to Parent of any demands for appraisal of any shares of Company Common Stock, withdrawals of such demands and any other instruments served pursuant to the DGCL received by the Company, and Parent shall have the right to participate in and direct all negotiations and proceedings with respect to such demands. Prior to the Effective Time, the Company shall not, without the prior written consent of Parent, voluntarily make any payment with respect to, or settle or offer to settle, any such demands, or agree to do or commit to do any of the foregoing.

SECTION 3.02. Exchange Fund. (a) Paying Agent. Prior to the Closing Date, Parent shall appoint a bank or trust company reasonably acceptable to the Company to act as paying agent (the "Paying Agent") for the payment of the Merger Consideration, the Option/SAR Amounts and the RSU Amounts in accordance with this Article III and, in connection therewith, shall enter into an agreement with the Paying Agent in a form reasonably acceptable to the Company. At or prior to the Effective Time, Parent shall deposit, or shall cause the Surviving Corporation to deposit, with the Paying Agent, cash in an amount sufficient to pay the aggregate Merger Consideration, the aggregate Option/SAR Amount and the RSU Amount, in each case as required to be paid pursuant to this Agreement (such cash being hereinafter referred to as the "Exchange Fund").

(b) Certificate Exchange Procedures. As promptly as practicable after the Effective Time, but in any event within two business days thereafter, Parent shall cause the Paying Agent to mail to each holder of record of a Certificate (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Paying Agent and which shall otherwise be in customary form) and (ii) instructions for use in effecting the surrender of the Certificates in exchange for the Merger Consideration. Each holder of record of a Certificate shall, upon surrender to the Paying Agent of such Certificate, together with such letter of transmittal, duly executed, and such other documents as may reasonably be required by the Paying Agent, be entitled to receive in exchange therefor the amount of cash which the number of shares of Company Common Stock previously represented by such Certificate shall have been converted into the right to receive pursuant to Section 3.01(c), and the Certificate so surrendered shall forthwith be canceled. In the event of a transfer of ownership of Company Common Stock which is not registered in the transfer records of the Company, payment of the Merger Consideration may be made to a person other than the person in whose name the Certificate so surrendered is registered if such Certificate shall be properly endorsed or otherwise be in proper form for transfer and the person requesting such payment shall pay any fiduciary or surety bonds or any transfer or other similar taxes required by reason of the payment of the Merger Consideration to a person other than the registered holder of such Certificate or establish to the reasonable satisfaction of Parent that such tax has been

paid or is not applicable. Until surrendered as contemplated by this Section 3.02(b), each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the Merger Consideration which the holder thereof has the right to receive in respect of such Certificate pursuant to this Article III. No interest shall be paid or will accrue on any cash payable to holders of Certificates pursuant to the provisions of this Article III.

(c) No Further Ownership Rights in Company Common Stock. All cash paid upon the surrender of Certificates in accordance with the terms of this Article III shall be deemed to have been paid in full satisfaction of all rights pertaining to the shares of Company Common Stock formerly represented by such Certificates. At the close of business on the day on which the Effective Time occurs, the stock transfer books of the Company shall be closed, and there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the shares of Company Common Stock that were outstanding immediately prior to the Effective Time. If, after the Effective Time, any Certificate is presented to the Surviving Corporation for transfer, it shall be canceled against delivery of cash to the holder thereof as provided in this Article III.

(d) Termination of the Exchange Fund. Any portion of the Exchange Fund that remains undistributed to the holders of the Certificates for nine months after the Effective Time shall be delivered to Parent, upon demand, and any holders of the Certificates who have not theretofore complied with this Article III shall thereafter look only to Parent for, and Parent shall remain liable for, payment of their claims for the Merger Consideration pursuant to the provisions of this Article III.

(e) No Liability. None of Parent, Sub, the Company, the Surviving Corporation or the Paying Agent shall be liable to any person in respect of any cash from the Exchange Fund delivered to a public official in compliance with any applicable state, Federal or other abandoned property, escheat or similar Law. If any Certificate shall not have been surrendered prior to the date on which the related Merger Consideration would escheat to or become the property of any Governmental Entity, any such Merger Consideration shall, to the extent permitted by applicable Law, immediately prior to such time become the property of Parent, free and clear of all claims or interest of any person previously entitled thereto.

(f) Investment of Exchange Fund. The Paying Agent shall invest the cash in the Exchange Fund as directed by Parent; provided, however, that such investments shall be in obligations of or guaranteed by the United States of America or any agency or instrumentality thereof and backed by the full

faith and credit of the United States of America, in commercial paper obligations rated A-1 or P-1 or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation, respectively, or in certificates of deposit, bank repurchase agreements or banker's acceptances of commercial banks with capital exceeding $1.0 billion (based on the most recent financial statements of such bank that are then publicly available). Any interest and other income resulting from such investments shall be paid solely to Parent. Nothing contained herein and no investment

losses resulting from investment of the Exchange Fund shall diminish the rights of any holder of Certificates to receive the Merger Consideration or any holder of a Company Stock Option or Company SAR to receive the Option/SAR Amount or any holder of a Company RSU to receive the RSU Amount, in each case as provided herein.

(g) Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Certificate to be lost, stolen or destroyed and, if required by Parent, the posting by such person of a bond or surety in such reasonable amount as Parent may direct as indemnity against any claim that may be made against it with respect to such Certificate, the Paying Agent shall deliver in exchange for such lost, stolen or destroyed Certificate the applicable Merger Consideration with respect thereto.

(h) Withholding Rights. Parent, the Surviving Corporation or the Paying Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of shares of Company Common Stock or any holder of a Company Stock Option, Company SAR or Company RSU such amounts as Parent, the Surviving Corporation or the Paying Agent are required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code of 1986, as amended (the "Code"), or any provision of state, local or foreign tax Law. To the extent that amounts are so withheld and paid over to the appropriate taxing authority by Parent, the Surviving Corporation or the Paying Agent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Company Common Stock or the holder of the Company Stock Option, Company SAR or Company RSU, as the case may be, in respect of which such deduction and withholding was made by Parent, the Surviving Corporation or the Paying Agent.

SECTION 3.03. Company Equity Awards. (a) As soon as reasonably practicable following the date of this Agreement the Board of Directors of the Company (or, if appropriate, any committee administering any Company Stock Plan) shall adopt such resolutions or take such other actions as may be required to provide that, at the Effective Time, each unexercised Company Stock Option and each unexercised Company SAR, whether vested or unvested and whether or not any applicable performance conditions have been satisfied, in each case that is outstanding immediately prior to the Effective Time, shall be canceled, with the holder of each such Company Stock Option or Company SAR becoming entitled to receive an amount in cash equal to (i) the excess, if any, of (A) the Merger Consideration over (B) the exercise price per share of Company Common Stock subject to such Company Stock Option or Company SAR, multiplied by (ii) the number of shares of Company Common Stock subject to such Company Stock Option or Company SAR (such amount, the "Option/SAR Amount"). All amounts payable pursuant to this Section 3.03(a) shall be paid as promptly as practicable following the Effective Time, without interest.

(b) As soon as reasonably practicable following the date of this Agreement the Board of Directors of the Company (or, if appropriate, any committee administering any Company Stock Plan) shall adopt such resolutions or take such other

actions as may be required to provide that, at the Effective Time, each Company RSU that is outstanding immediately prior to the Effective Time shall vest in full and shall be converted into the right to receive the Merger Consideration in accordance with Section 3.01(c) (such amount, the "RSU Amount").

(c) With respect to the ESPPs, each share of Company Common Stock purchased thereunder shall be canceled at the Effective Time and converted into the right to receive the Merger Consideration pursuant to Section 3.01(c). As soon as reasonably practicable following the date of this Agreement, the Company shall take any and all actions with respect to the ESPPs as are necessary to provide that (i) participants may not increase their payroll deductions from those in effect on the date of this Agreement, (ii) no offerings shall be commenced after the date of this Agreement and (iii) the offerings that are in effect on the date of this Agreement (the "Current Offering Periods") shall continue in accordance with the applicable terms of the ESPPs, and each share of Company Common Stock purchased by a participant on the last day of either ESPP's Current Offering Period (each, an "Offering Period Last Day") shall be converted into the right to receive the Merger Consideration in accordance with Section 3.01(c); provided that, notwithstanding the foregoing, if the Closing occurs prior to an ESPP's Offering Period Last Day, each participant's payroll deductions accumulated as of the Effective Time for the Current Offering Period of such ESPP shall be applied to the purchase of a number of whole shares of Company Common Stock, at a purchase price determined as if the Closing Date were such ESPP's Offering Period Last Day, which number of shares shall be canceled and converted into the right to receive the Merger Consideration in accordance with Section 3.01(c). Each ESPP shall terminate immediately following the earlier of its Offering Period Last Day or the Closing Date (the "ESPP Termination Date"). Any excess payroll deductions not used to purchase shares or determine payment amounts pursuant to this Section 3.03(c) as a result of ESPP share limitations or fractional share limitations shall be distributed to the applicable participant immediately following the ESPP Termination Date, without interest.

ARTICLE IV

Representations and Warranties

SECTION 4.01. Representations and Warranties of the Company. Except as disclosed in any report, schedule, form, statement or other document filed with, or furnished to, the Securities and Exchange Commission (the "SEC") by the Company and publicly available prior to the date of this Agreement (collectively, the "Filed SEC Documents") or as set forth in the Company Disclosure Letter (it being understood that any information set forth in one section or subsection of the Company Disclosure Letter shall be deemed to apply to and qualify the Section or subsection of this Agreement to which it corresponds in number and each other Section or subsection of this Agreement to the extent that it is reasonably apparent that such information is relevant to such other Section or subsection, the Company represents and warrants to Parent and Sub as follows:

(a) Organization, Standing and Corporate Power. Each of the Company and its Subsidiaries is duly organized and validly existing under the Laws of its jurisdiction of organization and has all requisite corporate, company or partnership power and authority to carry on its business as currently conducted. Each of the Company and its Subsidiaries is duly qualified or licensed to do business and is in good standing (where such concept is recognized under applicable Law) in each jurisdiction where the nature of its business or the ownership, leasing or operation of its properties makes such qualification or licensing necessary, other than where the failure to be so qualified, licensed or in good standing, individually or in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect. The Company has made available to Parent prior to the execution of this Agreement a true and complete copy of the Company Certificate of Incorporation and the Company Bylaws and the comparable organizational documents of each of its Subsidiaries, in each case as in effect on the date of this Agreement.

(b) Subsidiaries. Section 4.01(b) of the Company Disclosure Letter lists each Subsidiary of the Company and the jurisdiction of organization thereof. All outstanding shares of capital stock of, or other equity interests in, each Subsidiary of the Company are owned by the Company or any Subsidiary of the Company and have been (to the extent such concepts are relevant with respect to such ownership interests) validly issued and are fully paid and nonassessable and are owned, directly or indirectly, by the Company free and clear of all pledges, liens, charges, mortgages, encumbrances or security interests of any kind or nature whatsoever (collectively, "Liens"), other than Permitted Liens. Except for its interests in its Subsidiaries, the Company does not own, directly or indirectly, any capital stock of, or other equity interests in, any corporation, partnership, joint venture, association or other entity.

(c) Capital Structure. (i) The authorized capital stock of the Company consists of 125,000,000 shares of Company Common Stock and 1,000,000 shares of preferred stock, par value $0.01 per share (the "Company Preferred Stock"). At the close of business on July 11, 2007, (A) (1) 74,946,095 shares of Company Common Stock were issued and outstanding (which number includes 771,887 shares of Company Common Stock subject to vesting or other forfeiture conditions or repurchase by the Company (such shares, together with any similar shares issued after July 11, 2007 in accordance with the terms of this Agreement, the "Company Restricted Stock")) and (2) 33,557,148 shares of Company Common Stock are held by the Company in its treasury, (B) 11,668,500 shares of Company Common Stock were reserved and available for issuance pursuant to the Amended and Restated 1995 Equity Incentive Plan, the 1999 Employee Incentive Plan, the Employee Stock Purchase Plan and the Executive Nonqualified Stock Purchase Plan (such employee stock purchase plans, the "ESPPs"; the foregoing plans, collectively, the "Company Stock Plans"), of which (1) 6,369,335 shares of Company Common Stock were subject to outstanding options (other than rights under the ESPPs) to acquire shares of Company Common Stock from the Company (such options, together with any similar options granted after July 11, 2007 in accordance with the terms of this Agreement, the "Company Stock Options"), (2) 1,362,222 shares of Company Common Stock were subject to outstanding stock appreciation rights (such

stock appreciation rights, together with any similar stock appreciation rights granted after July 11, 2007, the "Company SARs") and (3) 6,595 shares of Company Common Stock were subject to outstanding restricted stock units (such restricted stock units, together with any similar restricted stock units granted after July 11, 2007 in accordance with the terms of this Agreement, the "Company RSUs") (4) no shares of Company Common Stock were subject to outstanding rights under the ESPPs (assuming that the closing price for the Company Common Stock as reported on the NASDAQ Stock Market on the last day of the offering periods in effect under the ESPPs on July 11, 2007 was equal to the Merger Consideration) and (C) no shares of Company Preferred Stock were issued or outstanding or held by the Company in its treasury. Except as set forth above, at the close of business on July 11, 2007, no shares of capital stock or other voting securities of the Company were issued, reserved for issuance or outstanding. Since July 11, 2007 to the date of this Agreement, (x) there have been no issuances by the Company of shares of capital stock or other voting securities of the Company, other than issuances of shares of Company Common Stock pursuant to the exercise of the Company Stock Options or Company SARs or rights under the ESPPs, in each case outstanding as of July 11, 2007, and (y) there have been no issuances by the Company of options, warrants, other rights to acquire shares of capital stock of the Company or other rights that give the holder thereof any economic interest of a nature accruing to the holders of Company Common Stock, except for rights under the ESPPs. All outstanding shares of Company Common Stock are, and all such shares that may be issued prior to the Effective Time will be when issued, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. There are no bonds, debentures, notes or other indebtedness of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of Company Common Stock may vote ("Voting Company Debt"). Except for any obligations pursuant to this Agreement or as otherwise set forth above, as of July 11, 2007, there are no options, warrants, rights, convertible or exchangeable securities, stock-based performance units, Contracts or undertakings of any kind to which the Company or any of its Subsidiaries is a party or by which any of them is bound (1) obligating the Company or any such Subsidiary to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other equity interests in, or any security convertible or exchangeable for any capital stock of or other equity interest in, the Company or of any of its Subsidiaries or any Voting Company Debt, (2) obligating the Company or any such Subsidiary to issue, grant or enter into any such option, warrant, right, security, unit, Contract or undertaking or (3) that give any person the right to receive any economic interest of a nature accruing to the holders of Company Common Stock. As of the date of this Agreement, there are no outstanding contractual obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of the Company or any such Subsidiary, other than pursuant to the Company Stock Plans.

(ii) There are no voting trusts or other agreements to which the Company is a party with respect to the voting of the Company Common Stock.

(iii) Following the Effective Time, no holder of Company Stock Options will have any right to receive shares of Company Common Stock upon exercise of Company Stock Options.

(iv) Except as disclosed in Section 4.01(c)(iv) of the Company Disclosure Letter, no Indebtedness of the Company or any of its Subsidiaries contains any restriction upon (A) the prepayment of any of such Indebtedness, (B) the incurrence of Indebtedness by the Company or

any of its Subsidiaries, or (C) the ability of the Company or any of its Subsidiaries to grant any lien on its properties or assets. As used in this Agreement, "Indebtedness" means (1) all indebtedness for borrowed money, (2) any other indebtedness that is evidenced by a note, bond, debenture or similar instrument, (3) all obligations under capital leases, (4) all obligations in respect of outstanding letters of credit and (5) all guarantee obligations.

(v) The Company has made available to Parent a list of all Company Stock Options, Company RSUs and Company SARs outstanding as of the date hereof and the name of the holder thereof, the exercise price thereof, and the number of units, rights or shares of Company Common Stock which are the subject of each such Company Stock Option, Company RSU and Company SAR, as applicable.

(vi) Section 4.01(c)(vii) of the Company Disclosure Letter lists all Indebtedness outstanding as of the date of this Agreement.

(vii) No agreement or understanding requires consent or approval from the holder of any Company Stock Option to effectuate the terms of this Agreement.

(d) Authority; Noncontravention. The Company has all requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated by this Agreement, subject, in the case of the Merger, to receipt of the Stockholder Approval. The execution and delivery of this Agreement by the Company and the consummation by the Company of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of the Company, subject, in the case of the Merger, to receipt of the Stockholder Approval. This Agreement has been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery by each of the other parties hereto, constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject, as to enforceability, to bankruptcy, insolvency and other Laws of general applicability relating to or affecting creditors' rights and to general equity principles. The Board of Directors of the Company, at a meeting duly called and held at which all directors of the Company were present, duly adopted resolutions (i) approving and declaring advisable this Agreement, the Merger and the other transactions contemplated by this Agreement, (ii) declaring that it is in the best interests of the stockholders of the Company that the Company enter into this Agreement and

consummate the Merger and the other transactions contemplated by this Agreement on the terms and subject to the conditions set forth herein, (iii) directing that the adoption of this Agreement be submitted to a vote at a meeting of the stockholders of the Company and (iv) recommending that the stockholders of the Company adopt this Agreement (the "Recommendation"), which resolutions, as of the date of this Agreement, have not been rescinded, modified or withdrawn in any way. The execution and delivery by the Company of this Agreement do not, and the consummation of the Merger and the other transactions contemplated by this Agreement and compliance with the provisions of this Agreement will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries under (other than any such Lien created from any action taken by Parent or Sub), any provision of (A) the Company Certificate of Incorporation, the Company Bylaws or the comparable organizational documents of any of its Subsidiaries or (B) subject to the filings and other matters referred to in the immediately following sentence, (1) any contract, lease, license agreement, indenture, note, bond or other agreement (a "Contract") to which the Company or any of its Subsidiaries is a party or by which any of their respective properties or assets are bound, other than any lease of real property under which the Company or any of its Subsidiaries is a tenant or a subtenant, or (2) any constitution, statute, law, ordinance, rule or regulation of any Governmental Entity ("Law") or any judgment, order or decree of any Governmental Entity ("Judgment"), in each case applicable to the Company or any of its Subsidiaries or their respective properties or assets, other than, in the case of clause (B) above, any such conflicts, violations, defaults, rights, losses or Liens that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any Federal, state, local or foreign government, any court of competent jurisdiction or any administrative, regulatory (including any stock exchange) or other governmental agency, commission or authority (each, a "Governmental Entity") is required to be obtained or made by or with respect to the Company or any of its Subsidiaries in connection with the execution and delivery of this Agreement by the Company or the consummation by the Company of the Merger or the other transactions contemplated by this Agreement, except for (I) the filing of a premerger notification and report form by the Company under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and the filings and receipt, termination or expiration, as applicable, of such other approvals or waiting periods as may be required under any other applicable competition, merger control, antitrust or similar Law, (II) the filing with the SEC of (x) a proxy statement relating to the adoption by the stockholders of the Company of this Agreement (as amended or supplemented from time to time, the "Proxy Statement") and (y) such reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as may be required in connection with this Agreement and the transactions contemplated by this Agreement, (III) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware and of appropriate documents with the relevant authorities of other jurisdictions in which the Company or any of its

Subsidiaries is qualified to do business, (IV) any filings required under the rules and regulations of the NASDAQ Stock Market, (V) the consents, approvals, orders, authorizations, registrations, declarations, filings and notices set forth in Section 4.01(d) of the Company Disclosure Schedule and (VI) such other consents, approvals, orders, authorizations, registrations, declarations, filings and notices the failure of which to be obtained or made would not, individually or in the aggregate, reasonably be expected (x) to have a Material Adverse Effect or (y) to prevent or materially delay the Company from consummating the Merger or from observing or performing its material obligations hereunder.

(e) SEC Documents. The Company has filed all reports, schedules, forms, statements and other documents with the SEC required to be filed by the Company since January 1, 2005 (the "SEC Documents"). As of their respective dates of filing, the SEC Documents complied as to form in all material respects with the requirements of the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable thereto, and none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The audited consolidated financial statements and the unaudited quarterly financial statements (including, in each case, the notes thereto) of the Company included in the SEC Documents when filed complied as to form in all material respects with the published rules and

regulations of the SEC with respect thereto, have been prepared in all material respects in accordance with generally accepted accounting principles ("GAAP") (except, in the case of unaudited quarterly statements, as permitted by Form 10-Q of the SEC or other rules and regulations of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited quarterly statements, to normal year-end adjustments). Except for matters reflected or reserved against in the audited consolidated balance sheet of the Company as of December 31, 2006 (or the notes thereto) included in the Filed SEC Documents, neither the Company nor any of its Subsidiaries has any liabilities or obligations (whether absolute, accrued, contingent, fixed or otherwise) of any nature that would be required under GAAP, as in effect on the date of this Agreement, to be reflected on a consolidated balance sheet of the Company (including the notes thereto), except liabilities and obligations that (i) were incurred since December 31, 2006 in the ordinary course of business consistent with past practice, (ii) are incurred in connection with the transactions contemplated by this Agreement or (iii) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. To the Knowledge of the Company, none of the Company's Filed SEC Documents is the subject of ongoing SEC review, outstanding SEC comments or outstanding SEC investigation.

(f) Information Supplied. The Proxy Statement will not, at the date it is first mailed to the stockholders of the Company and at the time of the Stockholders'

Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, except that no representation or warranty is made by the Company with respect to statements made or incorporated by reference therein based on information supplied by Parent or Sub for inclusion or incorporation by reference in the Proxy Statement.

(g) Absence of Certain Changes or Events. From December 31, 2006 through the date of this Agreement, there has not been or would reasonably be expected to be a Material Adverse Effect, and the Company and its Subsidiaries have conducted their businesses only in the ordinary course of business consistent with past practice, and during such period there has not been:

(i) any declaration, setting aside or payment of any dividend on, or making of any other distribution (whether in cash, stock or property) with respect to, any capital stock of the Company;

(ii) any split, combination or reclassification of any capital stock of the Company or any issuance or the authorization of any issuance of any other securities in lieu of or in substitution for shares of capital stock of the Company;

(iii) any purchase, redemption or other acquisition by the Company or any of its Subsidiaries of any shares of capital stock of the Company or any of its Subsidiaries or any rights, warrants or options to acquire any such shares, other than (A) the acquisition by the Company of shares of Company Common Stock in connection with the surrender of shares of Company Common Stock by holders of Company Stock Options in order to pay the exercise price thereof, (B) the withholding of shares of Company Common Stock to satisfy tax obligations with respect to awards granted pursuant to the Company Stock Plans, and (C) the acquisition by the Company of Company Stock Options, Company SARs and Company RSUs and shares of Company Restricted Stock in connection with the forfeiture of such awards;

(iv) any (A) granting to any director or executive officer of the Company or any of its Subsidiaries of any material increase in compensation, (B) granting to any director or executive officer of the Company or any of its Subsidiaries of any increase in severance or termination pay or (C) entry by the Company or any of its Subsidiaries into any employment, consulting, severance or termination agreement with any director, executive officer or employee of the Company or any of its Subsidiaries pursuant to which the total annual compensation or the aggregate severance benefits exceed $500,000 per person;

(v) any change in accounting methods, principles or practices by the Company or any of its Subsidiaries materially affecting the consolidated assets, liabilities or results of operations of the Company, except as required

(A) by GAAP (or any interpretation thereof), including as may be required by the Financial Accounting Standards Board or any similar organization, or (B) by Law, including Regulation S-X under the Securities Act;

(vi) any material tax election by the Company or any of its Subsidiaries; or

(vii) any sales of real estate or restaurants, or any Contract with respect to any such sale.

(h) Litigation. There is no suit, action or proceeding pending or, to the Knowledge of the Company, threatened against the Company or any of its Subsidiaries that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect or to prevent the Company from consummating the Merger. There is no Judgment outstanding against the Company or any of its Subsidiaries that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect or to prevent the Company from consummating the Merger. This Section 4.01(h) does not relate to environmental matters, which are the subject of Section 4.01(j)(ii).

(i) Contracts. Except for (A) this Agreement, (B) Contracts filed as exhibits to the Filed SEC Documents (the "Filed Exhibits") (C) the Franchise Agreements and (D) purchase orders entered into in the ordinary course of business, Section 4.01(i) of the Company Disclosure Letter sets forth a true and complete list, as of the date of this Agreement, and the Company has made available to Parent true and complete copies, of:

(i) each Contract that would be required to be filed by the Company as a "material contract" pursuant to Item 601(b)(10) of Regulation S-K under the Securities Act;

(ii) each Franchise Agreement that is a master franchise agreement, development agreement or market development agreement;

(iii) each loan and credit agreement, note, debenture, bond, indenture and other similar Contract pursuant to which any Indebtedness of the Company or any of its Subsidiaries, in each case in excess of $10.0 million is outstanding or may be incurred, other than any such Contract between or among any of the Company and any of its Subsidiaries and any letters of credit; and

(iv) any Contract pursuant to which the Company or any of its Subsidiaries (A) licensed any material Intellectual Property Rights from any person, or (B) materially restricted its, or its Affiliates', rights to own or use, exploit, or license any registered or material unregistered Intellectual Property Rights owned by the Company or an Affiliate of the Company.

Each Filed Exhibit, Franchise Agreement and such Contract described in clauses (i) through (iv) above is referred to herein as a "Specified Contract". Each of the Specified Contracts is valid and binding on the Company or the Subsidiary of the Company party thereto and, to the Knowledge of the Company, each other party thereto, and is in full force and effect, except for such failures to be valid and binding or to be in full force and effect that, individually or in the aggregate, have not had or would not reasonably be expected to have a Material Adverse Effect. There is no default under any Specified Contract by the Company or any of its Subsidiaries or, to the Knowledge of the Company, by any other party thereto, and no event has occurred that with the lapse of time or the giving of notice or both would constitute a default thereunder by the Company or any of its Subsidiaries or, to the Knowledge of the Company, by any other party thereto, in each case except as, individually or in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect. This Section 4.01(i) does not relate to real property leases, which are the subject of Section 4.01(n).

(j) Compliance with Laws; Environmental Matters. (i) Each of the Company and its Subsidiaries is in compliance with all Laws applicable to its business or operations (including the Sarbanes-Oxley Act of 2002), except for instances of possible noncompliance that, individually or in the aggregate, have not had or would not reasonably be expected to have a Material Adverse Effect. Each of the Company and its Subsidiaries has in effect all approvals, authorizations, certificates, franchises, licenses, permits and consents of Governmental Entities (collectively, "Permits") necessary for it to conduct its business as currently conducted, and all such Permits are in full force and effect, except for such Permits the absence of which, or the failure of which to be in full force and effect, individually or in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect. This Section 4.01(j)(i) does not relate to environmental matters, which are the subject of Section 4.01(j)(ii), employee benefit matters, which are the subject of Section 4.01(l), and taxes, which are the subject of Section 4.01(m).

(ii) (A) Except for those matters that, individually or in the aggregate, have not had or would not reasonably be expected to have a Material Adverse Effect, (1) each of the Company and its Subsidiaries is in compliance with all applicable Environmental Laws, and neither the Company nor any of its Subsidiaries has received any written communication alleging that the Company is in violation of, or has any liability under, any Environmental Laws, (2) each of the Company and its Subsidiaries validly possesses and is in compliance with all Permits required under Environmental Laws to conduct its business as currently conducted, and all such Permits are valid and in good standing, (3) there are no Environmental Claims pending or, to the Knowledge of the Company, threatened against the Company, any of its Subsidiaries or, to the Knowledge of the Company, any person whose liability for such Environmental Claim the Company has retained or assumed either contractually or by operation of Law, (4) none of the Company or any of its Subsidiaries has Released any Hazardous Materials at, on, under or from any of

the Owned Real Property, the Leased Real Property or any other property in a manner that would reasonably be expected to result in an Environmental Claim against the Company, any of its Subsidiaries or any person whose liability for any Environmental Claim the Company has retained or assumed either contractually or by operation of Law, and (5) to the Knowledge of the Company, there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the release, emission, discharge, presence or disposal of any Hazardous Materials that are reasonably expected to form the basis of any Environmental Claim against the Company or against any person whose liability for any Environmental Claim the Company has retained or assumed either contractually or by operation of Law.

(B) Each of the Company and its Subsidiaries has provided to Parent all material assessments, reports, data, results of investigations or audits, and other information that is in the possession of or reasonably available to the Company and its Subsidiaries regarding environmental matters pertaining to the business of each of the Company and its Subsidiaries, or the compliance (or noncompliance) by the Company and its Subsidiaries with any Environmental Laws.

(C) The Company is not required by virtue of the transactions set forth herein and contemplated hereby, or as a condition to the effectiveness of any transactions contemplated hereby, (i) to perform a site assessment for Hazardous Materials, (ii) to remove or remediate Hazardous Materials, (iii) to give notice to or receive approval from any governmental authority under Environmental Laws, or (iv) to record or deliver to any person or entity any disclosure document or statement pertaining to environmental matters.

(D) The term "Environmental Claims" means any administrative or judicial actions, suits, orders, claims, proceedings or written or oral notices of noncompliance by or from any person alleging liability arising out of the Release of or exposure to any Hazardous Material or the failure to comply with any Environmental Law. The term "Environmental Law" means any Law relating to pollution, the environment or natural resources. The term "Hazardous Materials" means (1) petroleum and petroleum by-products, asbestos in any form that is or could reasonably become friable, radioactive materials, medical or infectious wastes, or polychlorinated biphenyls, and (2) any other chemical, material, substance or waste that may have an adverse effect on human health or the environment or is prohibited, limited or regulated because of its hazardous, toxic or deleterious properties or characteristics. The term "Release" means any release, spill, emission, leaking, pumping, emitting, discharging, injecting, escaping, leaching, dumping, disposing or migrating into or through the environment.

(k) Labor and Employment Matters.

(i) No employees of the Company or any of its Subsidiaries are represented by any labor union, labor organization, trade union or works council with respect to their employment with the Company or any of its Subsidiaries. The Company, each of its Subsidiaries, and their respective employees, agents or representatives have not committed any material unfair labor practice as defined in the National Labor Relations Act or other applicable Law. The Company and each of its Subsidiaries are neither party to nor bound by (and none of their respective properties or assets is bound by or subject to) any labor agreement, collective bargaining agreement, work rules or practices, or any other labor-related agreements or arrangements with any labor union, labor organization, trade union or works council. There are no labor agreements, collective bargaining agreements, work rules or practices, or any other labor-related agreements or arrangements that pertain to any of the employees of the Company or any of its Subsidiaries.

(ii) To the knowledge of the Company, (A) no labor union, labor organization, trade union, works council, or group of employees of the Company or any of its Subsidiaries has made a pending demand before the National Labor Relations Board or any other labor relations tribunal or authority for recognition or certification, and (B) there are no representation or certification proceedings or petitions seeking a representation or certification proceeding currently pending or threatened in writing to be brought or filed with the National Labor Relations Board or any other labor relations tribunal or authority. To the Knowledge of the Company, there are no labor union organizing activities with respect to any employees of the Company or any of its Subsidiaries. There are no actual or, to the Knowledge of the Company, threatened material arbitrations, material grievances, material labor disputes, strikes, lockouts, material slowdowns or material work stoppages against or affecting the Company or any of its Subsidiaries nor has there been any of the foregoing during the 3-year period immediately preceding the date of this Agreement.

(iii) The Company and each of its Subsidiaries are and have been in material compliance with all applicable Laws respecting employment and employment practices, including, without limitation, all Laws respecting terms and conditions of employment, health and safety, wages and hours, child labor, immigration, employment discrimination, disability rights or benefits, equal opportunity, plant closures and layoffs, affirmative action, workers' compensation, labor relations, employee leave issues and unemployment insurance. The Company and each of its Subsidiaries are not in any material respect delinquent in payments to any employees or former employees for any services or amounts required to be reimbursed or otherwise paid. Neither the Company nor any of its Subsidiaries is a party to, or otherwise bound by, any

order of any Governmental Entity relating to employees or employment practices.

(iv) The Company and each of its Subsidiaries have not received notice of (A) any material unfair labor practice charge or complaint pending or threatened before the National Labor Relations Board or any other Governmental Entity against them, (B) any material complaints, material grievances or material arbitrations against them arising out of any collective bargaining agreement, (C) any material charge or material complaint with respect to or relating to them pending before the Equal Employment Opportunity Commission or any other Governmental Entity responsible for the prevention of unlawful employment practices, (D) the intent of any Governmental Entity responsible for the enforcement of labor, employment, wages and hours of work, child labor, immigration, or occupational safety and health Laws to conduct a material investigation with respect to or relating to them or notice that such investigation is in progress, or (E) any material complaint, material lawsuit or other material proceeding pending or threatened in any forum by or on behalf of any present or former employee of such entities, any applicant for employment or classes of the foregoing alleging breach of any express or implied contract of employment, any applicable Law governing employment or the termination thereof or other discriminatory, wrongful or tortious conduct in connection with the employment relationship.

(v) Neither the Company nor any of its Subsidiaries is, as of the date of this Agreement, engaged in any layoffs or employment terminations sufficient in number to trigger application of the WARN Act or any similar state, local or foreign Law.

(l) Employee Benefit Matters.

(i) Section 4.01(l)(i)(A) of the Company Disclosure Letter sets forth a complete and accurate list of each (A) pension plan (as defined in Section 3(2) of ERISA) or post-retirement or employment health or medical plan, program, policy or arrangement, (B) bonus, incentive or deferred compensation or equity or equity-based compensation plan, program, policy or arrangement, (C) severance, change in control, retention or termination plan, program, policy or arrangement or (D) other material compensation or benefit plan, program, policy or arrangement, in each case, sponsored, maintained, contributed to or required to be maintained or contributed to by the Company, any of its Subsidiaries or any other person or entity that, together with the Company, is treated as a single employer under Section 414 of the Code (each, a "Commonly Controlled Entity") for the benefit of any current or former director, officer, employee or independent contractor of the Company or any of its Subsidiaries, other than any plan, program, policy or arrangement mandated by applicable Law (each, a "Company Benefit Plan"). Section 4.01(l)(i)(B) of the Company Disclosure Letter sets forth a complete and accurate list of each

employment, consulting, bonus, incentive or deferred compensation, equity or equity-based compensation, severance, change in control, retention, termination or other Contract between the Company or any of its Subsidiaries, on the one hand, and any current or former director, officer, employee or independent contractor of the Company or any of its Subsidiaries, on the other hand, other than any Contract mandated by applicable Law (each, a "Company Benefit Agreement"). With respect to each Company Benefit Plan and each Company Benefit Agreement,

the Company has provided to Parent complete and accurate copies of each of the following documents, as applicable (A) such Company Benefit Plan or Company Benefit Agreement (including all amendments thereto) for each any such Company Benefit Plan or Company Benefit Agreement that is written or a written description of any such Company Benefit Plan or Company Benefit Agreement that is not otherwise in writing; (B) a copy of the annual reports or Internal Revenue Service Form 5500 Series, if required under ERISA, for the last three plan years ending prior to the date of this Agreement for which such a report was filed; (C) a copy of the actuarial report, if required under ERISA, for the last three plan years ending prior to the date of this Agreement; (D) a copy of the most recent Summary Plan Description ("SPD"), together with all Summaries of Material Modification issued with respect to such SPD, if required under ERISA, and all other material employee communications relating to each Company Benefit Plan and Company Benefit Agreement; (E) if such Company Benefit Plan or Company Benefit Agreement is funded through a trust or any other funding vehicle, a copy of the trust or other funding agreement (including all amendments thereto) and the latest financial statements thereof, if any; (F) all contracts relating to such Company Benefit Plans or Company Benefit Agreements with respect to which the Company, any of its Subsidiaries or any Commonly Controlled Entity may have any liability, including insurance contracts, investment management agreements, subscription and participation agreements and record keeping agreements; and (G) the most recent determination letter received from the Internal Revenue Service with respect to any such Company Benefit Plan that is intended to be qualified under Section 401(a) of the Code.

(ii) Each Company Benefit Plan and Company Benefit Agreement (and any related trust or other funding vehicle) has been administered in accordance with its terms and is in compliance with ERISA, the Code and all other applicable Laws, other than instances of noncompliance that, individually or in the aggregate, have not had or would not reasonably be expected to have a Material Adverse Effect. Each of the Company and its Subsidiaries is in compliance with ERISA, the Code and all other Laws applicable to Company Benefit Plans and Company Benefit Agreements, other than instances of noncompliance that, individually or in the aggregate, have not had or would not reasonably be expected to have a Material Adverse Effect.

(iii) None of the Company, any of its Subsidiaries or any Commonly Controlled Entity has sponsored, maintained, contributed to or been

required to maintain or contribute to, or has any actual or contingent liability under, any Company Benefit Plan that is subject to Section 302 or Title IV of ERISA or Section 412 of the Code or is otherwise a defined benefit plan. No Company Benefit Plan or Company Benefit Agreement provides health, medical or other welfare benefits after retirement or other termination of employment (other than for continuation coverage required under Section 4980(B)(f) of the Code or other similar applicable Law), and no circumstances exist that could result in the Company or any of its Subsidiaries becoming obligated to provide any such benefits.

(iv) None of the execution and delivery of this Agreement, the obtaining of the Stockholder Approval or the consummation of the Merger or any other transaction contemplated by this Agreement (alone or in conjunction with any other event, including any termination of employment on or following the Effective Time) will (A) entitle any current or former director, officer, employee or independent contractor of the Company or any of its Subsidiaries to any compensation or benefits, (B) accelerate the time of payment or vesting, or trigger any payment or funding, of any compensation or benefits or trigger any other material obligation under any Company Benefit Plan or Company Benefit Agreement or (C) result in any breach or violation of or default under, or limit the Company's right to amend, modify or terminate, any collective bargaining agreement, Company Benefit Plan or Company Benefit Agreement.

(v) No amounts payable under any of the Company Benefit Plans, Company Benefit Agreements, or any other contract, agreement or arrangement with respect to which the Company or any of its Subsidiaries may have liability could fail to be deductible for federal income tax purposes by virtue of Section 162(m) or Section 280G of the Code.

(vi) None of the Company, any of its Subsidiaries or any Commonly Controlled Entity has ever maintained, administered, contributed to or is currently required to contribute to any "multiemployer plan" as defined in sections 4001(a)(3) and 3(37) of ERISA that covers one or more employees (each a "Multiemployer Plan"). None of the Company, any of its Subsidiaries, or any Commonly Controlled Entity has, at any time, withdrawn from a Multiemployer Plan in a "complete withdrawal" or a "partial withdrawal" as defined in Sections 4203 and 4205 of ERISA, respectively, so as to result in a liability of the Company or any of its Subsidiaries. All contributions required to be made by the Company, any of its Subsidiaries or any Commonly Controlled Entity to each Multiemployer Plan on behalf of one or more current or former employees have been made when due in all material respects. The Company has received no written notice that: (A) a Multiemployer Plan has been terminated or has been in reorganization under ERISA so as to result in any liability of the Company or any of its Subsidiaries under Title IV of ERISA; or (B) any proceeding has been initiated by any person (including the Pension Benefit Guaranty Corporation) to terminate any Multiemployer Plan.

(vii) Each Company Benefit Plan and Company Benefit Agreement that is a "nonqualified deferred compensation plan" (as defined in Code Section 409A(d)(1)) subject to Code Section 409A has been operated since January 1, 2005 in good faith compliance with Code Section 409A, the regulations and guidance promulgated thereunder.

(viii) No Company Benefit Plan provides benefits, including without limitation death or medical benefits (whether or not insured), with respect to current or former employees of the Company, its Subsidiaries or any Commonly Controlled Entity after retirement or other termination of service (other than (A) coverage mandated by applicable Laws, (B) death benefits or retirement benefits under any "employee pension plan," as such term is defined in Section 3(2) of ERISA, (C) deferred compensation benefits accrued as liabilities on the books of the Company, any of its Subsidiaries or a Commonly Controlled Entity, or (D) benefits the full direct cost of which is borne by the current or former employee (or beneficiary thereof)).

(ix) To the Knowledge of the Company, there are no pending or threatened material claims, individually or in the aggregate, by or on behalf of any Company Benefit Plan, by any employee or beneficiary under any Company Benefit Plan or otherwise involving any such Company Benefit Plan (other than routine claims for benefits).

(m) Taxes. (i) Each of the Company and its Subsidiaries has filed or has caused to be filed all material tax returns required to be filed by it (or requests for extensions, which requests have been granted and have not expired), and all such returns are complete and accurate in all material respects. Each of the Company and its Subsidiaries has either paid or caused to be paid all material taxes due and owing by the Company and its Subsidiaries to any Governmental Entity, or the most recent financial statements contained in the Filed SEC Documents reflect an adequate reserve (excluding any reserves for deferred taxes), if such a reserve is required by GAAP, for all material taxes payable by the Company and its Subsidiaries, for all taxable periods and portions thereof ending on or before the date of such financial statements.

(ii) No deficiencies, audit examinations, refund litigation, proposed adjustments or matters in controversy for any material taxes (other than taxes that are not yet due and payable or for amounts being contested in good faith) have been proposed, asserted or assessed in writing against the Company or any of its Subsidiaries which have not been settled and paid. All assessments for material taxes due and owing by the Company or any of its Subsidiaries with respect to completed and settled examinations or concluded litigation have been paid. There is no currently effective agreement or other document with respect to the Company or any of its Subsidiaries extending the period of assessment or collection of any material taxes.

(iii) Neither the Company nor any of its Subsidiaries has constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code (A) in the two years prior to the date of this Agreement or (B) which could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the Merger.

(iv) None of the Company or any of its Subsidiaries has entered into any transaction defined in Treasury Regulation Sections 1.6011-4(b)(2), -4(b)(3) or -4(b)(4), or has entered into a "potentially abusive tax shelter" (as defined in Treasury Regulation Section 301.6112-1(b)).

(v) Neither the Company nor any of its Subsidiaries is party to any material tax sharing, tax allocation or similar agreement with any other party except each other.

(vi) None of the Company nor any of its Subsidiaries is or has been a member of a consolidated, combined, unitary or similar group with any party except the other since January 1, 2004.

(vii) Neither the Company nor any of its Subsidiaries is bound by any closing agreement, offer in compromise or other agreement with any Governmental Entity, in each case, involving a material amount of taxes.

(viii) The Company has made available to Parent and Sub complete and correct copies of all United States federal tax returns and material state income or franchise tax returns filed by or on behalf of the Company or any of its Subsidiaries for all taxable periods beginning on or after January 1, 2004.

(ix) The term "taxes" means all income, profits, capital gains, goods and services, branch, payroll, unemployment, customs duties, premium, compensation, windfall profits, franchise, gross receipts, capital, net worth, sales, use, withholding, turnover, value added, ad valorem, registration, general business, employment, social security, disability, occupation, real property, personal property (tangible and intangible), stamp, transfer (including real property transfer or gains), conveyance, severance, production, excise, withholdings, duties, levies, imposts, license, registration and other taxes (including any and all fines, penalties and additions attributable to or otherwise imposed on or with respect to any such taxes and interest thereon) imposed by or on behalf of any Governmental Entity. The term "tax return" means any return, statement, report, form, filing, customs entry, customs reconciliation and any other entry or reconciliation, including in each case any amendments, schedules or attachments thereto, required to be filed with any Governmental Entity or with respect to taxes of the Company or its Subsidiaries.

(n) Title to Properties. (i) Section 4.01(n)(i) of the Company Disclosure Letter sets forth, as of the date of this Agreement, a true and complete list of all real property owned by the Company and its Subsidiaries (individually, an "Owned Real Property"), including whether any Owned Real Properties are currently on the market for sale.

(ii) Section 4.01(n)(ii) of the Company Disclosure Letter sets forth, as of the date of this Agreement, a true and complete list of all leases of real property (the "Real Property Leases") under which the Company or any of its Subsidiaries is a tenant or a subtenant and has annual rent obligations in excess of $50,000 (individually, a "Leased Real Property").

(iii) (A) the Company or a Subsidiary of the Company has good and valid fee simple title to each Owned Real Property, in each case free and clear of all Liens and defects in title, except for (1) mechanics', carriers', workmen's, warehousemen's, repairmen's or other like Liens arising or incurred in the ordinary course of business, (2) Liens for taxes, assessments and other governmental charges and levies that are not due and payable or that may thereafter be paid without interest or penalty, (3) Liens affecting the interest of the grantor of any easements benefiting Owned Real Property, (4) Liens (other than liens securing indebtedness for borrowed money), minor defects or irregularities in title, easements, rights-of-way, covenants, restrictions, and other, similar matters which would have been disclosed by a current title report that would

not, individually or in the aggregate, reasonably be expected to materially impair or materially interfere with the continued use and operation of the assets to which they relate in the business of the Company and its Subsidiaries as currently conducted, or materially detract from the value or marketability of the Owned Real Property for substantially similar uses and operations, (5) zoning, building and other similar codes and regulations and (6) any conditions that would be disclosed by a current, accurate survey and which do not materially interfere with the continued use and operation of the assets to which they relate in the business of the Company and its Subsidiaries as currently conducted (collectively, "Permitted Liens"); (B) the Owned Real Property is not subject to any leases or tenancies of any kind other than the Real Property Subleases and leases or tenancies that do not provide for annual rent obligations in excess of $50,000; and (C) each Owned Real Property is not subject to any rights of purchase, offer or first refusal that are not recorded.

(iv) (A) the Company or a Subsidiary of the Company has a good and valid title to a leasehold estate in each Leased Real Property, in each case free and clear of all Liens and defects in title, other than Permitted Liens, pursuant to the Real Property Leases, true and complete copies of which have been made available to Parent, (B) all Real Property Leases are in full force and effect, (C) neither the Company nor any of its Subsidiaries that is party to such Real Property Leases has received or given any written notice of any material default thereunder which default continues on the date of this Agreement,

(D) there is no material default under any Real Property Lease by the Company or any of its Subsidiaries or, to the Knowledge of the Company, by any other party thereto, and no event has occurred that with the lapse of time or the giving of notice or both could reasonably be expected to constitute a material default, result in a loss of any material rights or result in the creation of any Lien thereunder or pursuant thereto, (E) the Leased Real Property is not subject to any leases or tenancies of any kind, other than the Real Property Leases, the Real Property Subleases and leases or subleases that do not provide for annual rent obligations in excess of $50,000, (F) each Real Property Lease is valid and binding on the Company or the Subsidiary of the Company party thereto and, to the Knowledge of the Company, each other party thereto, and is in full force and effect and (G) the execution and delivery by the Company of this Agreement do not, and the consummation of the Merger and the other transactions contemplated by this Agreement and compliance with the provisions of this Agreement will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries under (other than any such Lien created from any action taken by Parent or Sub), any provision of any Real Property Lease.

(v) Section 4.01(n)(v) of the Company Disclosure Letter sets forth, as of the date of this Agreement, a true and complete list of all leases, subleases or similar agreements under which the Company or any of its Subsidiaries is the landlord or the sublandlord other than leases, subleases and similar agreements that do not provide for annual rent in excess of $50,000 (such leases, subleases and similar agreements, collectively, the "Real Property Subleases"). Each Real Property Sublease is valid and binding on the Company or the Subsidiary of the Company party thereto.

(vi) The Owned Real Property and the Leased Real Property are used in a manner permitted by applicable zoning ordinances and planning laws and constitute all of the real property owned and leased by the Company and its Subsidiaries to operate its business as currently conducted.

(vii) There is no tax assessment pending or, to the Knowledge of the Company, threatened with respect to any portion of the Owned Real Property or the Leased Real Property. There are no condemnation or compulsory purchase proceedings pending or, to the Knowledge of the Company, threatened with respect to any portion of the Owned Real Property or Leased Real Property that would reasonably be expected to materially impair or materially interfere with the continued use and operation of Leased Real Property in the business of the Company and its Subsidiaries as currently conducted, or materially detract from the value or marketability of the Leased Real Property for substantially similar uses and operations

(o) Intellectual Property. (i) Section 4.01(o) of the Company Disclosure Letter sets forth, as of the date of this Agreement, a true and complete list of all (A) issued Patents, Patent applications, registered Trademarks (including internet domain names) and applications therefor, and registered Copyrights and applications therefor (collectively, "Registered Intellectual Property Rights") and (B) Software that are material to the conduct of the business of the Company and its Subsidiaries as currently conducted, in each case, that are owned by the Company or its Subsidiaries. The Company or a Subsidiary of the Company is the sole beneficial and record owner of the Registered Intellectual Property Rights, all Registered Intellectual Property Rights are subsisting and in full force and effect, and, to the Company's Knowledge, all material Intellectual Property Rights owned by the Company are valid and enforceable.

(ii) Except as, individually or in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect, the Company or a Subsidiary of the Company owns, or is licensed or otherwise has the right to use free and clear of Liens each Intellectual Property Right that is used or held for use in the conduct of the business of the Company and its Subsidiaries as currently conducted. Except for the Specified Contracts, neither the Company, nor any Subsidiary thereof, has licensed or sublicensed to any person any material Intellectual Property Rights.

(iii) To the Knowledge of the Company, the conduct of the business of the Company and its Subsidiaries as currently conducted (including the use of Intellectual Property Rights by the Company, its Subsidiaries' and their licensees in the manner authorized under their respective agreements with the Company and Subsidiaries), does not infringe or otherwise violate in any material respect any person's Intellectual Property Rights. No claims are pending or, to the Knowledge of the Company, threatened that (A) the Company or any of its Subsidiaries is infringing or otherwise violating the rights of any person with regard to any Intellectual Property Right or (B) seeks to limit, cancel, or question the validity of any Intellectual Property Rights of the Company or its Subsidiaries, in each case, which claims, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(iv) To the Knowledge of the Company, there is no jurisdiction in which the APPLEBEE'S mark is not available for use and registration by the Company and its Subsidiaries in connection with the operation of restaurants.

(v) To the Knowledge of the Company, no person is infringing or otherwise violating the rights of the Company or any of its Subsidiaries with respect to any Intellectual Property Right, and no such claims have been asserted or threatened by the Company or any of its Subsidiaries against any person within the last three (3) years which remain unresolved, in each case in a manner that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(vi) To the Knowledge of the Company, there has not been any unauthorized use or disclosure of its or its Subsidiaries' material Trade Secrets.

(vii) To the Knowledge of the Company, the Company and each of its Subsidiaries has complied with all applicable Laws, as well as its own rules, policies, and procedures relating to the collection and use of personal information collected and used by the Company or its Subsidiaries. No material claim is pending, or to the Knowledge of the Company, threatened with respect to the Company's or any Subsidiaries' use of personal information.

(viii) The Company and its Subsidiaries have not entered into, or are not otherwise bound by, any orders, judgments or Contracts with third parties (other than Franchise Agreements) which impose any material restriction on the Company's or any of its Affiliates' right to use, exploit, enforce, or license any Registered Intellectual Property Rights or material unregistered Intellectual Property Rights.

(p) Insurance. Section 4.01(p) of the Company Disclosure Letter sets forth, as of the date hereof, a true and complete list of the insurance policies held by, or for the benefit of, the Company or any of its Subsidiaries, including the underwriter of such policies and the amount of coverage thereunder. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) the Company and its Subsidiaries maintain insurance in such amounts and against such risks as is sufficient to comply with applicable Law, (ii) all material insurance policies of the Company and its Subsidiaries are in full force and effect, except for any expiration thereof in accordance with the terms thereof, (iii) neither the Company nor any of its Subsidiaries is in breach of, or default under, any such material insurance policy and (iv) no written notice of cancellation or termination has been received with respect to any such material insurance policy, other than in connection with ordinary renewals.

(q) Voting Requirements. The affirmative vote of holders of a majority of the outstanding shares of Company Common Stock entitled to vote thereon at the Stockholders' Meeting or any adjournment or postponement thereof to adopt this Agreement (the "Stockholder Approval") is the only vote of the holders of any class or series of capital stock of the Company necessary for the Company to adopt this Agreement and approve the transactions contemplated hereby.

(r) State Takeover Statutes. The approval of the Board of Directors of the Company of this Agreement, the Merger and the other transactions contemplated by this Agreement represents all the action necessary to render inapplicable to this Agreement, the Merger and the other transactions contemplated by this Agreement, the provisions of Section 203 of the DGCL to the extent, if any, such Section would otherwise be applicable to this Agreement, the Merger and the other transactions contemplated by this Agreement, and no other state takeover statute applies to this Agreement, the Merger or the other transactions contemplated by this Agreement.

(s) Franchise Matters.

(i) Section 4.01(s)(i) of the Company Disclosure Letter sets forth a true and complete list of all franchise agreements, license agreements, subfranchise agreements, sublicense agreements, master franchise agreements, development agreements, market development agreements, and reserved area agreements (each a "Franchise Agreement" and, collectively, the "Franchise Agreements") that are effective as of the date of this Agreement to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries or its or their properties is bound (other than any such agreements between a person and its Subsidiaries or among its Subsidiaries) and which grant or purport to grant to a Franchisee the right to operate or license others to operate or to develop within a specific geographic area or at a specific location any of the following (each a "Franchise"): "Applebee's Neighborhood Grill & Bar" restaurants, "Applebee's Grill & Bar" restaurants, "Applebee's Grill" restaurants, "T.J. Applebee's" restaurants, "T.J. Applebee's Grill & Bar" restaurants, "T.J. Applebee's Rx for Edibles & Elixirs" restaurants, and "T.J. Applebee's Edibles & Elixirs" restaurants (each a "Franchised Restaurant"). True, correct and complete copies of all Franchise Agreements (or documents purporting to contain substantially the content of each such Franchise Agreement (except as to the date of the Franchise Agreement and location of the Franchised Restaurant)) have been made available to Parent.

(ii) All the Franchise Agreements are in full force and effect and are valid and binding obligations of the Company and its Subsidiaries and enforceable against the Company and its Subsidiaries and the other parties thereto in accordance with their respective terms, subject, as to enforceability, to bankruptcy, insolvency and other Laws of general applicability relating to or affecting creditors' rights and to general equity principles. All Franchise Agreements comply in all material respects with all applicable Laws. The execution and delivery by the Company of this Agreement do not, and the consummation of the Merger and the other transactions contemplated by this Agreement and compliance with the provisions of this Agreement will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries under (other than any such Lien created from any action taken by Parent or Sub) or any right of rescission or set-off under, any provision of any Franchise Agreement other than any such conflicts, violations, defaults, rights, losses or Liens that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except by operation of Law, no Franchise Agreement expressly grants any Franchisee any right of rescission or set-off; and no Franchisee has asserted in writing any such right of rescission or set-off. There is no default under any Franchise Agreement by the

Company or any of its Subsidiaries or, to the Knowledge of the Company, by any other party thereto, and no event has occurred that with the lapse of time or the giving of notice or both would constitute a default thereunder by the Company or any of its Subsidiaries or, to the Knowledge of the Company, by any other party thereto, in each case except as, individually or in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect.

(iii) Section 4.01(s)(iii) of the Company Disclosure Letter sets forth a true and correct list of: (i) the United States Jurisdictions in which the Company and its Subsidiaries since March 31, 2002, have been, and are currently, registered or authorized to offer and sell franchises (under a Registration Law) and the jurisdictions in which the Company or any of its Subsidiaries sold a Franchise since March 31, 2002 under a Registration Law and under the FTC Rule and (ii) the non-United States Jurisdictions in which the Company or any of its Subsidiaries has sold or entered into, or since January 1, 2004, offered, Franchise Agreements.

(iv) Since March 31, 2002, (i) the Company and its Subsidiaries have prepared and maintained each UFOC in compliance, in all material respects, with: (A) the UFOC Guidelines; (B) the FTC Rule; and (C) the Registration Laws; and (ii) the Company and its Subsidiaries have offered and sold each Franchise Agreement for a Franchised Restaurant to be located in any non-United States Jurisdiction (the "Foreign Franchises") in compliance, in all material respects, with applicable Laws, including pre-sale registration and disclosure laws.

(v) Since March 31, 2002, the Company and its Subsidiaries have not, in any UFOC, other franchise disclosure document, in applications and/or filings with states under the Registration Laws, or in any applications or filings with any non-United States Jurisdictions, made any untrue statement of a material fact, omitted to state a material fact required to be stated therein, or omitted to state any fact necessary to make the statements made therein, taken as a whole, not misleading.

(vi) The Company and its Subsidiaries have not, and have not authorized any Person to furnish: (i) to prospective franchisees in any United States Jurisdiction any materials or information that could be construed as "earnings claim" information in violation of the requirements specified in Item 19 of the UFOC Guidelines and/or 16 CFR § 436.1(b) (together, "Earnings Claim(s)"), and no Earnings Claim has been made since March 31, 2002 to any prospective Franchisee in any United States Jurisdiction; or (ii) to prospective franchisees in any non-United States Jurisdiction any materials or information from which a specific level or range of actual or potential sales, costs, income or profit from franchised or non-franchised units may be easily ascertained, except as set forth in Section 4.01(s)(vi)(ii) of the Company Disclosure Letter.

(vii) Neither the Company nor any of its Subsidiaries or Affiliates is a party to any Contract pursuant to which the Company or any of its Subsidiaries or Affiliates receives Rebates as a result of transactions between the Franchisees and suppliers selling products or services to the Franchisees. When the Company or any of its Subsidiaries or Affiliates buys products, goods and services from a supplier, such supplier charges the Company or its Subsidiaries or Affiliates for these items on the same basis as the supplier charges a Franchisee operating a Franchised Restaurant in the United States for similar products, goods and services purchased for use in connection with such Franchised Restaurant. No Contract pursuant to which the Company or its Subsidiaries or Affiliates receives a Rebate is (i) prohibited by any Franchise Agreement, (ii) not disclosed in accordance with the UFOC Guidelines in the relevant UFOC, if applicable or (iii) not disclosed in accordance with applicable Law with respect to Foreign Franchises.

(viii) Since March 31, 2002, the Company and its Subsidiaries have made on a timely and accurate basis all required additional filings under the Registration Laws, including filings with respect to material changes, advertising, broker and salesperson registrations, amendments, and renewals, and the Company and its Subsidiaries have not offered or executed a Franchise Agreement or offered or sold the rights granted therein in any jurisdiction in which such offer and sale was not duly registered (if registration was required by a Registration Law) or exempt from registration at the time the offer was made and the sale occurred, and the Company and its Subsidiaries have otherwise complied with all applicable franchise offering circular and Franchise Agreement delivery requirements under applicable United States Jurisdiction Laws (including, the Registration Laws), and, in each case, obtained receipts evidencing delivery and receipt thereof. Since March 31, 2002, the Company and its Subsidiaries have not otherwise engaged in the offer, sale, or execution of Franchise Agreements in violation of applicable Registration Laws, or unfair or deceptive trade practices law or regulation or similar Law or regulation.

(ix) Except as disclosed in the Current UFOC or the Current IFOC, neither the Company nor any of its Subsidiaries is subject to any currently effective order, injunction, or similar mandate with respect to the offer or sale of Franchise Agreements in any jurisdiction. There are no proceedings pending (or to the Knowledge of the Company, threatened) against the Company or any of its Subsidiaries alleging failure to comply with any Registration Laws or Relationship Laws, or any similar Law of any other jurisdiction, foreign or domestic.

(x) The Franchise Agreements grant exclusive development territories to Franchisees that have development rights, and protected radiuses to Franchisees; except for those grants and except as provided by operation of Law, no Franchisee has a protected territory, exclusive territory, right of first

refusal, option, or other similar arrangement with respect to a Franchised Restaurant and no person currently holds any right or option to operate, develop, or locate a Franchised Restaurant, or to exclude the Company, any of its Subsidiaries or Affiliates, or others from operating or licensing a third party to operate a Franchised Restaurant, in any geographic area or at any location.

(xi) Except as disclosed in the Current UFOC or Current IFOC, none of Company's Subsidiaries or Affiliates presently offer or

sell franchises or business opportunities in any line of business, and no Subsidiary or Affiliate of Company that has offered or sold franchises or business opportunities in any line of business (other than Franchises) is obligated or liable in any respect under or in connection with such franchises or business opportunities.

(xii) Section 4.01(s)(xii) of the Company Disclosure Letter lists the Contracts that are in effect as of the date hereof with any formal or informal franchisee association or group of Franchisees regarding any Franchise Agreement or franchise operational matter.

(xiii) Section 4.01(s)(xiii) of the Company Disclosure Letter lists the Franchisees, if any, that to the Knowledge of the Company are currently the subject of a bankruptcy or similar proceeding.

(xiv) With respect to all expirations, terminations and non-renewals of Franchisees and/or Franchise Agreements since March 31, 2002, the Company and its Subsidiaries have complied in all material respects with all applicable franchise termination, non-renewal, unfair practices, and/or relationship Laws, including those Laws' requirements with respect to the proper notice of default, time to cure, and the actual termination of any Franchisee or business opportunity operator ("Relationship Laws").

(xv) Neither the Company nor any of its Subsidiaries operates a restaurant within any protected territory, exclusive territory or reserved area granted to any Franchisee. No Franchisee has a right of first refusal, right of first negotiation or similar right to acquire any restaurant from the Company or any of its Subsidiaries.

(xvi) For purposes of this Agreement:

"Current IFOC" means the Franchise Offering Circulars in use in connection with the offer or sale of franchises in non-United States Jurisdictions as of the date of this Agreement.

"Current UFOC" means the Uniform Franchise Offering Circular in use in connection with the offer or sale of franchises in a United States Jurisdiction (or to a person domiciled in a United States Jurisdiction) as of the date of this Agreement.

"Franchisee" means a person other than the Company or any of its Subsidiaries that is granted a right (whether directly by the Company or any of its Subsidiaries or by another Franchisee) to develop or operate, and/or is granted a right to license others to develop or operate a Franchised Restaurant within a specific geographic area or at a specific location.

"FTC Rule" means the Trade Regulation Rule on Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures promulgated by the Federal Trade Commission, 16 CFR Part 436.

"IFOC" means a Franchise Offering Circular for use in connection with the offer or sale of franchises in non-United States Jurisdictions.

"Rebates" means "rebates" as defined for purposes of the UFOC and applicable United States Jurisdiction Law with respect to Franchises in United States Jurisdictions and rebates and similar payments regulated or required to be disclosed under applicable non-United States Jurisdiction Law with respect to non-United States Jurisdictions, as applicable.

"Registration Laws" means any and all Laws of the various states of the United States that require disclosure and/or registration before a company may offer and/or sell franchises or business opportunities.

"UFOC" means a Franchise Offering Circular for use in connection with the offer or sale of a franchise in a United States Jurisdiction (or to a person domiciled in a United States Jurisdiction)

"UFOC Guidelines" means the Uniform Franchise Offering Circular Guidelines adopted by the North American Securities Administrators Association on April 25, 1993.

"United States Jurisdictions" means the United States of America, its territories and possessions.

(t) Brokers and Other Advisors. No broker, investment banker, financial advisor or other person, other than Banc of America Securities LLC and Citigroup Global Markets Inc., the fees and expenses of which will be paid by the Company, is entitled to any broker's, finder's or financial advisor's fee or commission in connection with the Merger and the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company.

(u) Opinion of Financial Advisor. The Board of Directors of the Company has received the opinion of Citigroup Global Markets Inc., dated the date of this Agreement, to the effect that, as of the date of such opinion, the Merger Consideration is fair, from a financial point of view, to the holders of shares of Company Common Stock, a signed copy of which opinion will promptly be delivered to Parent,

solely for informational purposes, after receipt thereof by the Board of Directors of the Company.

(v) No Other Representations or Warranties. Except for the representations and warranties contained in this Section 4.01, each of Parent and Sub acknowledges that neither the Company nor any person on behalf of the Company makes any other express or implied representation or warranty

with respect to the Company or any of its Subsidiaries or with respect to any other information provided to Parent or Sub in connection with the transactions contemplated by this Agreement. Neither the Company nor any other person will have or be subject to any liability or indemnification obligation to Parent, Sub or any other person resulting from the distribution to Parent or Sub, or Parent's or Sub's use of, any such information, including any information, documents, projections, forecasts or other material made available to Parent or Sub in certain "data rooms" or management presentations in expectation of the transactions contemplated by this Agreement, unless and then only to the extent that any such information is expressly included in a representation or warranty contained in this Section 4.01.

SECTION 4.02. Representations and Warranties of Parent and Sub. Parent and Sub jointly and severally represent and warrant to the Company as follows:

(a) Organization, Standing and Corporate Power. Each of Parent and Sub is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization and has all requisite corporate power and authority to carry on its business as currently conducted.

(b) Authority; Noncontravention. Each of Parent and Sub has all requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated by this Agreement, including the Merger. The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement, including the Merger, have been duly authorized by all necessary corporate action on the part of each of Parent and Sub, and no other corporate proceedings (including no shareholder action) on the part of Parent or Sub are necessary to authorize this Agreement or to consummate the transactions contemplated hereby, including the Merger. This Agreement has been duly executed and delivered by each of Parent and Sub and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of each of Parent and Sub, enforceable against each of Parent and Sub in accordance with its terms, subject, as to enforceability, to bankruptcy, insolvency and other Laws of general applicability relating to or affecting creditors' rights and to general equity principles. The execution and delivery of this Agreement do not, and the consummation of the Merger and the other transactions contemplated by this Agreement, and compliance with the provisions of this Agreement will not, conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any Lien upon any of the properties or assets of Parent or Sub under, any

provision of (i) the certificate of incorporation or bylaws of Parent or the certificate of incorporation or bylaws of Sub or (ii) subject to the filings and other matters referred to in the immediately following sentence, (A) any Contract to which Parent or Sub is a party or by which any of their respective properties or assets are bound or (B) any Law or Judgment, in each case applicable to Parent or Sub or their respective properties or assets, other than, in the case of clause (ii), any such conflicts, violations, breaches, defaults, rights, losses or Liens that would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect. No consent, approval, order or authorization of, registration, declaration or filing with, or notice to, any Governmental Entity is required to be obtained or made by or with respect to Parent or Sub in connection with the execution and delivery of this Agreement by Parent and Sub or the consummation by Parent and Sub of the Merger or the other transactions contemplated by this Agreement, except for (I) the filing of a premerger notification and report form by Parent and Sub under the HSR Act and the filings and receipt, termination or expiration, as applicable, of such other approvals or waiting periods as may be required under any other applicable competition, merger control, antitrust or similar Law, (II) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware and (III) such other consents, approvals, orders, authorizations, registrations, declarations, filings and notices the failure of which to be obtained or made would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

(c) Information Supplied. None of the information supplied or to be supplied by Parent or Sub for inclusion or incorporation by reference in the Proxy Statement will, at the date it is first mailed to the stockholders of the Company and at the time of the Stockholders' Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

(d) Available Funds. The financing of the transactions contemplated hereby will consist of a combination of equity financing (the "Equity Financing") to be funded at Closing and debt financing (the "Debt Financing" and, together with the Equity Financing, the "Financing"). The Debt Financing includes a commitment from a financial institution with respect to bridge financing (the "Bridge Financing") and a commitment from a syndicate of bond insurers to provide surety policies for asset backed securities issued in respect of a whole company securitization financing (the "Securitization") that will either be in place at Closing or be used to refinance the Bridge Financing after Closing (it being understood and agreed that for purposes hereof the "transactions contemplated by this Agreement" and phrases of similar import shall be deemed to include the Equity Financing and Bridge Financing but not the Securitization). Parent has delivered to the Company true and complete copies of all agreements pursuant to which the parties thereto have committed to provide Parent and Sub with the Financing (such agreements, as modified pursuant to Section 6.09(a), the "Financing Commitments"). Each of the Financing Commitments, in the form so delivered, is in full force and effect and is a legal, valid and binding obligation of each of Parent and Sub and, to the Knowledge of Parent, the other parties thereto. The Financing Commitments

have not been amended, supplemented or otherwise modified in any respect, except, in each case, in a manner that is in compliance with Section 6.09(a), and the financing commitments thereunder have not been withdrawn or terminated. As of the date of this Agreement, no event has occurred that, with or without notice, lapse of time or both, would constitute a default or breach on the part of Parent or Sub under any term or condition of the Financing Commitments, and, to the Knowledge of Parent, (i) Parent and Sub will be able to satisfy on a timely basis all terms and conditions of closing to be satisfied by them or their Affiliates set forth in the Financing Commitments, and (ii) the Financing to be made thereunder will otherwise be available to Parent and Sub on a timely basis to consummate the Merger and the other transactions contemplated by the Financing Commitments. As of the date of this Agreement, Parent and Sub have fully paid any and all commitment fees or other fees required by the Financing Commitments to be paid by them on or prior to the date of this Agreement. The Financing, when funded in accordance with the Financing Commitments, will provide Parent and Sub with funds sufficient to satisfy all of Parent's and Sub's obligations under this Agreement, including the payment of the Merger Consideration, the Option/SAR Amounts, the RSU Amounts and all associated costs and expenses. The obligations to make the Financing available to Parent and Sub pursuant to the terms of the Financing Commitments

are not subject to any conditions other than the conditions set forth in the Financing Commitments. No vote of any holders of the capital stock of Parent is required under any Law or the rules of the New York Stock Exchange to consummate the Equity Financing on the terms set forth in the Financing Commitments or to otherwise approve the transactions contemplated hereby.

(e) Operations and Assets of Sub. Sub has been formed solely for the purpose of engaging in the transactions contemplated hereby and, prior to the Effective Time, will not have incurred liabilities or obligations of any nature, other than pursuant to or in connection with this Agreement and the Merger and the other transactions contemplated by this Agreement. Parent owns, beneficially and of record, all of the outstanding shares of capital stock of Sub, free and clear of all Liens.

(f) Ownership of Company Common Stock. Neither Parent nor Sub beneficially own (within the meaning of Section 13 of the Exchange Act and the rules and regulations promulgated thereunder), or will prior to the Closing Date beneficially own, any shares of Company Common Stock, or is a party, or will prior to the Closing Date become a party, to any Contract, arrangement or understanding (other than this Agreement) for the purpose of acquiring, holding, voting or disposing of any shares of Company Common Stock.

(g) Brokers and Other Advisors. No broker, investment banker, financial advisor or other person, other than Greenhill & Co., LLC, the fees and expenses of which will be paid by Parent, is entitled to any broker's, finder's or financial advisor's fee or commission in connection with the Merger and the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Parent or Sub.

(h) No Other Representations or Warranties. Except for the representations and warranties contained in this Section 4.02, the Company acknowledges that none of Parent, Sub or any other person on behalf of Parent or Sub makes any other express or implied representation or warranty with respect to Parent or Sub or with respect to any other information provided to the Company in connection with the transactions contemplated hereby.

ARTICLE V

Covenants Relating to Conduct of Business

SECTION 5.01. Conduct of Business. (a) Except as set forth in Section 5.01 of the Company Disclosure Letter, required by or specifically provided in this Agreement, required by Law or consented to in writing by Parent (such consent not to be unreasonably withheld or delayed), during the period from the date of this Agreement to the Effective Time, the Company shall, and shall cause each of its Subsidiaries to, carry on its business in the ordinary course and, to the extent consistent therewith, use reasonable best efforts to preserve substantially intact its current business organizations, to keep available the services of its current officers and employees and to preserve its relationships with significant franchisees, customers, suppliers, licensors, licensees, distributors, wholesalers, lessors and others having significant business dealings with it. Without limiting the generality of the foregoing, except as set forth in Section 5.01 of the Company Disclosure Letter, required by or specifically provided in this Agreement, required by Law, required in order to comply with Section 409A of the Code or consented to in writing by Parent (such consent not to be unreasonably withheld or delayed), during the period from the date of this Agreement to the Effective Time, the Company shall not, and shall not permit any of its Subsidiaries to:

(i) declare, set aside or pay any dividends on, or make any other distributions (whether in cash, stock or property) in respect of, any of its capital stock, other than dividends or distributions by a direct or indirect wholly owned Subsidiary of the Company to its parent;

(ii) split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in lieu of or in substitution for shares of its capital stock;

(iii) purchase, redeem or otherwise acquire any shares of its capital stock or any rights, warrants or options to acquire any such shares, other than (A) the acquisition by the Company of shares of Company Common Stock in connection with the surrender of shares of Company Common Stock by holders of Company Stock Options in order to pay the exercise price of the Company Stock Options, (B) the withholding of shares of Company Common Stock to satisfy tax obligations with respect to awards granted pursuant to the Company Stock Plans, and (C) the acquisition by the Company of Company

Stock Options,Company SARs and Company RSUs and shares of Company Restricted Stock in connection with the forfeiture of such awards;

(iv) issue, deliver or sell any shares of its capital stock, any other voting securities or any securities convertible into, or any rights, warrants or options to acquire, any such shares, voting securities or convertible securities, or any "phantom" stock, "phantom" stock rights, stock appreciation rights or stock based performance units, other than (A) upon the exercise of Company Stock Options and Company SARs and rights under the ESPPs and upon the vesting of Company RSUs, in each case outstanding on the date of this Agreement and in accordance with their present terms, and (B) as required to comply with any grants or awards as in effect on the date of this Agreement under any Company Benefit Plan or Company Benefit Agreement;

(v) amend the Company Certificate of Incorporation or the Company Bylaws or the comparable organizational documents of any Subsidiary of the Company;

(vi) merge or consolidate with, or purchase an equity interest in or a substantial portion of the assets of, any person or any division or business thereof, other than any such action solely between or among the Company and its Subsidiaries, or adopt a plan of liquidation, dissolution, recapitalization or reorganization of the Company;

(vii) sell, lease, license or otherwise dispose of any of its properties or assets (tangible or intangible, including capital stock of any Subsidiary of the Company), other than sales or other dispositions of inventory and other assets in the ordinary course of business, including in connection with store relocations and closings set forth on Section 5.01(a)(vii) of the Company Disclosure Letter and store remodels, refurbishments and resets;

(viii) abandon, fail to maintain and renew, or otherwise let lapse, any material Intellectual Property Rights;

(ix) pledge, encumber or otherwise subject to a Lien (other than a Permitted Lien) any of its properties or assets (including capital stock of any Subsidiary of the Company);

(x) (A) incur any Indebtedness other than Indebtedness incurred, assumed or otherwise entered into in the ordinary course of business (including any borrowings under the Company's existing revolving credit facility, any letters of credit and guarantees of loans to franchisees pursuant to the Master Agreement and Limited Guaranty, dated as of May 27, 2004, from the Company, as Guarantor, in favor of Citicorp Leasing, Inc.) or (B) make any loans or capital contributions to, or investments in, any other person, other than (1) to any of the Subsidiaries of the Company or (2) to Franchisees upon

the default of such Franchisee in making a required payment to the Company or any of its Subsidiaries, provided that no cash is loaned or contributed to or invested in such Franchisee in connection therewith;

(xi) make any capital expenditures, other than (A) in accordance with the Company's capital expenditures plan previously provided to Parent in writing, (B) in connection with the repair or replacement of facilities destroyed or damaged due to casualty or accident (whether or not covered by insurance) and (C) otherwise in an aggregate amount for all such capital expenditures made pursuant to this clause (C) not to exceed $10.0 million;

(xii) settle any claim or litigation, including any employment-related claim or litigation, in each case made or pending against the Company or any of its Subsidiaries, other than (A) the settlement of claims or litigation in the ordinary course of business in an amount not to exceed, for any such settlement individually, $1.0 million (or, in the case of employment-related claims or litigation, $100,000) and (B) the settlement of claims or litigation disclosed, reflected or reserved against in the most recent financial statements (or the notes thereto) of the Company included in the Filed SEC Documents for an amount not materially in excess of the amount so disclosed, reflected and reserved;

(xiii) redeem, repurchase, prepay or cancel any material Indebtedness of the type described in clauses (1), (2) and (3) of the definition of the term "Indebtedness" (in each case other than revolving debt of any nature and other than at the applicable stated maturity or as otherwise required by the terms of such Indebtedness), or modify in any material respect the terms thereof; or waive any claims or rights of substantial value, other than in the ordinary course of business;

(xiv) except (A) in the ordinary course of business or (B) as required pursuant to the terms of any Company Benefit Plan or Company Benefit Agreement or other written agreement in effect on the date of this Agreement, (1) grant to any officer, director or employee of the Company or any of its Subsidiaries any increase in compensation, (2) grant to any officer, director or employee of the Company or any of its Subsidiaries any increase in severance or termination pay, (3) enter into any employment, consulting, severance or termination agreement with any officer, director or employee of the Company or any of its Subsidiaries pursuant to which the total annual compensation or the aggregate severance benefits exceed $250,000, (4) establish, adopt, enter into or amend in any material respect any collective bargaining agreement or Company Benefit Plan or (5) accelerate any rights or benefits under any Company Benefit Plan; provided, however, that the foregoing clauses (1), (2), and (3) shall not restrict the Company or any of its Subsidiaries from entering into or making available to newly hired employees

or to employees in the context of promotions based on job performance or workplace requirements, in each case in the ordinary course of business, plans, agreements, benefits and compensation arrangements (including incentive grants other than equity based grants) that have a value of $300,000 or less per such employee and that is consistent with the past practice of making compensation and benefits available to newly hired or promoted employees in similar positions;

(xv) make any change in accounting methods, principles or practices materially affecting the consolidated assets, liabilities or results of operations of the Company, other than as required (A) by any changes in GAAP (or any interpretation thereof) applicable after the date hereof, including as may be required by the Financial Accounting Standards Board or any similar organization, or (B) by any changes in Law applicable after the date hereof, including Regulation S-X under the Securities Act;

(xvi) make any material tax election, file any amended tax return with respect to any material tax or change any annual tax accounting period;

(xvii) make any modification or amendment to, or waive any term of, any Specified Contract other than Franchise Agreements (which are the subject of clause (xix) below);

(xviii) enter into any Franchise Agreement for an individual Franchised Restaurant, except (A) pursuant to the form Franchise Agreement attached to the Company's then-current UFOC, (B) substantially in the form of the form Franchise Agreements attached to the Company's then-current IFOCs, (C) substantially in the form of a Franchise Agreement previously signed by such Franchisee and (D) in connection with the transfer of such Franchised Restaurant from one Franchisee to another Franchisee; enter into any Franchise Agreement which

is an area development agreement; amend its current UFOC, except in compliance with applicable Law; enter into any Contract with a franchise broker in any United States Jurisdiction; or terminate a Franchisee;

(xix) (A) waive, modify, supplement, or otherwise amend any Franchisee's obligation to develop Franchised Restaurants during any Initial Development Period or Subsequent Development Period (as such terms are defined in the Franchise Agreements), (B) waive, modify, supplement, or otherwise amend any Franchisee's Subsequent Development Schedule (as such term is defined in the Franchise Agreement), (C) establish the Minimum Development Potential and/or the Subsequent Development Schedule (as such terms are defined in the Franchise Agreements) under any Franchise Agreement, or (D) waive, modify, supplement or otherwise amend any other material term of any Franchise Agreement;

(xx) (A) subject to any applicable exemptions in any United States Jurisdiction Law, offer or sell any Franchise in a United States Jurisdiction unless and until its franchise registrations, current UFOC and other franchise disclosure documents have been amended to include a disclosure, in form reasonably acceptable to Parent, disclosing, among other things, this Agreement, the Merger and the other transactions contemplated by this Agreement or (B) offer or sell any Franchise in a non-United States Jurisdiction except in compliance with applicable disclosure requirements under non-United States Jurisdiction Laws;

(xxi) take any action that is intended to or would result in any of the conditions to effecting the Merger set forth in Section 7.01 and 7.02 becoming incapable of being satisfied; or

(xxii) authorize any of, or commit or agree to take any of, the foregoing actions.

(b) Advice of Changes. The Company and Parent shall promptly give written notice to the other party upon becoming aware of any material event, development or occurrence that would reasonably be expected to give rise to a failure of condition precedent set forth in Section 7.02 (in the case of the Company) or Section 7.03 (in the case of Parent).

SECTION 5.02. No Solicitation. (a) The Company shall not, nor shall any of its Subsidiaries or any of its or their respective directors, officers, employees, investment bankers, financial advisors, attorneys, accountants or other advisors, agents or representatives (collectively, "Representatives") retained by it or any of its Subsidiaries to, directly or indirectly, (i) solicit, initiate or knowingly encourage, or take any other action to knowingly facilitate, the making of any proposal that constitutes or is reasonably likely to lead to a Takeover Proposal or (ii) enter into, continue or otherwise participate in any discussions or negotiations regarding or furnish to any person any confidential information with respect to any Takeover Proposal. The Company shall, and shall cause its Subsidiaries and direct its Representatives to, immediately cease and cause to be terminated all existing discussions and negotiations with any person conducted heretofore with respect to any Takeover Proposal, and shall request the prompt return or destruction of all confidential information previously furnished in connection therewith. Notwithstanding the foregoing or anything else in this Agreement to the contrary, at any time prior to obtaining the Stockholder Approval, in response to a bona fide written Takeover Proposal, if the Board of Directors of the Company determines in good faith, after consultation with its independent financial advisor and outside counsel, that such Takeover Proposal constitutes or is reasonably likely to lead to a Superior Proposal and the Company has otherwise complied in all material respects with its obligations under this Section 5.02, the Company may (and may authorize and permit its Subsidiaries, directors, officers, employees and Representatives to), subject to compliance with Section 5.02(c), (A) furnish information with respect to the Company and its Subsidiaries to the person making such Takeover Proposal (and its Representatives) pursuant to a

confidentiality agreement containing confidentiality provisions substantially similar to those set forth in the Confidentiality Agreement and (B) participate in discussions and negotiations with the person making such Takeover Proposal (and its Representatives) regarding such Takeover Proposal.

The term "Takeover Proposal" means any inquiry, proposal or offer from any person or group relating to (a) any direct or indirect acquisition or purchase, in a single transaction or a series of transactions, of (1) 20% or more (based on the fair market value thereof, as determined by the Board of Directors of the Company) of assets (including capital stock of the Subsidiaries of the Company), cash flow, net income or net revenue of the Company and its Subsidiaries, taken as a whole, or (2) 20% or more of outstanding shares of the Company Common Stock, (b) any tender offer or exchange offer that, if consummated, would result in any person or group owning, directly or indirectly, 20% or more of outstanding shares of the Company Common Stock or (c) any merger, consolidation, business combination, recapitalization, liquidation, dissolution, binding share exchange or similar transaction involving the Company pursuant to which any person or group (or the shareholders of any person) would own, directly or indirectly, 20% or more of any class of equity securities of the Company or of the surviving entity in a merger or the resulting direct or indirect parent of the Company or such surviving entity, other than, in each case, the transactions contemplated by this Agreement.

The term "Superior Proposal" means any bona fide Takeover Proposal that if consummated would result in a person or group (or the shareholders of any person) owning, directly or indirectly, (a) 50% or more of any class of equity securities of the Company or of the surviving entity in a merger or the resulting direct or indirect parent of the Company or such surviving entity or (b) 50% or more (based on the fair market value thereof, as determined by the Board of Directors of the Company) of the assets of the Company and its Subsidiaries, taken as a whole, which the Board of Directors of the Company determines would be more favorable to the stockholders of the Company from a financial point of view than the Merger and the other transactions contemplated by this Agreement (x) after consultation with its independent financial advisor (who shall be a nationally recognized investment banking firm), (y) after taking into account the likelihood of consummation of such transaction on the terms set forth therein, and (z) after taking into account all appropriate legal (after consultation with its outside counsel), financial (including the financing terms of any such proposal) or other aspects of such proposal, including, without limitation the identity of the third party making such proposal and the terms of any written proposal by Parent to amend or modify the terms of the Merger and the other transactions contemplated by this Agreement.

(b) Neither the Board of Directors of the Company nor any committee thereof shall directly or indirectly (i)(A) withdraw (or modify in a

manner adverse to Parent), or publicly propose to withdraw (or modify in a manner adverse to Parent), the approval, recommendation or declaration of advisability by such Board of Directors or any such committee of this Agreement or the Merger or (B) recommend the approval or adoption of, or approve or adopt, or publicly propose to recommend, approve or adopt, any Takeover Proposal (any action described in this clause (i) being referred to as an

"Adverse Recommendation Change") or (ii) approve or recommend, or publicly propose to approve or recommend, or cause or permit the Company or any of its Subsidiaries to execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement or other similar agreement related to any Takeover Proposal, other than any confidentiality agreement referred to in Section 5.02(a). Notwithstanding the foregoing or anything else in this Agreement to the contrary, at any time prior to obtaining the Stockholder Approval and subject to compliance with Section 6.06(b), if the Company receives a Takeover Proposal which the Board of Directors of the Company concludes in good faith constitutes a Superior Proposal, the Board of Directors of the Company may, if it determines (after consultation with outside counsel) that the failure to take such action would be inconsistent with its fiduciary duties under applicable Law, (1) make an Adverse Recommendation Change or (2) cause or permit the Company to terminate this Agreement; provided, however, that the Board of Directors of the Company shall not make an Adverse Recommendation Change, and the Company may not terminate this Agreement pursuant to clause (2) above, until after the second business day following Parent's receipt of written notice (a "Notice of Superior Proposal") from the Company advising Parent that the Board of Directors of the Company intends to take such action and specifying the reasons therefor, including the material terms and conditions of any Superior Proposal that is the basis of the proposed action by such Board of Directors and the identity of the person submitting such Superior Proposal (it being understood and agreed that (I) any amendment to the financial terms of such Superior Proposal shall require a new Notice of Superior Proposal and a new two business day period and (II) in determining whether to make an Adverse Recommendation Change or to cause or permit the Company to so terminate this Agreement, the Board of Directors of the Company shall take into account any changes to the financial terms of this Agreement proposed by Parent to the Company in response to a Notice of Superior Proposal or otherwise).

(c) In addition to the obligations of the Company set forth in Sections 5.02(a) and 5.02(b), the Company shall as promptly as practicable advise Parent orally and in writing of the receipt of any Takeover Proposal after the date of this Agreement, the material terms and conditions of any such Takeover Proposal and the identity of the person making any such Takeover Proposal. The Company shall keep Parent reasonably informed of any material developments with respect to any such Takeover Proposal (including any material changes thereto).

(d) Nothing contained in this Section 5.02 or elsewhere in this Agreement shall prohibit the Company from (i) taking and disclosing to its stockholders a position contemplated by Rule 14d-9 or Rule 14e-2(a) promulgated under the Exchange Act or (ii) making any disclosure to its stockholders if the Board of Directors of the Company determines (after consultation with outside counsel) that failure to do so would be inconsistent with its fiduciary duties under applicable Law; provided, any such disclosure made pursuant to clause (i) or (ii) (other than a "stop, look and listen" letter or similar communication of the type contemplated by Rule 14d-9(f) under the Exchange Act) shall be deemed to be an Adverse Recommendation Change unless the Board of Directors of the Company expressly reaffirms in such disclosure the Recommendation.

SECTION 5.03. WARN Act. The Company shall not, and shall cause each of its Subsidiaries not to, effectuate (1) a "plant closing" (as defined in the WARN Act) affecting any single site of employment or one or more facilities or operating units within any single site of employment of the Company or any of its Subsidiaries; or (2) a "mass layoff" (as defined in the WARN Act) at any single site of employment or one or more facilities or operating units within any single site of employment of the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries shall otherwise terminate or lay off employees in the United States in such numbers as to give rise to material liability to the Company under any applicable Laws respecting the payment of severance pay, separation pay, termination pay, pay in lieu of notice of termination, redundancy pay, or the payment of any other compensation, premium or penalty upon termination of employment, reduction of hours, or temporary or permanent layoffs. For purposes of the WARN Act and this Agreement, the Effective Time is and shall be the same as the "effective date" within the meaning of the WARN Act.

ARTICLE VI

Additional Agreements

SECTION 6.01. Preparation of the Proxy Statement; Stockholders' Meeting. (a) As promptly as reasonably practicable following the date of this Agreement, the Company shall prepare (in consultation with Parent) and file with the SEC the Proxy Statement. Parent shall provide to the Company all information concerning Parent and Sub as may be reasonably requested by the Company in connection with the Proxy Statement and shall otherwise assist and cooperate with the Company in the preparation of the Proxy Statement and resolution of comments referred to below. The Company shall promptly notify Parent upon the receipt of any comments from the SEC or the staff of the SEC or any request from the SEC or the staff of the SEC for amendments or supplements to the Proxy Statement, and shall provide Parent with copies of all correspondence between the Company and its Representatives, on the one hand, and the SEC or the staff of the SEC, on the other hand. The Company shall use its reasonable best efforts to respond as promptly as practicable to any comments of the SEC or the staff of the SEC with respect to the Proxy Statement and to cause the Proxy Statement to be mailed to the stockholders of the Company as promptly as reasonably practicable following the date of this Agreement. Prior to filing or mailing the Proxy Statement (or any amendment or supplement thereto) or responding to any comments of the SEC or the staff of the SEC with respect thereto, the Company shall provide Parent a reasonable opportunity to review and to propose comments on such document or response.

(b) The Company shall, as promptly as reasonably practicable following the date of this Agreement, establish a record date for, duly call, give notice of, convene and hold a meeting of its stockholders (the "Stockholders' Meeting") for the purpose of obtaining the Stockholder Approval. Subject to the ability of the Board of Directors of the Company to make an Adverse Recommendation Change pursuant to Section 5.02(b),

the Company shall, through its Board of Directors include the Recommendation in the Proxy Statement. Subject to Section 5.02(b), the Company will use commercially reasonable efforts to solicit from its stockholders proxies in favor of the Stockholder Approval. The Company shall keep Parent updated with respect to proxy solicitation results as reasonably requested by Parent.

SECTION 6.02. Access to Information; Confidentiality. The Company shall afford to Parent, and to Parent's officers, employees, accountants, counsel, consultants, financial advisors and other Representatives, reasonable access during normal business hours during the period prior to the Effective Time or the termination of this Agreement to all of its and its Subsidiaries' properties, books and records and to those employees of the Company to whom Parent reasonably requests access, and, during such period, the Company shall furnish, as promptly as practicable, to Parent all information concerning its and its Subsidiaries' business, properties and personnel as Parent may reasonably request (it being agreed, however, that the foregoing shall not permit Parent or any such Representatives to conduct any soil or groundwater or other invasive environmental testing or sampling without the Company's consent). Notwithstanding the foregoing, neither the Company nor any of its Subsidiaries shall be required to provide access to or disclose information where the Company reasonably determines that such access or disclosure would jeopardize the attorney-client privilege of the Company or any of its Subsidiaries or contravene any Law or any Contract to which the Company or any of its Subsidiaries is a party. Except for disclosures expressly permitted by the terms of the confidentiality letter agreement dated as of March 30, 2007, between Parent and the Company (as it may be amended from time to time, the "Confidentiality Agreement"), Parent shall hold, and shall cause its officers, employees, accountants, counsel, consultants, financial advisors and other Representatives to hold, all information received from the Company or its Representatives, directly or indirectly, in confidence in accordance with the Confidentiality Agreement.

SECTION 6.03. Reasonable Best Efforts. (a) Upon the terms and subject to the conditions set forth in this Agreement, each of the parties hereto agrees to use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the Merger and the other transactions contemplated by this Agreement, including using reasonable best efforts to accomplish the following: (i) the taking of all acts necessary to cause the conditions to Closing to be satisfied as promptly as practicable, (ii) the obtaining of all necessary actions or nonactions, waivers, consents and approvals from Governmental Entities and the making of all necessary registrations and filings (including filings with Governmental Entities) and the taking of all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Entity, including the issuance or reissuance of any and all required state, county or licenses or permits required for the operation of the Company's business as currently conduct, (iii) the obtaining of consents, approvals and waivers from third parties reasonably requested by Parent to be obtained in connection with the Acquisition under any Contracts or leases, provided, however, that in no event

shall the Company or any of its Subsidiaries be required to pay prior to the Effective Time any fee, penalty or other consideration to any person to obtain any such consent, approval or waiver other than *de minimus* amounts or amounts that are advanced by Parent, and (iv) the execution and delivery of any additional instruments necessary to consummate the transactions contemplated by, and to fully carry out the purposes of, this Agreement. In connection with and without limiting the foregoing, the Company and its Board of Directors shall (A) take all action necessary to ensure that no fair price, moratorium, control share acquisition or other state takeover statute is or becomes applicable to this Agreement, the Merger or any of the other transactions contemplated by this Agreement and (B) if any fair price, moratorium, control share acquisition or other state takeover statute becomes applicable to this Agreement, the Merger or any of the other transactions contemplated by this Agreement, take all action necessary to ensure that the Merger and the other transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated by this Agreement and otherwise to minimize the effect of such statute or regulation on this Agreement, the Merger and the other transactions contemplated by this Agreement.

(b) In furtherance and not in limitation of the foregoing, each party hereto agrees to make an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated by this Agreement as promptly as reasonably practicable after the date hereof and to supply as promptly as reasonably practicable any additional information and documentary material that may be requested pursuant to the HSR Act and use its reasonable best efforts to take or cause to be taken all other actions necessary, proper or advisable consistent with this Section 6.03 to cause the expiration or termination of the applicable waiting periods, or receipt of required authorizations, as applicable, under the HSR Act; provided that in no event shall Parent be required to divest any stock, partnership, membership or other ownership interest in any entity, or agree to undertake any divestiture or restrict its conduct with regard to any business. Without limiting the foregoing, the parties shall request and shall use their respective reasonable best efforts to obtain early termination of the waiting period under the HSR Act. No party shall voluntarily extend any waiting period under the HSR Act or enter into any agreement with any Governmental Entity to delay or not to consummate the Merger or any of the other transactions contemplated by this Agreement except with the prior written consent of the other party (such consent not to be unreasonably withheld or delayed and which reasonableness shall be determined in light of each party's obligation to do all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the Merger and the other transactions contemplated by this Agreement).

SECTION 6.04. Benefit Plans. (a) The Surviving Corporation shall provide cash compensation (excluding severance) to each Company Employee that is not less favorable than the cash compensation provided to such Company Employee immediately prior to the Effective Time.

(b) With respect to any "employee benefit plan", as defined in Section 3(3) of ERISA, and any vacation, paid time-off or severance plan maintained by

Parent or any of its Subsidiaries for all purposes, including determining eligibility to participate, level of benefits, vesting, benefit accruals and early retirement subsidies, each Company Employee's service with the Company or any of its Subsidiaries (as well as service with any predecessor employer of the Company or any such Subsidiary, to the extent service with the predecessor employer is recognized by the Company or such Subsidiary) shall be treated as service with Parent or any of its Subsidiaries; provided, however, that such service need not be recognized to the extent that such recognition would result in any duplication of benefits.

(c) Parent shall waive, or cause to be waived, any pre-existing condition limitations, exclusions, actively-at-work requirements and waiting periods under any welfare benefit plan maintained by Parent or any of its Affiliates in which Company Employees (and their eligible dependents) will be eligible to participate from and after the Effective Time, except to the extent that such pre-existing condition limitations, exclusions, actively-at-work requirements and waiting periods would not have been satisfied or waived under the comparable Company Benefit Plan immediately prior to the Effective Time. Parent shall recognize, or cause to be recognized, the dollar amount of all co-payments, deductibles and similar expenses incurred by each Company Employee (and his or her eligible dependents) during the calendar year in which the Effective Time occurs for purposes of satisfying such year's deductible and co-payment limitations under the relevant welfare benefit plans in which they will be eligible to participate from and after the Effective Time.

SECTION 6.05. Indemnification, Exculpation and Insurance. (a) All rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time and rights to advancement of expenses relating thereto now existing in favor of any person who is or prior to the Effective Time becomes, or has been at any time prior to the date of this Agreement, a director, officer, employee or agent (including as a fiduciary with respect to an employee benefit plan) of the Company, any of its Subsidiaries or any of their respective predecessors (each, an "Indemnified Party") as provided in the Company Certificate of Incorporation, the Company Bylaws, the organizational documents of any Subsidiary of the Company or any indemnification agreement between such Indemnified Party and the Company or any of its Subsidiaries (in each case, as in effect on the date hereof or, with respect to any indemnification agreement entered into after the date hereof, to the extent the terms thereof are no more favorable in any material respect to the Indemnified Party that is the beneficiary thereof than the terms of any indemnification agreement included as an exhibit in the Filed SEC Documents) shall survive the Merger and shall not be amended, repealed or otherwise modified in any manner that would adversely affect any right thereunder of any such Indemnified Party.

(b) The Company may obtain, at or prior to the Effective Time, prepaid (or "tail") directors' and officers' liability insurance policies in respect of acts or omissions occurring at or prior to the Effective Time for six years from the Effective Time, covering each Indemnified Party on terms with respect to such coverage and amounts no less favorable than those of such policies in effect on the date of this

Agreement; provided, however, that, without the prior written consent of Parent, the Company may not expend therefor in excess of 250% of the amount (the "Annual Amount") paid by the Company for coverage for the period of 12 months beginning on December 15, 2006. In the event the Company does not obtain such "tail" insurance policies, then, for a period of six years from the Effective Time, Parent shall cause the Surviving Corporation to maintain in effect the Company's current directors' and officers' liability insurance policies in respect of acts or omissions occurring at or prior to the Effective Time, covering each Indemnified Party on terms with respect to such coverage and amounts no less favorable than those of such policies in effect on the date of this Agreement; provided, however, that the Surviving Corporation may substitute therefor policies of a reputable and financially sound insurance company containing terms, including with respect to coverage and amounts, no less favorable to any Indemnified Party; provided further, however, that in satisfying its obligation under this Section 6.05(c) the Surviving Corporation shall not be obligated to pay for coverage for any 12-month period aggregate premiums for insurance in excess of 250% of the Annual Amount, it being understood and agreed that the Surviving Corporation shall nevertheless be obligated to provide such coverage as may be obtained for the Annual Amount.

(c) In the event that either Parent or the Surviving Corporation or any of their respective successors or assigns (i) consolidates with or merges into any other person and is not the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or a substantial portion of its properties and other assets to any person, or if Parent dissolves the Surviving Corporation, then, and in each such case, Parent shall cause proper provision to be made so that the applicable successors and assigns or transferees expressly assume the obligations set forth in this Section 6.05.

(d) The provisions of this Section 6.05 are intended to be for the benefit of, and will be enforceable by, each Indemnified Party, his or her heirs and his or her representatives, and are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such person may have by contract or otherwise.

SECTION 6.06. Fees and Expenses. (a) Except as provided in Section 6.06(b), all fees and expenses incurred in connection with this Agreement, the Merger and the other transactions contemplated by this Agreement shall be paid by the party incurring such fees or expenses, whether or not the Merger is consummated.

(b) In the event that (i) this Agreement is terminated by the Company pursuant to Section 8.01(f), (ii) (A) after the date of this Agreement, a Takeover Proposal shall have been publicly made to the Company generally or shall have otherwise become publicly known, (B) thereafter, this Agreement is terminated by Parent pursuant to Section 8.01(e)(i) or by either Parent or the Company pursuant to Section 8.01(b)(i) (but only if the Stockholders' Meeting has not been held) or Section 8.01(b)(iii) and (C) within nine months after such termination, the Company consummates the transactions contemplated by any Takeover Proposal, or (iii) this Agreement is terminated by Parent pursuant to Section 8.01(e)(ii), then the Company shall pay Parent a

fee equal to $60,000,000 (the "Termination Fee") by wire transfer of same-day funds (1) in the case of a payment required by clause (i) above, on the date of termination of this Agreement, (2) in the case of a payment required by clause (ii) above, on the date of the consummation referred to in clause (ii)(C), and (3) in the case of a payment required by clause (iii) above, as promptly as possible (but in any event within four business days). For purposes of this Section 6.06(b), the term "Takeover Proposal" shall have the meaning assigned to such term in Section 5.02(a), except that all references to 20% therein shall be deemed to be references to 50%.

(c) The Company acknowledges and agrees that the agreements contained in Section 6.06(b) are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, Parent would not have entered into this Agreement; accordingly, if the Company fails promptly to pay the amount due pursuant to Section 6.06(b), and, in order to obtain such payment, Parent commences a suit that results in a judgment against the Company for the Termination Fee, the Company shall pay to Parent its costs and expenses (including attorneys' fees and expenses) in connection with such suit, together with interest on the amount of the Termination Fee from the date such payment was required to be made until the date of payment at the prime rate of Citibank, N.A. in effect on the date such payment was required to be made.

SECTION 6.07. Public Announcements. Parent and the Company shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements with respect to the transactions contemplated by this Agreement, including the Merger, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Law, court process or the rules and regulations of any national securities exchange or national securities quotation system and except for any matters referred to in Section 5.02. The parties agree that the initial press release to be issued with respect to the transactions contemplated by this Agreement shall be in the form heretofore agreed to by the parties.

SECTION 6.08. Stockholder Litigation. The Company shall give Parent the opportunity to participate in the defense or settlement of any stockholder litigation against the Company and/or its directors relating to the transactions contemplated by this Agreement, and no such settlement shall be agreed to without Parent's prior written consent (such consent not to be unreasonably withheld or delayed).

SECTION 6.09. Financing. (a) Prior to the Effective Time, the Company shall provide, shall cause its Subsidiaries to provide and shall use its reasonable best efforts to cause its and their Representatives (including legal and accounting) to provide such reasonable cooperation in connection with the arrangement of the Debt Financing as may be reasonably requested in writing by Parent with reasonable notice in connection with the obtaining of the Debt Financing, including using reasonable best efforts to (i) participate in meetings, presentations, due diligence sessions, drafting sessions, road shows and sessions with rating agencies, (ii) assist with the preparation of materials for rating agency presentations, offering memoranda, private placement memoranda or

similar offering documents required in connection with the Debt Financing, (iii) reasonably facilitate the pledging of collateral, in each case so long as not effective until at or after the Effective Time, (iv) furnish Parent and its Financing sources with (A) readily available historical financial and other pertinent information that, as of any date, would be required to be contained in filings by the Company with the SEC on Forms 10 Q and 10 K as of such date, in each case as may be reasonably requested by Parent (collectively, the "Required Financial Information"), and (B) any other historical financial statements and other financial data of the type reasonably requested by Parent, (v) permit the prospective lenders involved in the Debt Financing to evaluate the Company's current assets, cash management and accounting systems, policies and procedures relating thereto for the purpose of establishing collateral arrangements, (vi) establish bank and other accounts and blocked account agreements and lock box arrangements in connection with the foregoing, and (vii) take corporate actions reasonably necessary to permit the consummation of the Debt Financing and to permit the proceeds thereof to be made available to the Company. The Company shall use commercially reasonable efforts to (1) provide monthly financial statements (excluding footnotes) within 25 days of the end of each month prior to the Closing Date, if and in the form currently prepared by the Company, (2) obtain accountants' comfort letters, legal opinions, surveys and title insurance as may be requested by Parent or the prospective lenders in the Debt Financing, (3) cause its officers, in their capacities as officers, to deliver such customary management representation letters as any audit firm may request in connection with any comfort letters or similar documents required in connection with the Debt Financing, (4) obtain the issuance or reissuance of required state, county or city licenses or permits required for the operation after the Closing Date of the Company's business and (5) obtain estoppel certificates from landlords under Real Property Leases and from tenants under Real Property Subleases. It is understood and agreed that nothing contained in this Section 6.09 shall require such cooperation to the extent that it would interfere unreasonably with the business or operations of the Company or its Subsidiaries. The Company hereby consents to the use of its and its Subsidiaries' Trademarks in connection with the Financing, provided that such Trademarks are used solely in a manner that is not intended to nor reasonably likely to harm or disparage the Company or the reputation or goodwill of the Company and its Trademarks. Neither the Company nor any of its Subsidiaries shall be required, under the provisions of this Section 6.09 or otherwise in connection with the Financing (x) to pay any commitment or other similar fee prior to the Effective Time that is not advanced by Parent or (y) to incur any out-of-pocket expense unless such expense is advanced by Parent. Parent and Sub shall, on a joint and several basis, indemnify and hold harmless the Company, its Subsidiaries and their respective Representatives from and against any and all losses suffered or incurred by them in connection with (1) any action taken by them in compliance with this Section 6.09, or at the request of Parent pursuant to this Section 6.09, or otherwise in connection with the arrangement of the Financing or (2) any information utilized in connection therewith (other than the information provided by the Company or its Subsidiaries). Nothing contained in this Section 6.09 or otherwise shall require the Company to be an issuer or other obligor with respect to the Financing prior to the Effective Time. All material, non-public information regarding the Company and its

Subsidiaries provided to Parent or its Representatives pursuant to this Section 6.09 shall be kept confidential by them in accordance with the Confidentiality Agreement except for disclosure to potential investors as required in connection with the Financing subject to customary confidentiality protection.

(b) For purposes of this Agreement, "Bridge Marketing Period" shall mean the first period of 15 consecutive business days after the date hereof throughout which (A) Parent shall have in all material respects the Required Financial Information that the Company is required to use its reasonable best efforts to provide to Parent pursuant to this Section 6.09, provided, that the Required Financial Information required to be filed with the SEC must be timely filed (or must be cured if previously required to be filed) throughout the Bridge Marketing Period, (B) the conditions set forth in Section 7.01 and Section 7.02 shall be satisfied (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permitted by Law, waiver of those conditions), and (C) the applicable auditors shall not have withdrawn their audit opinions for any applicable Required Financial Information; provided, that such 15 business day period shall commence no earlier than three business days after the condition set forth in Section 7.01(a) has been satisfied (it being understood and agreed that Parent will commence such period on an earlier date if reasonably practicable to do so in its good faith judgment, provided that in such event the period shall not commence more than 15 business days prior to the date of the Stockholders' Meeting and the Bridge Marketing Period shall extend until the third business day after satisfaction of the condition set forth in Section 7.01(a)); and, provided, further, that notwithstanding the foregoing, the Bridge Marketing Period shall end on any earlier date that is the date on which the Financing is consummated.

(c) Each of Parent and Sub shall use, and shall cause their Affiliates to use, their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to arrange the Financing on the terms and conditions described in the Financing Commitments, including using its reasonable best efforts to (i) negotiate and enter into the definitive agreements with respect thereto on the terms and conditions contained in the Financing Commitments, (ii) satisfy (or cause its Affiliates to satisfy) on a timely basis all conditions applicable to Parent or Sub (or their Affiliates) set forth therein and (iii) to consummate the Financing contemplated by the Financing Commitments on the date described in

Section 2.02, including using its reasonable best efforts to cause the lenders and other persons providing such Financing to fund the Bridge Financing and Equity Financing required to consummate the Merger at such time. In the event that any portion of the Financing becomes unavailable on the terms and conditions set forth in the Financing Commitments, Parent and Sub shall promptly notify the Company and shall use their reasonable best efforts to obtain alternative financing from alternative sources, on terms not materially less favorable, taken as a whole, to Parent and Sub (as determined in the reasonable judgment of Parent), as promptly as practicable following the occurrence of such event. Parent shall deliver to the Company true and complete copies of all agreements pursuant to which any such alternative source shall have committed to provide Parent and Sub with any portion of the Financing. Each of Parent and Sub shall

refrain (and shall use its reasonable best efforts to cause its Affiliates to refrain) from taking, directly or indirectly, any action that would reasonably be expected to result in a failure of any of the conditions contained in the Financing Commitments or in any definitive agreement related to the Financing. Neither Parent nor Sub shall agree to or permit any amendment, supplement or other modification of, or waive any of its rights under, any Financing Commitments or the definitive agreements relating to the Financing, in each case, without the Company's prior written consent (which consent shall not be unreasonably withheld or delayed), if such amendment, modification or waiver would impose new or additional conditions or otherwise amend, modify or waive any of the conditions to the receipt of the Financing in any manner that would be reasonably likely to cause a material delay in the ability of Parent to consummate the Financing. In such event, the term "Financing Commitments" as used herein shall be deemed to include the Financing Commitments that are not so superseded at the time in question and the new Financing Commitments to the extent then in effect. Parent and Sub shall keep the Company reasonably informed of the status of their efforts to obtain the Financing.

ARTICLE VII

Conditions Precedent

SECTION 7.01. Conditions to Each Party's Obligation to Effect the Merger. The respective obligation of each party to effect the Merger is subject to the satisfaction or (to the extent permitted by Law) waiver at or prior to the Effective Time of the following conditions:

(a) Stockholder Approval. The Stockholder Approval shall have been obtained.

(b) HSR Act. The waiting period (and any extension thereof) applicable to the Merger under the HSR Act shall have been terminated or shall have expired.

(c) No Injunctions or Restraints; Illegality. No temporary restraining order, preliminary or permanent injunction or other judgment or order issued by any Federal or state court of competent jurisdiction (collectively, "Restraints") or Law shall be in effect enjoining, making illegal or otherwise prohibiting the consummation of the Merger; provided, however, that the party claiming such failure of condition shall have used its reasonable best efforts to prevent the entry of any such injunction or order, including taking such action as is required to comply with Section 6.03, and to appeal as promptly as possible any injunction or other order that may be entered.

SECTION 7.02. Conditions to Obligations of Parent and Sub. The obligations of Parent and Sub to effect the Merger are further subject to the satisfaction or (to the extent permitted by Law) waiver at or prior to the Effective Time of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Company set forth in this Agreement shall be true and correct (disregarding all qualifications or limitations as to "materiality", "Material Adverse Effect" and words of similar import set forth therein) as of the date of this Agreement and as of the Closing Date as though made on such dates (except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date), except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had, or would not reasonably be expected to have a Material Adverse Effect; provided, however, that the representations and warranties of the Company set forth in Section 4.01(c)(i) with respect to the number of outstanding shares of Company Common Stock and number of shares of Company Common Stock subject to outstanding Company Stock Options, Company SARs and ESPPs shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on such dates (except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date). Parent shall have received a certificate signed on behalf of the Company by the chief executive officer and chief financial officer of the Company to such effect.

(b) Performance of Obligations of the Company. The Company shall have, in all material respects, performed or complied with all obligations required to be performed or complied with by it under this Agreement by the time of the Closing, and Parent shall have received a certificate signed on behalf of the Company by the chief executive officer and chief financial officer of the Company to such effect.

(c) No Material Adverse Effect. Since the date of this Agreement, there has not been nor would there reasonably be expected to be a Material Adverse Effect.

SECTION 7.03. Conditions to Obligation of the Company. The obligation of the Company to effect the Merger is further subject to the satisfaction or (to the extent permitted by Law) waiver at or prior to the Effective Time of the following conditions:

(a) Representations and Warranties. The representations and warranties of Parent and Sub set forth in this Agreement shall be true and correct (disregarding all qualifications or limitations as to "materiality", "Parent Material Adverse Effect" and words of similar import set forth therein) as of the date of this Agreement and as of the Closing Date as though made on such dates (except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date), except where the failure of such representations and warranties to be so true and correct, individually

or in the aggregate, has not had, or would not reasonably be expected to have a Parent Material Adverse Effect. The Company shall have received a certificate signed on behalf of Parent by the chief executive officer and chief financial officer of Parent to such effect.

(b) Performance of Obligations of Parent and Sub. Each of Parent and Sub shall have, in all material respects, performed or complied with all obligations

required to be performed or complied with by it under this Agreement by the time of the Closing, and the Company shall have received a certificate signed on behalf of Parent by the chief executive officer and chief financial officer of Parent to such effect.

SECTION 7.04. Frustration of Closing Conditions. None of the Company, Parent or Sub may rely on the failure of any condition set forth in Section 7.01, 7.02 or 7.03, as the case may be, to be satisfied if such failure was caused by such party's failure to perform any of its obligations under this Agreement, to act in good faith or to use its reasonable best efforts to consummate the Merger and the other transactions contemplated by this Agreement, as required by and subject to Section 6.03.

ARTICLE VIII

Termination, Amendment and Waiver

SECTION 8.01. Termination. This Agreement may be terminated at any time prior to the Effective Time, whether before or after receipt of the Stockholder Approval:

(a) by mutual written consent of Parent and the Company;

(b) by either Parent or the Company:

(i) if the Merger shall not have been consummated on or before April 15, 2008 (the "Outside Date"); provided, however, that the right to terminate this Agreement under this Section 8.01(b)(i) shall not be available to any party if the failure of such party (or in the case of Parent, Sub) to perform any of its obligations under this Agreement, the failure to act in good faith or the failure to use its reasonable best efforts to consummate the Merger and the other transactions contemplated by this Agreement, as required by and subject to Section 6.03, has been a principal cause of or resulted in the failure of the Merger to be consummated on or before such date;

(ii) if any Restraint having any of the effects set forth in Section 7.01(c) shall have become final and nonappealable; provided that the party seeking to terminate this Agreement pursuant to this Section 8.01(b)(ii) shall have used reasonable best efforts to prevent the entry of and to remove such Restraint; or

(iii) if the Stockholder Approval shall not have been obtained at the Stockholders' Meeting duly convened therefor or at any adjournment or postponement thereof;

(c) by Parent, if the Company shall have breached any of its representations or warranties or failed to perform any of its covenants or agreements set

forth in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 7.02(a) or 7.02(b) and (ii) is incapable of being cured or is not cured within 60 days of written notice of such breach or failure; provided that Parent shall not have the right to terminate this Agreement pursuant to this Section 8.01(c) if Parent or Sub is then in material breach of any of its representations, warranties, covenants or agreements hereunder;

(d) by the Company, if Parent shall have breached any of its representations or warranties or failed to perform any of its covenants or agreements set forth in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 7.03(a) or 7.03(b) and (ii) is incapable of being cured or is not cured within 60 days of written notice of such breach or failure; provided that the Company shall not have the right to terminate this Agreement pursuant to this Section 8.01(d) if the Company is then in material breach of any of its representations, warranties, covenants or agreements hereunder;

(e) by Parent:

(i) in the event that an Adverse Recommendation Change shall have occurred; or

(ii) the Company or any of its Representatives shall have willfully breached Section 5.02 in any respect materially adverse to Parent; or

(f) by the Company, in accordance with Section 5.02(b).

SECTION 8.02. Effect of Termination. In the event of termination of this Agreement by either the Company or Parent as provided in Section 8.01, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of Parent, Sub or the Company, other than the provisions of the last sentence of Section 6.02, Section 6.06, this Section 8.02 and Article IX, which provisions shall survive such termination; provided, however that nothing herein shall relieve the Company, Parent or Sub from liability for any willful and material breach of any of its representations,

warranties, covenants or agreements set forth in this Agreement.

SECTION 8.03. Amendment. This Agreement may be amended by the parties hereto at any time before or after receipt of the Stockholder Approval; provided, however, that after such approval has been obtained, there shall be made no amendment that by Law requires further approval by the stockholders of the Company without such approval having been obtained. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

SECTION 8.04. Extension; Waiver. At any time prior to the Effective Time, the parties may (a) extend the time for the performance of any of the obligations or other acts of the other parties, (b) to the extent permitted by Law, waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto or (c) subject to the proviso to the first sentence of Section 8.03 and to

the extent permitted by Law, waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

SECTION 8.05. Procedure for Termination or Amendment. A termination of this Agreement pursuant to Section 8.01 or an amendment of this Agreement pursuant to Section 8.03 shall, in order to be effective, require, in the case of Parent or the Company, action by its Board of Directors or, with respect to any amendment of this Agreement pursuant to Section 8.03, the duly authorized committee of its Board of Directors to the extent permitted by Law.

ARTICLE IX

General Provisions

SECTION 9.01. Nonsurvival of Representations and Warranties. None of the representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time. This Section 9.01 shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Effective Time.

SECTION 9.02. Notices. Except for notices that are specifically required by the terms of this Agreement to be delivered orally, all notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed given if delivered personally, faxed (with confirmation) or sent by overnight courier (providing proof of delivery) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

if to Parent or Sub, to:

IHOP CORP.
450 North Brand Boulevard
Glendale, California 91203

Fax No.: (818) 637-5361
Attention: General Counsel

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue, Suite 3400
Los Angeles, California 90071
Fax No.: (213) 687-5600
Attention: Rod A. Guerra, Jr.
Joseph J. Giunta

if to the Company, to:

Applebee's International, Inc.
4551 West 107th Street
Overland Park, KS 66207

Fax No.: (913) 967-2329
Attention: General Counsel

with a copy to:

Cravath, Swaine & Moore LLP
Worldwide Plaza

825 Eighth Avenue
New York, New York 10019
Fax No.: (212) 474-3700
Attention: Philip A. Gelston, Esq.
Ronald Cami, Esq.

SECTION 9.03. Consents and Approvals. For any matter under this Agreement requiring the consent or approval of any party to be valid and binding on the parties hereto, such consent or approval must be in writing.

SECTION 9.04. Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile), all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

SECTION 9.05. Entire Agreement; No Third-Party Beneficiaries. This Agreement and the Confidentiality Agreement (a) constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement and the Confidentiality Agreement, provided that the Confidentiality Agreement shall survive the execution and delivery of this Agreement, and (b) except for the provisions of Section 3.02 after the Effective Time and Section 6.05, are not intended to confer upon any person other than the parties any legal or equitable rights or remedies.

SECTION 9.06. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

SECTION 9.07. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties without the prior written consent of the other parties, and any assignment without such consent shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns. Notwithstanding the foregoing, Parent and Sub may assign this Agreement or any of its rights, interests or obligations hereunder to any wholly owned Subsidiary of Parent, provided that any such assignment shall not relieve Parent or Sub of its obligations hereunder.

SECTION 9.08. Specific Enforcement; Consent to Jurisdiction. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the State of Delaware or any Federal court sitting in the State of Delaware, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (a) consents to submit itself to the personal jurisdiction of the Delaware Court of Chancery, any other court of the State of Delaware and any Federal court sitting in the State of Delaware in the event any dispute arises out of this Agreement or the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or the transactions contemplated by this Agreement in any court other than the Delaware Court of Chancery (or, if the Delaware Court of Chancery shall be unavailable, any other court of the State of Delaware or any Federal court sitting in the State of Delaware).

SECTION 9.09. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

IN WITNESS WHEREOF, Parent, Sub and the Company have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

IHOP CORP.,

by /s/ Julia Stewart
Name: Julia Stewart
Title: Chairman and
Chief Executive Officer

CHLH CORP.,

by /s/ Julia Stewart
Name: Julia Stewart
Title: President

APPLEBEE'S INTERNATIONAL, INC.,

by /s/ David L. Goebel
Name: David L. Goebel
Title: Chief Executive Officer and President

Exhibit 10.1

IHOP CORP.

SERIES A PERPETUAL PREFERRED STOCK
PURCHASE AGREEMENT

This Agreement (this "**Agreement**") is made as of July 15, 2007, between IHOP Corp., a Delaware corporation (the "**Company**"), and MSD SBI, L.P., a Delaware limited partnership (the "**Purchaser**").

WHEREAS, the Company has entered into an Agreement and Plan of Merger, dated as of the date hereof (as it may be amended or supplemented from time to time, the "**Merger Agreement**"), by and among the Company, CHLH Corp., a Delaware corporation and a wholly owned subsidiary of the Company ("**MergerSub**"), and Applebee's International, Inc., a Delaware corporation ("**Target**"), pursuant to, and on the terms and subject to the conditions of which, MergerSub will merge with and into Target, with Target surviving (the "**Merger**"), and each outstanding share of Target (other than shares held by Target or any of Target's subsidiaries or by MergerSub) automatically shall be canceled in exchange for, and converted into the right to receive, the cash price per share set forth in the Merger Agreement (the "**Merger Consideration**");

WHEREAS, the Company proposes to issue and sell to the Purchaser the aggregate number of shares specified in Section 1.1 hereof of its preferred stock, par value $1.00 per share (the "**Preferred Stock**"), designated as "Series A Perpetual Preferred Stock" (the "**Perpetual Preferred Stock**" and, such shares, the "**Shares**"), having the rights, privileges, preferences and restrictions as set forth in the Certificate of Designations of the Powers, Preferences and Relative, Participating, Optional and Other Special Rights, and Qualifications, Limitations and Restrictions Thereof, of Series A Perpetual Preferred Stock (the "**Certificate**") in the form attached to this Agreement as Exhibit A, subject to the terms and conditions set forth in this Agreement;

WHEREAS, the cash proceeds received by the Company from the issuance and sale of the Shares to the Purchaser pursuant to this Agreement will be used by the Company to fund a portion of the Merger Consideration and other costs and expenses of the transactions contemplated by the Merger Agreement; and

WHEREAS, the Shares are being offered and sold to the Purchaser in a private placement without registration under the Securities Act of 1933, as amended (the "**Securities Act**"), in reliance on an exemption from the registration requirements under the Securities Act.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, mutual covenants and agreements set forth herein, the parties hereto agree as follows:

SECTION 1. PURCHASE AND SALE OF THE SHARES

1.1 Agreement to Purchase and Sell. Upon the basis of the representations, warranties and covenants, and on the terms and subject to the conditions set forth in this Agreement, at the Closing (as defined below), the Company agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Company, an aggregate number of Shares to be specified by the Company at least two (2) business days prior to the Closing Date (as defined below) at a purchase price of $1,000 per Share (the "**Purchase Price**"); provided that such number of Shares shall not be greater than 133,800 or less than 50,000.

1.2 Closing. The closing of the purchase and sale of the Shares (the "**Closing**") shall be held at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 300 South Grand Avenue, Suite 3400, Los Angeles, California 90071, on the date that the Merger becomes effective and the closing of the other transactions contemplated by the Merger Agreement occurs (the "**Merger Closing**"), or at such other time and place upon which the Company and the Purchaser shall agree (the date of the Closing under this Agreement is hereinafter referred to as the "**Closing Date**").

1.3 Delivery and Payment.

(a) At the Closing, the Company shall deliver or cause to be delivered to the Purchaser (i) a stock certificate or certificates evidencing the number of Shares to be purchased by the Purchaser pursuant to this Agreement, such stock certificate(s) to be in the denomination(s) and issued in the name(s) specified to the Company by the Purchaser, (ii) to the extent not previously paid, the Fee (as defined below), by wire transfer of immediately available funds to an account designated by the Purchaser, (iii) to the extent not previously paid, the Reimbursement Amount (as defined below), by wire transfer of immediately available funds to an account designated by the Purchaser, and (iv) all other documents, instruments and writings required to be delivered by the Company to the Purchaser pursuant to this Agreement or otherwise required in connection herewith; provided that to the extent not paid prior to the Closing, in lieu of payment of the Fee and/or the Reimbursement Amount, as applicable, as set forth in Section 1.3(a)(ii) and Section 1.3(a)(iii), the amount of such payment or payments, as applicable, may at the request of Purchaser be deducted from the payment required pursuant to Section 1.3(b)(i).

(b) At the Closing, the Purchaser shall deliver or cause to be delivered to the Company (i) the Purchase Price (net of any deduction pursuant to Section 1.3(a)), by wire transfer of immediately available funds to an account designated by the Company, and (ii) all other documents, instruments and writings required to be delivered by the Purchaser to the Company pursuant to this Agreement or otherwise required in connection herewith.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in SEC Documents (as defined below) (excluding, in each case, any disclosures set forth in any "forward looking statements" within the meaning of the Securities Act or the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) or in the correspondingly identified schedule attached hereto, the Company hereby represents and warrants to the Purchaser as follows:

2.1 Incorporation and Organization. The Company (a) is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware; (b) has the requisite corporate power and authority to conduct, operate and carry on its business and operations as currently conducted, and to manage, use, control, own, lease and operate its properties and assets; and (c) is duly qualified or licensed to do business as a

foreign corporation and is in good standing in every jurisdiction in which such qualification or licensing is required, except where the failure to be so qualified or licensed and in good standing, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the business, condition (financial or otherwise), operations, assets or liabilities of the Company and its subsidiaries, taken as a whole (a "**Material Adverse Effect**").

2.2 Issuance and Delivery of Shares. The Shares have been duly authorized and, when issued by the Company and paid for by the Purchaser in compliance with the provisions of this Agreement, (a) shall be free and clear of any and all liens, security interests, options, claims, encumbrances or restrictions (collectively, "**Liens**"), except for such restrictions on transfer or ownership as expressly set forth in this Agreement or in the Certificate or otherwise imposed by applicable federal or state securities laws, (b) shall have been duly authorized and validly issued, (c) shall be fully paid and

nonassessable and (d) shall have been issued in compliance with all applicable federal and state securities laws. The issuance and delivery of the Shares are not subject to any preemptive or similar rights.

2.3 Capital Structure.

(a) The authorized capital stock of the Company consists of 40,000,000 shares of common stock, par value $.01 per share (the "**Common Stock**"), and 10,000,000 shares of Preferred Stock. As of June 29, 2007, (i) 16,835,229 shares of Common Stock were issued and outstanding (not including 6,254,195 shares of Common Stock held in treasury), and no shares of Preferred Stock were issued and outstanding, and (y) 608,106 shares of Common Stock were reserved for issuance upon exercise of outstanding options to purchase shares of Common Stock. Except as set forth in Schedule 2.3 hereto, there are no outstanding securities, options, warrants, calls, rights, contracts, commitments, agreements, arrangements or understandings to which the Company or any of its subsidiaries is a party, or by which any of them is bound, obligating the Company or any of its subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, shares of capital stock or other securities of the Company or any of its subsidiaries, or any securities convertible into or exercisable or exchangeable for any shares of capital stock or other securities of the Company or any of its subsidiaries, or obligating the Company or any of its subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call, right, contract, commitment, agreement, arrangement or understanding. Except as set forth in Schedule 2.3 hereto, there are no contracts, commitments, agreements, arrangements or understandings to which the Company or any of its subsidiaries is a party, or by which any of them is bound, granting to any person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or requiring the Company to include such securities with Shares registered pursuant to any registration statement.

(b) The Company has provided to the Purchaser a true and complete copy of (i) the certificate of incorporation of the Company (the "**Certificate of Incorporation**") and (ii) the form of the certificate of designations (the "**Series B Certificate of Designations**") of the Series B Convertible Preferred Stock, par value $1.00 per share, of the Company (the "**Series B Convertible Preferred Stock**"), which the Company proposes to issue to fund a portion of the Merger Consideration and other costs and expenses of the transactions contemplated by the Merger Agreement.

2.4 Subsidiaries. Each of the subsidiaries of the Company (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; (b) has the requisite power and authority to conduct, operate and carry on its business and operations as currently conducted, and to manage, use, control, own, lease and operate its properties and assets; and (c) is duly qualified or licensed to do business and is in good standing in every jurisdiction in which such qualification or licensing is required, except where the failure to be so qualified or licensed and in good standing, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. All of the outstanding shares of capital stock of, other securities of or other interests in, each of the Company's subsidiaries are owned by the Company, directly or indirectly through one or more of the Company's subsidiaries.

2.5 Authorization; Validity of Agreement; Company Action. The Company has the requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery by the Company of this Agreement and the consummation by the Company of the transactions contemplated by this Agreement have been duly authorized by, and this Agreement and each of the transactions contemplated by this Agreement have been validly approved by, the requisite vote of the Company's Board of Directors. No other corporate action or proceeding on the part of the Company is necessary for the execution and delivery by the Company of this Agreement, the performance by the

Company of its obligations under this Agreement or the consummation by the Company of the transactions contemplated by the this Agreement. This Agreement has been duly executed and delivered by the Company and, assuming due authorization, execution and delivery of this Agreement by the Purchaser, is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject, as to enforcement, to (i) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereinafter in effect affecting creditors' rights generally and (ii) general principles of equity.

2.6 Consents and Approvals. Assuming the accuracy of the representations of the Purchaser set forth in Section 3 hereof, except for the filing of the Certificate with the Secretary of State of the State of Delaware, no registration (including any registration under the Securities Act) or filing with, or any notification to, or any approval, permission, consent, ratification, waiver, authorization, order, finding of suitability, permit, license, franchise, exemption, certification or similar instrument or document (each, an "**Authorization**") of or from, any court, arbitral tribunal, arbitrator, administrative or regulatory agency or commission or other governmental or regulatory authority, agency or governing body, domestic or foreign (each, a "**Governmental Entity**"), or any other person, or under any statute, law, ordinance, rule, regulation or agency requirement of any Governmental Entity (each, a "**Law**"), on the part of the Company or any of its subsidiaries is required in connection with the execution or delivery by the Company of this Agreement, the performance by the Company of its obligations under this Agreement or the consummation by the Company of the transactions contemplated by this Agreement.

2.7 No Conflict. The execution and delivery by the Company of this Agreement does not, and the performance by the Company of its obligations under this Agreement or the consummation by the Company of any of the transactions contemplated by this Agreement will not, (a) conflict with, or result in or constitute any violation or breach of or default under, or give rise (either with or without due notice or the passage of time or both or the happening or occurrence of any other event (including through the action or inaction of any person)) to any right of termination, amendment, cancellation or acceleration or any obligation to pay or repay with respect to, or result in the loss of any benefit under, any provision of (x) the certificate of incorporation, bylaws or similar organizational documents of the Company or any of its subsidiaries or (y) any indenture, loan agreement, mortgage, guarantee, other indebtedness, lease or other agreement, contract, instrument, obligation, understanding or arrangement to which the Company or any of its subsidiaries is a party, or by which the Company or any of its subsidiaries may be bound, or to which any of the respective properties or assets of the Company or any of its subsidiaries may be subject, (each, a "**Contract**"); (b) conflict with, or result in or constitute any violation of, any award, decision, judgment, decree, injunction, writ, order, subpoena, ruling, verdict or arbitration award entered, issued, made or rendered by any federal, state, local or foreign government or any other Governmental Entity (each an "**Order**"), or any Law, applicable to the Company or any of its subsidiaries, or to any of their respective properties or assets; (c) result in the creation or imposition of (or the obligation to create or impose) any Lien on any of the properties or assets of the Company or any of its subsidiaries; or (d) conflict with, or result in or constitute any violation of, or result in the termination, suspension or revocation of, any Authorization applicable to the Company or any of its subsidiaries, or to any of their respective properties or assets, or result in any other impairment of the rights of the holder of any such Authorization, except in the case of clauses (a)(y), (b), (c) and (d), where such conflict, violation, breach, default, termination, amendment, cancellation, acceleration, obligation to repay or loss of benefit, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

2.8 SEC Documents; Financial Statements. The Company has filed all required reports, proxy statements, forms, and other documents with the Securities and Exchange Commission (the "**SEC**") since January 1, 2004 (collectively, the "**SEC Documents**"). Each of the SEC Documents, as of its respective date complied in all material respects with the requirements of the Securities Act and the

Exchange Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such SEC Documents, and, except to the extent that information contained in any SEC Document has been revised or superseded by a later filed SEC Document filed and publicly available prior to the date of this Agreement, none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company and its consolidated subsidiaries included in the SEC Documents (a) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, in each case as of the date such SEC Document was filed, and (b) have been prepared in accordance with generally accepted accounting principles ("**GAAP**") applied on a consistent basis during the periods involved (except as may be indicated in such financial statements or the notes thereto) and fairly present in all material respects the consolidated financial position of the Company and its consolidated subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows of the Company and its consolidated subsidiaries for the periods then ended (subject, in the case of unaudited statements, to normal recurring audit adjustments).

2.9 Undisclosed Liabilities. Except for (i) those liabilities that are reflected or reserved for in the consolidated financial statements of the Company included in its Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2007, as filed with the SEC prior to the date of this Agreement, (ii) liabilities incurred since March 31, 2007 in the ordinary course of business consistent with past practice, (iii) liabilities that, individually and in the aggregate, are immaterial to the Company and its subsidiaries, taken as a whole, (iv) liabilities incurred pursuant to the transactions contemplated by this Agreement or the Merger Agreement, and (v) liabilities or obligations discharged or paid in full prior to the Closing in the ordinary course of business consistent with past practice, the Company and its subsidiaries do not have any liabilities or obligations of any nature whatsoever (whether accrued, absolute, contingent or otherwise) that are required to be reflected in the Company's financial statements in accordance with GAAP.

2.10 Authorizations; Compliance with Law. Each of the Company and its subsidiaries has such Authorizations of, and has made all registrations and filings with and notices to, all Governmental Entities as are necessary to manage, use, control, own, lease and operate its properties and assets and to conduct, operate and carry on its business and operations as currently conducted, except where the failure to have any such Authorization or to make any such registration, filing or notice, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Each of the Company and its subsidiaries is in compliance with all Laws and Orders applicable to the Company or any of its subsidiaries, or to any of their respective properties or assets, or to any Shares, except where the failure to be in compliance, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

2.11 No Solicitation; No Integration. Neither the Company nor any of its subsidiaries or affiliates, nor any person acting on its or their behalf, (i) has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of the Shares, (ii) has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under any circumstances that would require registration of the Shares under the Securities Act or (iii) has issued any securities which would be integrated with the sale of the Shares to such Purchaser for purposes of the Securities Act or of any applicable stockholder approval provisions, including under the rules and regulations of any exchange or automated quotation system on which any of the securities of the Company are listed or designated, nor will the Company or any of its subsidiaries or affiliates take any action or steps that would require registration of any of the Shares under the Securities Act or cause the offering of the Shares to be integrated with other offerings. Assuming the accuracy of the representations and warranties of the

Purchaser in Section 3 of this Agreement, the offer and sale of the Shares by the Company to the Purchaser pursuant to this Agreement will be exempt from the registration requirements of the Securities Act.

2.12 Investment Company Act. The Company is not and, after giving effect to the transactions contemplated by this Agreement, will not be an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

2.13 Merger Agreement. The Company has provided to the Purchaser a true and complete copy of the Merger Agreement.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

As of the date hereof, the Purchaser represents and warrants to the Company as follows:

3.1 Authority. The Purchaser has all requisite power and authority to execute and deliver this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated by this Agreement. The Purchaser has taken all requisite action to, and no other action or proceeding on the part of the Purchaser is necessary for, the execution and delivery by the Purchaser of this Agreement, the performance by the Purchaser of its obligations under this Agreement or the consummation by the Purchaser of the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by the Purchaser and, assuming due authorization, execution and delivery of this Agreement by the Company, is a valid and binding obligation of the Purchaser and is enforceable by the Company against the Purchaser in accordance with its terms, subject, as to enforcement, to (i) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereinafter in effect affecting creditors' rights generally and (ii) general principles of equity.

3.2 Consents and Approvals. No Authorization of or from any Governmental Entity or any other person, on the part of the Purchaser, including under the HSR Act, is required in connection with the execution or delivery by the Purchaser of this Agreement, the performance by the Purchaser of its obligations under this Agreement or consummation by the Purchaser of the transactions contemplated by this Agreement.

3.3 Business and Financial Experience. By reason of its business or financial experience or the business or financial experience of its professional advisors who are unaffiliated with the Company and who are not compensated by the Company, the Purchaser has the capacity to protect its own interests in connection with the purchase of the Shares.

3.4 Investment Intent; Blue Sky. The Purchaser is acquiring the Shares for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution thereof. The Purchaser understands that the issuance of the Shares has not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the Purchaser's investment intent and the accuracy of the Purchaser's representations as expressed herein. The Purchaser's address set forth in Section 6.2 represents the Purchaser's true and correct state of domicile, upon which the Company may rely for the purpose of complying with applicable Blue Sky laws. The Purchaser understands that the Company is relying on the statements contained in this Agreement to establish an exemption from registration under federal and state securities laws. Prior to the Closing, the Purchaser shall promptly notify the Company in writing of any changes in the information set forth in this Agreement with respect to the Purchaser.

3.5 Information and Investment Risk.

(a) The Purchaser acknowledges that the Shares must be held indefinitely unless subsequently registered under the Securities Act or unless an exemption from such registration is available. It is aware of the provisions of Rule 144 promulgated under the Securities Act which permit limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things, the existence of a public market for the shares, the availability of certain current public information about the Company, the resale occurring not less than one year after a party has purchased and paid for the security to be sold, the sale being effected through a "broker's, transaction" or in a transaction directly with a "market maker," and the number of shares being sold during any three-month period not exceeding specified limitations. The Purchaser recognizes that an investment in the Shares involves a high degree of risk, including a risk of total loss of the Purchaser's investment. The Purchaser is able to bear the economic risk of holding the Shares for an indefinite period.

(b) The Purchaser has had an opportunity to discuss the Company's business, management and financial affairs with the Company's management. It has also had an opportunity to ask questions of officers of the Company. It understands that such discussions, as well as any written information issued by the Company, were intended to describe certain aspects o£ the Company's business and prospects but were not a thorough or exhaustive description. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 2 of this Agreement, or the right of the Purchaser to rely thereon.

3.6 Accredited Investor. The Purchaser represents that it is an accredited investor within the meaning of Regulation D under the Securities Act. The Purchaser will have at the Closing sufficient immediately available funds in cash to pay the Purchase Price.

3.7 No Legal, Tax or Investment Advice. The Purchaser understands that nothing in this Agreement or any other materials presented to the Purchaser in connection with the purchase and sale of the Shares constitutes legal, tax or investment advice. The Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed to be necessary or appropriate in connection with its purchase of the Shares, and it relies solely on such advisors and not on any statements or representations of the Company or any of the Company's agents or representatives with respect to such legal, tax and investment consequences. The Purchaser understands that it, and not the Company, shall be responsible for its own tax liability that may arise as a result of the transactions contemplated by this Agreement.

SECTION 4. CONDITIONS

4.1 Conditions to Each Party's Obligations. The Purchaser's obligation to purchase the Shares at the Closing, and the Company's obligation to issue and sell the Shares at the Closing, is subject to the satisfaction, or waiver by the Purchaser and the Company, respectively, of the following conditions:

(a) Merger Closing. All conditions in Article VII of the Merger Agreement shall have been satisfied or, if permissible, waived by the party entitled to make such a waiver, and the Merger Closing shall have simultaneously occurred.

(b) No Injunctions or Illegality. No temporary restraining order, preliminary or permanent injunction or other judgment or order issued by any Governmental Entity and no Law shall be in effect enjoining, making illegal or otherwise prohibiting the consummation of the transactions contemplated by this Agreement; provided, however, that the party claiming such failure of condition

shall have used its reasonable best efforts to prevent the entry of any such injunction or order and to appeal as promptly as possible any injunction or other order that may be entered.

4.2 Conditions to Closing of the Purchaser. The Purchaser's obligation to purchase the Shares at the Closing also is subject to the satisfaction, or waiver by the Purchaser, of the following conditions:

(a) Representations and Warranties.

(i) Between the date of this Agreement and the Closing, the Company shall not have amended or modified in any material respect any of the terms of the Series B Preferred Stock as set forth in the Series B Certificate of Designations and the Certificate of Incorporation provided to the Purchaser pursuant to Section 2.3(b).

(ii) The representations and warranties of the Company set forth in Sections 2.1, 2.2, 2.3, 2.5, 2.6, 2.7, 2.11, 2.12 and 2.13 and the first sentence of Section 2.8 of this Agreement shall be true and correct (disregarding all qualifications or limitations as to materiality or a Material Adverse Effect) as of the date of this Agreement and as of the Closing Date (except to the extent that such representation or warranty speaks of an earlier date, in which case as of such earlier date) as though made on and as of the Closing Date, except where the failure of such representations and warranties to be so true and correct would not, individually or in the aggregate, reasonably to be expected to have a Material Adverse Effect.

(iii) The Purchaser shall have received a certificate signed on behalf of the Company by the Chief Executive Officer and the Chief Financial Officer of the Company to the effect set forth in clauses (i) and (ii) of this Section 4.2(a).

(b) Performance of Obligations of Company. The Company shall have performed in all material respects all agreements and covenants required to be performed by it under this Agreement prior to the Closing Date. The Purchaser shall have received a certificate signed on behalf of the Company by the Chief Executive Officer and the Chief Financial Officer of the Company to such effect.

(c) No Target Material Adverse Effect, Waiver or Amendment.

(i) Since the date of the Merger Agreement and prior to the Closing, there has not been nor would there reasonably be expected to be a Material Adverse Effect (as defined in the Merger Agreement).

(ii) Between the date of this Agreement and the Closing, the Company shall not have waived, amended or modified any of its rights or obligations pursuant to the Merger Agreement in any material respect (including any increase in the Merger Consideration).

(d) Securitization Documents. The Company shall have confirmed in writing that neither the Perpetual Preferred Stock nor any accrued dividends thereon will be considered Debt of the Co-Issuers or the Securitization Entities for purposes of calculating compliance by the Co-Issuers or the Securitization Entities with existing covenants in the Base Indenture, dated as of March 16, 2007, among IHOP Franchising, LLC, a Delaware limited liability company, IHOP IP, LLC, a Delaware limited liability company, and Wells Fargo Bank, National Association, as trustee, as supplemented by the Series Supplement for the Series 2007-1 Fixed Rate Term Notes, dated March 16, 2007, and the Series Supplement for the Series 2007-2 Variable Funding Notes, dated March 16, 2007 (collectively, the

"**Securitization Documents**"; capitalized terms used in this paragraph (d) but that are not defined in this Agreement have the respective meanings set forth in the Securitization Documents).

(e) Filing of Certificate. The Company shall have filed the Certificate with the Secretary of State of the State of Delaware.

4.3 Conditions to Closing of the Company. The Company's obligation to issue and sell the Shares at the Closing is subject to the satisfaction, or waiver by the Company, of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Purchaser set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date (except to the extent that such representation or warranty speaks of an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such date) as though made on and as of the Closing Date. The Company shall have received a certificate signed on behalf of the Purchaser by an authorized officer of the Purchaser to such effect.

(b) Performance of Obligations of the Purchaser. The Purchaser shall have performed in all material respects all agreements and covenants required to be performed by it under this Agreement prior to the Closing Date. The Company shall have received a certificate signed on behalf of the Purchaser by an authorized officer of the Purchaser to such effect.

SECTION 5. RESTRICTIONS ON TRANSFER OF SHARES

5.1 Restrictions on Transferability. The Shares may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities laws, or pursuant to an exemption therefrom, and in each case in compliance with the terms of this Agreement and the restrictions set forth in the text of the restrictive legend required to be included on the Shares pursuant to Section 5.2 hereof. The Company shall be entitled to give stop transfer orders to its transfer agent with respect to the Shares in order to enforce the

foregoing restrictions.

5.2 Restrictive Legend. Each certificate representing the Shares will contain a legend substantially to the following effect (in addition to any legends required under applicable securities laws).

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE DIRECTLY OR INDIRECTLY OFFERED, SOLD, TRANSFERRED, ENCUMBERED, ASSIGNED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (B) AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, INCLUDING RULE 144, SUBJECT TO THE COMPANY'S AND THE TRANSFER AGENT'S RIGHT PRIOR TO ANY SUCH OFFER, SALE, TRANSFER, ENCUMBRANCE, ASSIGNMENT OR OTHER DISPOSITION TO REQUIRE THE DELIVERY OF REASONABLE AND CUSTOMARY CERTIFICATIONS AND/OR OTHER INFORMATION REASONABLY SATISFACTORY TO EACH OF THEM.

To the extent that the circumstances or provisions requiring the above legend have ceased to be effective, the Company will upon request reissue certificates without the legend.

SECTION 6. MISCELLANEOUS

6.1 Survival of Representations and Warranties; Termination.

(a) The representations, warranties, covenants and agreements (except covenants and agreements which are expressly required to be performed and are performed in full on or before the Closing Date) contained in this Agreement shall survive the Closing Date until April 15, 2009; provided that the representations and warranties contained in Sections 2.1, 2.2 and 2.5 shall survive indefinitely.

(b) This Agreement shall immediately and automatically terminate without any action by the parties hereto in the event that the Merger Agreement is terminated in accordance with its terms at any time prior to the Closing. This Agreement may be terminated at any time prior to the Closing by mutual written consent of the Company and Purchaser.

(c) In the event of termination of this Agreement as provided in Section 6.1(b), this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of the Company or Purchaser, except that the provisions of this Section 6.1(c) and Sections 6.2 through 6.13 shall survive such termination; provided, however, that nothing herein shall relieve the Company or the Purchaser from liability for any willful material breach of any of its representations, warranties, covenants or agreements set forth in this Agreement.

6.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed sufficiently given and served for all purposes (a) when personally delivered or given by machine-confirmed facsimile, (b) one business day after a writing is delivered to a national overnight courier service or (c) three business days after a writing is deposited in the United States mail, first class postage or other charges prepaid and registered, return receipt requested, in each case, addressed as follows (or at such other address for a party as shall be specified by like notice):

(i) in the case of the Company, to:

IHOP Corp.
450 North Brand Boulevard
Glendale, California 91203-2306
Attention: General Counsel
Facsimile No.: (818) 637-3131

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue
Los Angeles, California 90071
Attn: Rodrigo A. Guerra, Esq.
Facsimile No.: (213) 621-5217

(ii) in the case of the Purchaser, to:

c/o MSD Capital, L.P.
645 Fifth Ave., 21st Floor
New York, NY 10022
Attention: General Counsel
Facsimile No.: (212)-303-1772

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attn: Andrew J. Nussbaum, Esq.
Fax: (212) 403-2269

6.3 Amendments and Waivers. No modifications or amendments to, or waivers of, any provision of this Agreement may be made, except pursuant to a document signed by the Company and the Purchaser.

6.4 Interpretation. When a reference is made in this Agreement to Sections, paragraphs, clauses or Exhibits, such reference shall be to a Section, paragraph, clause or Exhibit to this Agreement unless otherwise indicated. The words "include," "includes," and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement has been negotiated by the respective parties hereto and their attorneys and the language hereof will not be construed for or against any party. The phrases "the date of this Agreement," "the date hereof," and terms of similar import, unless the context otherwise requires, shall be deemed to refer to July 15, 2007. The words "hereof," "herein," "herewith," "hereby" and "hereunder" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement. For the avoidance of doubt, references to "transactions contemplated by this Agreement" and "performance of obligations under this Agreement" (and words of similar import) shall not be deemed to refer to the Merger or to any of the transactions contemplated by the Merger Agreement or to the performance of obligations under the Merger Agreement.

6.5 Fee and Expenses.

(a) The Company shall pay to an account designated in writing by the Purchaser a cash fee equal to One Million Three Hundred Thirty-Eight Thousand United States Dollars ($1,338,000) (the "**Fee**") on the earlier of (x) the Merger Closing and (y) the termination of the Merger Agreement.

(b) Each party shall pay all costs and expenses incurred by it in connection with the execution and delivery of this Agreement and the transactions contemplated hereby, including fees of legal counsel; provided, however, that, subject to the receipt of documentation thereof reasonably acceptable to the Company, the Company shall reimburse the Purchaser in cash for any reasonable out-of-pocket expenses incurred by it in connection with the transactions contemplated by this Agreement, up to an aggregate of $300,000 (the "**Reimbursement Amount**"). The Reimbursement Amount shall be payable by the Company on the earlier of (x) the Merger Closing and (y) the termination of the Merger Agreement.

6.6 Further Assurances. Each party to this Agreement shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such agreements, certificates, instruments and documents as the other party hereto may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

6.7 No Third-Party Beneficiaries. No person or entity not a party to this Agreement shall be deemed to be a third-party beneficiary hereunder or entitled to any rights hereunder. All representations, warranties or agreements of any Purchaser contained in this Agreement shall inure to the benefit of the Company.

6.8 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties hereto. Notwithstanding the foregoing, neither any Purchaser nor the Company shall assign or delegate any of its rights or obligations under this Agreement, provided that the Purchaser may assign its rights, in whole or in part, to an affiliate if it has given prior written notice to the Company.

6.9 Entire Agreement. This Agreement and all other documents required to be delivered pursuant hereto constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior documents, agreements and understandings, both written and verbal, among the parties with respect to the subject matter hereof and the transactions contemplated hereby.

6.10 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, then, if possible, such illegal, invalid or unenforceable provision will be modified to such extent as is necessary to comply with such present or future laws and such modification shall not affect any other provision hereof; provided that if such provision may not be so modified such illegality, invalidity or unenforceability will not affect any other provision, but this Agreement will be reformed, construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein.

6.11 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH CONTRACTS MADE AND TO BE PERFORMED IN THE STATE OF NEW YORK.

6.12 Consent to Jurisdiction; Venue; Waiver of Jury Trial.

(a) Each of the parties hereto irrevocably submits to the exclusive jurisdiction of any court of the State of New York and the Federal courts of the United States located in the State of New York for the purpose of any action arising out of or relating to this Agreement, and each of the parties hereto irrevocably agrees that all claims in respect to such action may be heard and determined exclusively in such court. Each of the parties hereto agrees that a final judgment in any action

shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of the parties hereto irrevocably consents to the service of any summons and complaint and any other process in any action relating to the transactions contemplated hereby, on behalf of itself or its property, by the personal delivery of copies of such process to such party hereto. Nothing in this Section 6.12(b) shall affect the right of any party hereto to serve legal process in any other manner permitted by law.

(c) EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY HERETO WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (iii) IT MAKES SUCH WAIVER VOLUNTARILY, AND (iv) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6.12(c).

6.13 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to each of the other parties, it being understood that all parties need not sign the same counterpart.

(*signature page follows*)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

IHOP CORP.

By: /s/ Thomas Conforti
Name: Thomas Conforti
Title: Chief Financial Officer

[Signature Page to Perpetual Preferred Stock Purchase Agreement]

MSD SBI, L.P.

By: MSD Capital, L.P.,
its general partner
By: MSD Capital Management LLC,
its general partner

By: /s/ Marc R. Lisker
Name: Marc R. Lisker
Title: Manager and General Counsel

[Signature Page to Perpetual Preferred Stock Purchase Agreement]

EXHIBIT A

CERTIFICATE OF DESIGNATIONS
OF
THE POWERS, PREFERENCES AND RELATIVE, PARTICIPATING,
OPTIONAL AND OTHER SPECIAL RIGHTS,
AND QUALIFICATIONS, LIMITATIONS AND RESTRICTIONS THEREOF,
OF
SERIES A PERPETUAL PREFERRED STOCK

[attached**]**

IHOP CORP.

CERTIFICATE OF DESIGNATIONS
OF
THE POWERS, PREFERENCES AND RELATIVE, PARTICIPATING,
OPTIONAL AND OTHER SPECIAL RIGHTS,
AND QUALIFICATIONS, LIMITATIONS AND RESTRICTIONS THEREOF,
OF
SERIES A PERPETUAL PREFERRED STOCK

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

IHOP Corp., a Delaware corporation (the "**Corporation**"), does hereby certify that the Board of Directors of the Corporation (the "**Board of Directors**"), by unanimous written consent dated as of **[ ]**, 2007, duly approved and adopted the following resolution:

RESOLVED, that, pursuant to the authority vested in the Board of Directors by the Corporation's Restated Certificate of Incorporation, effective as of July 30, 1992 (as it may be amended from time to time, subject to the provisions of this Certificate, the "**Certificate of Incorporation**"), the Board of Directors does hereby create, authorize and provide for the issuance, out of the authorized but unissued shares of the preferred stock, par value $1.00 per share, of the Corporation ("**Preferred Stock**"), of a new series of Preferred Stock to be designated "Series A Perpetual Preferred Stock" (the "**Perpetual Preferred Stock**"), to consist of **[( )]**(1) shares, par value $1.00 per share, of which the preferences and rights, and the qualifications, limitations or restrictions thereof, shall be (in addition to those set forth in the Certificate of Incorporation) as follows:

Section 1. Ranking. Shares of Perpetual Preferred Stock shall rank prior to shares of Common Stock and any other Junior Securities with respect to the payment of dividends and distributions and in the liquidation, dissolution or winding up, and upon any distribution of the assets of, the Corporation. Unless specifically designated as junior to the Perpetual Preferred Stock with respect to the payment of dividends and distributions, in the liquidation, dissolution, winding up, or upon any other distribution of the assets of, the Corporation, all other series of Preferred Stock of the Corporation, including the Series B Convertible Preferred Stock, shall rank on a parity with the Perpetual Preferred Stock with respect to such dividends and distributions, in such liquidation, dissolution or winding up, and upon any such distribution of the assets of, the Corporation, as applicable.

Section 2. Dividends.

2A. Dividend Rate. Each holder of a share of Perpetual Preferred Stock shall be entitled to receive dividends on such share of Perpetual Preferred Stock, if, as, and when such dividends are declared by the Board of Directors, out of funds legally available for the payment of dividends, at the

(1) To be determined by the Company at least two business days prior to Closing, as set forth in the Stock Purchase Agreement.

rate set forth below (the "**Dividend Rate**"), subject in each case to any applicable increase pursuant to Section 2E, for the applicable period set forth below of:

(i) ten percent (10%) per annum (computed on the Stated Value of such share) for each of the following periods (each, a "**10% Quarterly Dividend Period**"): (x) the period from and including the date of issuance of such share (the "**Issue Date**") to and including **[ ]**, 2007(2) (the "**Initial 10% Dividend Period**"), (y) each of the **[**seven**]**(3) Quarterly Dividend Periods (as defined below) thereafter, and (z) the period from and including **[ ]**, 2009(4) to and including **[ ]**, 2009(5) (the "**Final 10% Dividend Period**"),

(ii) twelve percent (12%) per annum (computed on the Stated Value of such share) for each of the following periods (each, a "**12% Quarterly Dividend Period**"): (x) the period from and including the second anniversary of the Issue Date to and including **[ ]**, 200**[**9**]**(6) (the "**Initial 12% Dividend Period**"), (y) each of the **[**thirty-one**]**(7) Quarterly Dividend Periods thereafter, and (z) the period from and including **[ ]**, 2017(8) to and including **[ ]**, 2017(9) (the "**Final 12% Dividend Period**" and, together with the Final 10% Dividend Period, a "**Final Dividend Period**"), and

(iii) the greater of (x) fifteen percent (15%) per annum (computed on the Stated Value of such share) and (y) a percentage per annum (computed on the Stated Value of such share) equal to the Treasury Rate plus five percent (5%) for each of the following periods (each, a "**15% Quarterly Dividend Period**" and, together with the 10% Quarterly Dividend Periods and the 12% Quarterly Dividend Periods, a "**Quarterly Dividend Period**"): (x) the

(2) This date shall be the first March 31, June 30, September 30 or December 31, as applicable, after the Issue Date. Therefore, if the Issue Date is not April 1, July 1, October 1 or January 1, then the Initial 10% Dividend Period will be a short period (i.e., less than 90 days).

(3) Following the Initial 10% Dividend Period, dividends will be paid on the regularly scheduled Dividend Payment Dates referred to in Section 2B below (i.e., March 31, June 30, September 30 and December 31). If the second anniversary of the Issue Date falls between these periods, then the Final 10% Dividend Period will be a short period (i.e., less than 90 days), commencing on the January 1, April 1, July 1 or October 1 immediately preceding the second anniversary and ending on but not including the second anniversary.

(4) This date shall be the first January 1, April 1, July 1 or October 1, as applicable, immediately preceding the second anniversary of the Issue Date.

(5) The day immediately preceding the second anniversary of the Issue Date.

(6) This date shall be the first March 31, June 30, September 30 or December 31, as applicable, after the second anniversary of the Issue Date.

(7) Following the Initial 12% Dividend Period, dividends will be paid on the regularly scheduled Dividend Payment Dates referred to in Section 2B below (i.e., March 31, June 30, September 30 and December 31). If the tenth anniversary of the Issue Date falls between these periods, then the Final 12% Dividend Period will be a short period (i.e., less than 90 days), commencing on the January 1, April 1, July 1 or October 1 immediately preceding the tenth anniversary and ending on but not including the tenth anniversary.

(8) This date shall be the first January 1, April 1, July 1 or October 1, as applicable, immediately preceding the tenth anniversary of the Issue Date.

(9) The day immediately preceding the tenth anniversary of the Issue Date.

period from and including the tenth anniversary of the Issue Date to and including **[ ]**, 200**[**17**]**(10) (the "**Initial 15% Dividend Period**" and, together with the Initial 10% Quarterly Dividend Periods and the Initial 12% Quarterly Dividend Periods, an "**Initial Dividend Period**"), and (y) for each Quarterly Dividend Period thereafter,

in each case, to and including the first to occur of (i) the date on which the Stated Value of such share (plus all accrued and unpaid dividends thereon up to but not including the date of payment) is paid to the holder thereof in connection with the liquidation, dissolution or winding up, or distribution of the assets of, of the Corporation or (ii) the date of the redemption of such share by the Corporation.

2B. Quarterly Dividend Periods. Unless otherwise specified in Section 2A, Quarterly Dividend Periods shall commence on January 1, April 1, July 1 and October 1 in each year and shall end on and include the day immediately preceding the first day of the next Quarterly Dividend Period. Dividends on shares of Perpetual Preferred Stock shall be payable on March 31, June 30, September 30 and December 31 of each year (a "**Dividend Payment Date**"), commencing **[ ]**, 2007(11); provided, that the Corporation may elect to accumulate any dividends payable after the first anniversary of the Issue Date as provided in Section 2C instead of paying such dividends in cash on the applicable Dividend Payment Date (such accumulated dividends, the "**Accumulated Dividends**"), and such Accumulated Dividends shall constitute Passed Dividends pursuant to Section 2C but such accumulation shall not constitute a default under, or a failure to pay a dividend, for purposes of this Certificate, provided that, for the avoidance of doubt, Section 6B shall apply so long as there are accrued and unpaid Accumulated Dividends. Each such dividend shall be paid to the holders of record of the Perpetual Preferred Stock as such holders shall appear on the stock register of the Corporation on the record date for such dividend, which record date shall not be more than forty-five (45) days nor fewer than ten (10) days preceding such Dividend Payment Date as shall be fixed by the Board of Directors or a duly authorized committee thereof. The quarterly dividend on a share of Perpetual Preferred Stock for each Initial Dividend Period, each Final Dividend Period and any other partial Quarterly Dividend Period shall be prorated based on the number of days during such period as a proportion of ninety (90).

2C. Accumulated Dividends. If, on any Dividend Payment Date, the holder of record (for such Dividend Payment Date) of a share of Perpetual Preferred Stock shall not have received in cash the full amount of any dividend required to be paid on such share on such Dividend Payment Date pursuant to this Section 2 (such unpaid dividends that have accrued and were required to be paid, but remain unpaid, on a Dividend Payment Date, together with any accrued and unpaid Accumulated Dividends, the "**Passed Dividends**"), then such Passed Dividends shall accumulate on such outstanding share of Perpetual Preferred Stock, whether or not there are funds legally available for the payment thereof or such Passed Dividends are declared by the Board of Directors, and until such Passed Dividends have been paid, the Dividend Rate shall be computed on the sum of the Stated Value plus such unpaid Passed Dividend. In the event that Passed Dividends shall have accrued but remain unpaid for two consecutive Quarterly Dividend Periods (each such Quarterly Dividend Period, a "**Passed Quarter**"), the Dividend Rate shall, as of the end of such two-Passed Quarters period, prospectively increase by two percent (2.0%) per annum, and the Dividend Rate shall further increase prospectively by

(10) This date shall be the first March 31, June 30, September 30 or December 31, as applicable, after the tenth anniversary of the Issue Date.

(11) This date shall be the first March 31, June 30, September 30 or December 31, as applicable, after the Issue Date.

two percent (2.0%) per annum as of the end of each subsequent two-Passed Quarters period with respect to which Passed Dividends shall have accrued but remain unpaid; provided, however, that, subject to Section 2E, under no circumstances shall the Dividend Rate applicable at any time prior to the tenth (10^{th}) anniversary of the Issue Date exceed sixteen percent (16%) per annum, and provided further, that upon payment by the Corporation of all accrued and unpaid Passed Dividends, the Dividend Rate shall thereupon automatically be reduced prospectively to the applicable Dividend Rate per annum set forth in Section 2A above, subject to successive increases and reductions as provided by this Section 2C.

2D. Distribution of Partial Dividend Payments. Except as otherwise provided herein, if at any time the Corporation pays less than the total amount of dividends then accrued with respect to the Perpetual Preferred Stock or any Parity Securities, such payment shall be distributed pro rata among the holders thereof based upon the aggregate accrued but unpaid dividends on the shares of Perpetual Preferred Stock or such Parity Securities, as applicable, held by each such holder.

2E. Increase Amounts.

(i) Notwithstanding anything in this Certificate to the contrary, if, as of the Issue Date, since December 31, 2006 there shall have occurred a material adverse effect on the business, condition (financial or otherwise), operations, assets or liabilities of the Corporation and its existing subsidiaries (which for the avoidance of doubt excludes Applebee's International, Inc., a Delaware corporation, and each of its subsidiaries), taken as a whole, then (x) the Dividend Rates applicable from time to time pursuant to this Certificate shall in each case be increased by two percent (2%) per annum and (y) the maximum Dividend Rate payable prior to the tenth (10^{th}) anniversary of the Issue Date shall be eighteen percent (18%) per annum.

(ii) Notwithstanding anything in this Certificate to the contrary, if, as of the Issue Date, any of the representations and warranties of the

Corporation (which for the avoidance of doubt excludes Applebee's International, Inc., a Delaware corporation, and each of its subsidiaries) set forth in that certain Stock Purchase Agreement between the Corporation and MSD SBI, L.P., a Delaware limited partnership, shall fail to be true and correct in any material respect as of the Issue Date as though made on and as of the Issue Date (except to the extent (x) that any such representation and warranty is qualified as to "materiality" or "Material Adverse Effect", in which case such representations and warranties shall fail to be true and correct in all respects and (y) any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall be true and correct in all material respects as of such earlier date), then (x) the Dividend Rates applicable from time to time pursuant to this Certificate shall in each case be increased by one percent (1%) per annum and (y) the maximum Dividend Rate payable prior to the tenth (10^{th}) anniversary of the Issue Date shall be seventeen percent (17%) per annum.

(iii) If (A) any condition or event exists as of the Issue Date that is described in more than one of clauses (i) and (ii) above, or (B) more than one of the conditions or events described in clause (i) and (ii) exist as of the Closing Date, then only clause (i) shall be deemed to apply.

Section 3. Liquidation. Upon any liquidation, dissolution or winding up, or any other distribution of the assets, of the Corporation (whether voluntary or involuntary), each holder of Perpetual Preferred Stock shall be entitled to be paid, before any distribution or payment is made upon any Junior Securities, an amount in cash equal to the aggregate Stated Value of all shares of Perpetual Preferred Stock held by such holder (plus all accrued and unpaid dividends thereon up to but not including the date of payment), and the holders of Perpetual Preferred Stock shall not be entitled to any further payment in respect thereof. If upon any such liquidation, dissolution or winding up of the

Corporation the Corporation's assets to be distributed among the holders of the Perpetual Preferred Stock and any Parity Securities are insufficient to permit payment to such holders of the Perpetual Preferred Stock of the aggregate amount which they are entitled to be paid under this Section 3 and such holders of Parity Securities of the aggregate amount which they are entitled to be paid in accordance with the terms of such Parity Securities, then the entire assets available to be distributed to the Corporation's stockholders shall be distributed pro rata among the holders of the Perpetual Preferred Stock and any Parity Securities, in accordance with the full respective preferential payments that would be payable on such shares of Perpetual Preferred Stock and such shares of Parity Securities if all amounts payable thereon were payable in full. Neither the consolidation or merger of the Corporation into or with any other entity or entities (whether or not the Corporation is the surviving entity), nor the sale or transfer by the Corporation of all or any part of its assets, nor the reduction of the capital stock of the Corporation nor any other form of recapitalization or reorganization affecting the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 3 or any other section of this Certificate.

Section 4. Redemptions.

4A. Optional Redemption.

(i) Except as described in Section 4B below, shares of Perpetual Preferred Stock will not be redeemable by the Corporation prior to the first anniversary of the Issue Date. On and after the first anniversary of the Issue Date, the Corporation may redeem the outstanding shares of Perpetual Preferred Stock, in whole or (subject to the following paragraph (ii) and the proviso of this paragraph (i)) in part, upon not less than fifteen (15) nor more than sixty (60) days' notice, for cash at the redemption prices (expressed as percentages of Stated Value) set forth below plus accrued and unpaid dividends on the shares of Perpetual Preferred Stock redeemed, up to but not including the applicable redemption date, if redeemed during the period indicated below; provided that if fewer than all of the outstanding shares of Perpetual Preferred Stock are to be redeemed, then such redemption shall be in an aggregate Stated Value of no less than $50,000,000 and the aggregate Stated Value of outstanding shares of Perpetual Preferred Stock not redeemed shall be greater than $50,000,000:

Period	Percentage
First anniversary of the Issue Date to but not including the second anniversary of the Issue Date	104.0%
Second anniversary of the Issue Date to but not including the third anniversary of the Issue Date	103.0%
Third anniversary of the Issue Date to but not including the fourth anniversary of the Issue Date	102.0%
On and after the fourth anniversary of the Issue Date	100.0%

(ii) In the event that at any time fewer than all of the outstanding shares of Perpetual Preferred Stock are to be redeemed, either the shares to be redeemed shall be selected by lot or the redemption shall be made pro rata in proportion to the number of shares held by each holder of Perpetual Preferred Stock. In no event, however, may the Corporation redeem fewer than all outstanding shares of Perpetual Preferred Stock unless all accrued and unpaid dividends on all then outstanding shares of Perpetual Preferred Stock have been paid as of the immediately preceding Dividend Payment Date.

4B. Mandatory Redemption. Upon the occurrence of a Change of Control, unless prohibited by applicable law, the Corporation shall redeem all then outstanding shares of Perpetual Preferred Stock for cash at the redemption price per share corresponding to the timing of such Change of Control, as indicated below; provided that in the event that any shares of Perpetual Preferred Stock are not redeemed upon the occurrence of a Change of Control pursuant to this Section 4B because of a prohibition under applicable law, the Corporation shall use its reasonable best efforts to cause such prohibition not to apply and shall redeem such shares as soon as such prohibition no longer applies:

Timing of Change of Control	Redemption Price
Prior to but not including the first anniversary of the Issue Date	104.0% of the Stated Value, plus the amount of dividends that have accrued or would have accrued up to but not including the first anniversary of the Issue Date but that have not been previously paid

First anniversary of the Issue Date to but not including the second anniversary of the Issue Date	104.0% of the Stated Value, plus accrued and unpaid dividends up to but not including the redemption date
Second anniversary of the Issue Date to but not including the third anniversary of the Issue Date	103.0% of the Stated Value, plus accrued and unpaid dividends up to but not including the redemption date
Third anniversary of the Issue Date to but not including the fourth anniversary of the Issue Date	102.0% of the Stated Value, plus accrued and unpaid dividends up to but not including the redemption date
On and after the fourth anniversary of the Issue Date	100.0% of the Stated Value, plus accrued and unpaid dividends up to but not including the redemption date

In the event that the Corporation fails to make any applicable redemption payment required to be made by this Section 4B when such payment is required to be made by this Section 4B, then (i) the applicable redemption price with respect to each share of Perpetual Preferred Stock shall be automatically increased by an amount equal to five percent (5%) of the Stated Value and (ii) until such time as the Corporation makes such redemption payment (as so increased by this paragraph), dividends on the shares of Perpetual Preferred Stock called for redemption shall continue to accrue on and after the redemption date at the then applicable Dividend Rate (including any applicable increases to the then applicable Dividend Rate pursuant to Section 2C).

In the event that any indenture or agreement relating to indebtedness for borrowed money of the Corporation would prohibit the Corporation from redeeming the Perpetual Preferred Stock pursuant to this Section 4B upon the occurrence of a Change of Control, then the Corporation shall, not later than the occurrence of such Change of Control, either obtain any requisite consents under such indenture or agreement relating to indebtedness for borrowed money to permit the redemption of the

Perpetual Preferred Stock pursuant to this Section 4B or shall repay the outstanding indebtedness under such indenture or agreement relating to indebtedness for borrowed money.

4C. Notice of Redemption. The Corporation shall mail written notice of any redemption pursuant to this Section 4, postage prepaid, at least fifteen (15) days but not more than sixty (60) days prior to the redemption date, to each holder of record of shares of Perpetual Preferred Stock to be redeemed at such holder's address appearing on the stock register of the Corporation. Each such notice shall state (i) the date fixed for such redemption, (ii) the place or places where certificates for the shares of Perpetual Preferred Stock called for redemption are to be surrendered for payment, (iii) the redemption price, (iv) that unless the Corporation defaults in making the redemption payment, dividends on the shares of Perpetual Preferred Stock called for redemption shall cease to accrue on and after the redemption date, and (v) that if fewer than all of the shares of Perpetual Preferred Stock owned by such holder are then to be redeemed, the number of shares which are to be redeemed.

If the notice of redemption shall have been so mailed and if prior to the date of redemption specified in such notice all funds necessary for such redemption shall have been irrevocably deposited in trust, for the account of the holders of the shares of Perpetual Preferred Stock to be redeemed, with a bank or trust company named in such notice doing business in New York, New York, and having capital surplus and undivided profits of at least $500,000,000, then, without awaiting the redemption date, all shares of Perpetual Preferred Stock with respect to which such notice shall have been so mailed and such deposit shall have been so made thereupon shall, notwithstanding that any certificate for shares of Perpetual Preferred Stock shall not have been surrendered for cancellation, be deemed no longer to be outstanding, and all rights with respect to such shares of Perpetual Preferred Stock forthwith upon such deposit in trust shall cease and terminate, except for the right of the holders thereof on or after the redemption date to receive out of such deposit the amount payable upon the redemption, without interest. If the holders of any shares of Perpetual Preferred Stock which have been called for redemption shall not within two (2) years (or any longer period required by law) after the redemption date claim any amount so deposited in trust for the redemption of such shares, then such bank or trust company shall, if permitted by applicable law, pay over to the Corporation any such unclaimed amount so deposited with it and thereupon shall be relieved of all responsibility in respect thereof; and thereafter the holders of such shares shall, subject to applicable unclaimed property laws, look only to the Corporation for payment of the redemption price for such shares, without interest. Upon surrender, in accordance with such notice, of the certificates for any shares so redeemed, the applicable redemption price shall be paid in cash by wire transfer of immediately available funds to an account or accounts designated by such holder of Perpetual Preferred Stock. In the event that less than all of the shares of Perpetual Preferred Stock represented by any certificate are redeemed, a new certificate representing the unredeemed shares shall be promptly issued to the holder thereof without cost to such holder.

4D. Status of Shares. Shares of Perpetual Preferred Stock redeemed, purchased, or otherwise acquired by the Corporation shall, after such acquisition, have the status of authorized but unissued shares of Preferred Stock and may be reissued by the Corporation at any time as shares of any series of Preferred Stock, other than as shares of Perpetual Preferred Stock.

Section 5. Voting Rights. The holders of Perpetual Preferred Stock shall have no right to vote on any matters to be voted on by the stockholders of the Corporation except (i) as required by applicable law, (ii) as set forth in Section 11 hereof, and (iii) that the holders of the Perpetual Preferred Stock shall be entitled to vote as a separate class, with each share of Perpetual Preferred Stock being entitled to one vote, with respect to any proposed amendment to the Corporation's Certificate of Incorporation that would (1) alter or change the powers, preferences or special rights of the shares of Perpetual Preferred Stock, or (2) adversely affect in any material respect the rights of such holders.

Section 6. Negative Covenants.

6A. No Prohibition on Dividends. So long as any shares of Perpetual Preferred Stock are issued and outstanding, the Corporation shall not enter into any agreement which, by its terms (other than in the event of a breach of, or a default under, such agreement), would prohibit the payment of dividends on the Perpetual Preferred Stock; provided that the bridge credit facilities (collectively, the "Bridge Facility") described in the Commitment Letter (the "Commitment Letter") dated as of July 15, 2007, among, the Corporation, CHLH Corp., Lehman Brothers Inc., Lehman Brothers Commercial Bank and

Lehman Commercial Paper Inc. may, for so long as the Bridge Facility remains outstanding, prohibit the payment of cash dividends on the Perpetual Preferred Stock on any Dividend Payment Date on or after the first anniversary of the Issue Date to the extent that (in each case as set forth in the Commitment Letter) (x) the amount of any such dividends would cause the limitation on aggregate restricted payments of $17,400,000 for each annual period commencing on the first anniversary of the Issue Date and ending on the day immediately preceding the next anniversary of the Issue Date to be exceeded or (y) immediately before or after giving effect to such payment the Corporation shall not be in compliance with the agreed upon cash interest coverage ratio set forth in the Bridge Facility (provided that the ratio applicable at any time under such test shall be the same as the ratio applicable at such time under the minimum cash interest coverage ratio financial covenant).

6B. Redemption Default; Passed Dividends. In the event of a failure by the Corporation to make any applicable redemption payment required to be made pursuant to Section 4B when such payment is required to be made pursuant to Section 4B, or a Passed Dividend (including any Accumulated Dividend), until such time as such requried redemption payment has been made or the payment has been made with respect to all Passed Dividends, as applicable, the Corporation shall not, without the prior written consent of the holders of a majority of the outstanding shares of Perpetual Preferred Stock: (i) redeem, purchase or otherwise acquire any Junior Securities or Parity Securities, nor shall the Corporation pay or declare any dividend or make any distribution upon any Junior Securities or Parity Securities (other than dividends or distributions payable in-kind, including through accretion of the stated value of such securities, in accordance with the terms of such securities); (ii) acquire or agree to acquire by merging or consolidating with, or by purchasing all or a substantial portion of the assets of, or by purchasing all or a substantial equity or voting interest in, or by any other manner, any Person or division thereof, other than acquisitions not to exceed $30,000,000 on an aggregate basis during the period in which such Passed Dividends or redemption payment, as applicable, remain unpaid; or (iii) incur capital expenditures in excess of $20,000,000 in any consecutive twelve-month period commencing after the occurrence of such Passed Dividend or redemption payment, as applicable.

6C. No Issuance of Senior or Parity Preferred Stock. So long as any shares of Perpetual Preferred Stock are issued and outstanding, the Corporation shall not, without the prior written consent of the holders of at least a majority of the then outstanding shares of Perpetual Preferred Stock, issue any series of Preferred Stock ranking senior to or on a parity with the Perpetual Preferred Stock with respect to the payment of dividends or distributions, redemption or in the liquidation, dissolution or winding up, or upon any distribution of the assets of, the Corporation.

Section 7. Transfer Restrictions.

(i) None of the shares of Perpetual Preferred Stock may be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities laws, or pursuant to an exemption therefrom, and in each case in compliance with the terms of this Certificate and the restrictions set forth in the text of the restrictive legend required to be set forth on the Shares pursuant to clause (ii) of this Section 7. The Corporation

shall be entitled to give stop transfer orders to its transfer agent with respect to the shares of Perpetual Preferred Stock in order to enforce the foregoing restrictions.

(ii) Each certificate representing shares of Perpetual Preferred Stock shall contain a legend substantially to the following effect (in addition to any legends required under applicable securities laws):

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE DIRECTLY OR INDIRECTLY OFFERED, SOLD, TRANSFERRED, ENCUMBERED, ASSIGNED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (B) AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, INCLUDING RULE 144, SUBJECT TO THE COMPANY'S AND THE TRANSFER AGENT'S RIGHT PRIOR TO ANY SUCH OFFER, SALE, TRANSFER, ENCUMBRANCE, ASSIGNMENT OR OTHER DISPOSITION TO REQUIRE THE DELIVERY OF REASONABLE AND CUSTOMARY CERTIFICATIONS AND/OR OTHER INFORMATION REASONABLY SATISFACTORY TO EACH OF THEM.

To the extent that the circumstances or provisions requiring the above legend have ceased to be effective, the Corporation will upon request reissue certificates without the legend.

Section 8. Registration of Transfer. The Corporation shall keep at its principal office a register for the registration of Perpetual Preferred Stock. Upon the surrender of any certificate representing Perpetual Preferred Stock at such place, the Corporation shall, at the request of the record holder of such certificate, execute and deliver (at the Corporation's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of shares of Perpetual Preferred Stock represented by the surrendered certificate. Each such new certificate shall be registered in such name and shall represent such number of shares of Perpetual Preferred Stock as is requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate, and dividends shall accrue on the Perpetual Preferred represented by such new certificate from the date to which dividends have been fully paid on such Perpetual Preferred Stock represented by the surrendered certificate.

Section 9. Replacement. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing shares of Perpetual Preferred Stock, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation (provided that if the holder is a financial institution or other institutional investor its own agreement shall be satisfactory), or, in the case of any such mutilation upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of Perpetual Preferred Stock of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

Section 10. Definitions.

"**Business Day**" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York City, New York are authorized or required by law, regulation or executive order to close.

"**Certificate**" means this Certificate of Designations of the Powers, Preferences and Relative, Participating, Optional and Other Special Rights of Series A Perpetual Preferred Stock, and Qualifications, Limitations and Restrictions Thereof.

"**Change of Control**" means the occurrence of any of the following:

(1) the acquisition by any Person (including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act) of beneficial ownership (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of shares of capital stock of the Corporation entitling such person to exercise 50% or more of the total voting power of all shares of Voting Stock of the Corporation, other than (a) any such acquisition by the Corporation, any wholly owned subsidiary of the Corporation (provided that the "holding company condition is satisfied" (as defined below), if applicable) or any employee benefit plan of the Corporation or (b) any such acquisition by any holding company which after the occurrence of such acquisition owns 100% of the total voting power of all shares of Voting Stock of the Corporation and as a result of which the "holding company condition is satisfied" (so long as no Change of Control would otherwise have occurred in respect of the Voting Stock of such holding company);

(2) any consolidation of the Corporation with, or merger of the Corporation into, any other Person, any merger of another Person into the Corporation, or any conveyance, sale, transfer, share exchange, lease (other than a mere grant of security interest) or other disposition of all or substantially all of the assets of the Corporation to another Person, other than (a) any such transaction (x) that does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of capital stock of the Corporation unless the "holding company condition is satisfied," (y) pursuant to which the holders of 50% or more of the total voting power of all shares of the Corporation's capital stock entitled to vote generally in the election of directors immediately prior to such transaction have the entitlement to exercise, directly or indirectly, 50% or more of the total voting power of all shares of capital stock entitled to vote generally in the election of directors of the continuing or surviving corporation or Person to whom all or substantially all of the Corporation's assets were transferred, immediately after such transaction and (z) in addition, in the case of a sale, transfer or other disposition of all or substantially all of the assets of the Corporation, the holders of 50% or more of the shares of the Corporation's capital stock immediately prior to such transaction hold, directly or indirectly, 50% or more of the shares of capital stock of the Person to whom all or substantially all of the Corporation's assets were transferred, immediately after such transaction; (b) any transaction which is effected solely to change the jurisdiction of incorporation of the Corporation and results in a reclassification, conversion or exchange of outstanding shares of Common Stock into solely shares of common stock of the surviving entity), and as a result of which the "holding company condition is satisfied", if applicable; and (c) any such transaction with a holding company which after the occurrence of such transaction owns 100% of the total voting power of all shares of Voting Stock of the Corporation (so long as no Change of Control would otherwise have occurred in respect of the Voting Stock of such holding company), and as a result of which the "holding company condition is satisfied";

(3) the first day on which a majority of the members of the Board of Directors are not Continuing Directors; or

(4) with respect to any indenture or agreement relating to indebtedness for borrowed money of the Corporation or its significant subsidiaries in an aggregate outstanding principal amount in excess of $100,000,000, any event that, absent a waiver or consent of the obligees (however denominated) under such indenture or agreement, would (a) constitute a change in control (however denominated) with respect to the Corporation under and as defined in such indenture or agreement and (b) result under the terms of such indenture or agreement in an accelerated obligation to repay such indebtedness as a result of such change in control (however denominated).

"**Common Stock**" means the Corporation's common stock, par value $.01 per share.

"**Continuing Directors**" means, as of any date of determination, any member of the Board of Directors who: (1) was a member of such Board of Directors on the date of this Certificate; or (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**holding company condition is satisfied**" means that the Perpetual Preferred Stock and any other series of Preferred Stock, in each case, outstanding immediately prior to the applicable transaction that remains outstanding immediately after such transaction, have become direct obligations of the Person acquiring voting power over Voting Stock of the Corporation or becoming a surviving entity or the Person to whom all or substantially all of the assets of the Corporation are transferred, as applicable, and that the Corporation (to the extent that it still exists) shall have guaranteed the performance of the obligations of such Person with respect to the Perpetual Preferred Stock (to the extent that it remains outstanding immediately following such transaction).

"**Junior Securities**" means any shares of Common Stock of the Corporation and any shares of Preferred Stock specifically designated as junior to the Perpetual Preferred Stock with respect to the payment of dividends and distributions, in the liquidation, dissolution, winding up, or upon any other distribution of the assets of, the Corporation.

"**Parity Securities**" means any shares of Preferred Stock, including the Series B Convertible Preferred Stock, or other equity securities of the Corporation that do not by their terms expressly provide that they rank senior to or junior to the Perpetual Preferred Stock with respect to the payment of dividends and distributions, in the liquidation, dissolution, winding up, or upon any other distribution of the assets of, the Corporation.

"**Person**" means an individual, a partnership, a corporation, a limited liability company, a limited liability, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"**redemption date**" as to any share of Perpetual Preferred Stock means the applicable date specified herein in the case of any redemption; provided that no such date shall be a redemption date unless the applicable redemption price is actually paid in full on such date, and if not so paid in full, the redemption date shall be the date on which such amount is fully paid.

"**Stated Value**" of any share of Perpetual Preferred Stock as of any particular date shall be equal to $1,000. For the avoidance of doubt, no dividend paid on any share of Perpetual Preferred Stock shall constitute an offset to or credit against such share's Stated Value.

"**Treasury Rate**" for a Quarterly Dividend Period means the annual yield to maturity of U.S. Treasury securities with a ten-year maturity, as compiled by and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available prior to the last Business Day of such Quarterly Dividend Period (or, if such Statistical Release is no longer published, any publicly available source of similar data).

"**Voting Stock**" of a Person means capital stock of such Person entitled to vote generally in the elections of directors of such Person.

Section 11. Amendment and Waiver. No amendment, modification, alteration, repeal or waiver of any provision of Sections 1 to 10 hereof or this Section 11 shall be binding or effective without the prior written consent of the holders of a majority of the shares of Perpetual Preferred Stock outstanding at the time such action is taken.

Section 12. Notices. Except as otherwise expressly provided hereunder, all notices referred to herein shall be in writing and shall be delivered by registered or certified mail, return receipt requested and postage prepaid, or by reputable overnight courier service, charges prepaid, and shall be deemed to have been given when so mailed or sent (i) to the Corporation, at its principal executive offices and (ii) to any stockholder, at such holder's address as it appears in the stock records of the Corporation (unless otherwise indicated by any such holder).

[*signature page follows***]**

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designations of the Powers, Preferences and Relative, Participating, Optional and Other Special Rights, and Qualifications, Limitations and Restrictions Thereof, of Series A Perpetual Preferred Stock of IHOP Corp. to be executed by **[ ]**, its **[ ]**, this **[ ]** day of **[ ]** 200**[ ]**.

IHOP CORP.

By: _____
Name:
Title:

Exhibit 10.2

IHOP CORP.

SERIES B CONVERTIBLE PREFERRED STOCK
PURCHASE AGREEMENT

This Agreement (this "**Agreement**") is made as of July 15, 2007, among IHOP Corp., a Delaware corporation (the "**Company**"), and the purchasers identified on Schedule A hereto, as such schedule may be updated pursuant to Section 1.1 hereof (each, a "**Purchaser**" and, collectively, the "**Purchasers**").

WHEREAS, the Company has entered into an Agreement and Plan of Merger, dated as of the date hereof (as it may be amended or supplemented from time to time, the "**Merger Agreement**"), by and among the Company, CHLH Corp., a Delaware corporation and a wholly owned subsidiary of the Company ("**MergerSub**"), and Applebee's International, Inc., a Delaware corporation ("**Target**"), pursuant to, and on the terms and subject to the conditions of which, MergerSub will merge with and into Target, with Target surviving (the "**Merger**"), and each outstanding share of Target (other than shares held by Target or any of Target's subsidiaries or by MergerSub) automatically shall be canceled in exchange for, and converted into the right to receive, the cash price per share set forth in the Merger Agreement (the "**Merger Consideration**"); and

WHEREAS, the Company proposes to issue and sell to the Purchasers an aggregate of 35,000 shares of its preferred stock, par value $1.00 per share (the "**Preferred Stock**"), designated as "Series B Convertible Preferred Stock" (the "**Convertible Preferred Stock**" and, such shares, the "**Shares**"), having the rights, privileges, preferences and restrictions as set forth in the Certificate of Designations of the Powers, Preferences and Relative, Participating, Optional and Other Special Rights, and Qualifications, Limitations and Restrictions Thereof, of Series B Convertible Preferred Stock (the "**Certificate**") in the form attached to this Agreement as Exhibit A, subject to the terms and conditions set forth in this Agreement;

WHEREAS, the Convertible Preferred Stock is convertible into shares of common stock, par value $.01 per share, of the Company (the "**Common Stock**" and such shares, the "**Underlying Shares**");

WHEREAS, the cash proceeds received by the Company from the issuance and sale of the Shares to the Purchasers pursuant to this Agreement will be used by the Company to fund a portion of the Merger Consideration and other costs and expenses of the transactions contemplated by the Merger Agreement; and

WHEREAS, the Shares are being offered and sold to the Purchasers in a private placement without registration under the Securities Act of 1933, as amended (the "**Securities Act**"), in reliance on an exemption from the registration requirements under the Securities Act.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, mutual covenants and agreements set forth herein, the parties hereto agree as follows:

SECTION 1. PURCHASE AND SALE OF THE SHARES

1.1 Agreement to Purchase and Sell. Upon the basis of the representations, warranties and covenants, and on the terms and subject to the conditions set forth in this Agreement, at the Closing (as defined below), the Company agrees to sell to the Purchasers, and the Purchasers agree to

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purchase from the Company, the Shares for an aggregate amount in cash equal to Thirty-Five Million United States Dollars ($35,000,000.00) (the "**Purchase Price**"), in the respective proportions to be specified by the Purchasers to the Company at least two (2) business days prior to the Closing Date (as defined below). The parties hereto agree to update Schedule A hereto prior to the Closing Date in order to reflect the number of Shares to be purchased by each Purchaser, the portion of the Purchase Price to be paid by each Purchaser and any change in the identity of any Purchaser.

1.2 Closing. The closing of the purchase and sale of the Shares (the "**Closing**") shall be held at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 300 South Grand Avenue, Suite 3400, Los Angeles, California 90071, on the date that the Merger becomes effective and the closing of the transactions contemplated by the Merger Agreement occurs (the "**Merger Closing**"), or at such other time and place upon which the Company and the Purchaser shall agree (the date of the Closing under this Agreement is hereinafter referred to as the "**Closing Date**").

1.3 Delivery and Payment.

(a) At the Closing, the Company shall deliver or cause to be delivered to each Purchaser (i) a stock certificate or certificates evidencing the number of Shares to be purchased by such Purchaser pursuant to this Agreement, such stock certificate(s) to be in the denomination(s) and issued in the name(s) specified to the Company by such Purchaser, (ii) the Registration Rights Agreement, dated as of the Closing Date, among the Purchasers and the Company, substantially in the form attached as Exhibit B hereto (the "**Registration Rights Agreement**"), executed by the Company, and (iii) all other documents, instruments and writings required to be delivered by the Company to such Purchaser pursuant to this Agreement or otherwise required in connection herewith.

(b) At the Closing, each Purchaser shall deliver or cause to be delivered to the Company (i) the portion of the Purchase Price for the Shares being purchased by such Purchaser, by wire transfer of immediately available funds to the account designated by the Company, (ii) the Registration Rights Agreement, executed by such Purchaser, and (iii) all other documents, instruments and writings required to be delivered by such Purchaser to the Company pursuant to this Agreement or otherwise required in connection herewith.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in SEC Documents (as defined below) or in the referenced schedule attached hereto, as of the date hereof, the Company hereby represents and warrants to the Purchasers as follows:

2.1 Incorporation and Organization. The Company (a) is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware; (b) has the requisite corporate power and authority to conduct, operate and carry on its business and operations as currently conducted, and to manage, use, control, own, lease and operate its properties and assets; and (c) is duly qualified or licensed to do business as a foreign corporation and is in good standing in every jurisdiction in which such qualification or licensing is required, except where the failure to be so qualified or licensed and in good standing, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the business, condition (financial or otherwise), operations, assets or liabilities of the Company and its subsidiaries, taken as a whole (a "**Material Adverse Effect**").

2.2 Issuance and Delivery of Shares. The Shares have been duly authorized and, when issued by the Company and paid for by the Purchasers, in compliance with the provisions of this Agreement, (a) shall be free and clear of any and all liens, security interests, options, claims,

encumbrances or restrictions (collectively, "**Liens**"), except for such restrictions on transfer or ownership as set forth in this Agreement or in the Certificate or otherwise imposed by applicable federal or state securities laws, (b) shall have been duly authorized and validly issued, (c) shall be fully paid and nonassessable and (d) shall have been issued in compliance with all applicable federal and state securities laws. The issuance and delivery of the Shares are not subject to any preemptive or similar rights. The Underlying Shares have been duly authorized and reserved for issuance, and when issued and delivered upon conversion of the Shares in accordance with the Certificate, (a) shall be free and clear of any Liens, except for such restrictions on transfer or ownership as set forth in this Agreement or in the Certificate or otherwise imposed by applicable federal or state securities laws, (b) shall have been duly authorized and validly issued, (c) shall be fully paid and nonassessable and (d) shall have been issued in compliance with all applicable federal and state securities laws.

2.3 Capital Structure. The authorized capital stock of the Company consists of 40,000,000 shares of Common Stock, and 10,000,000 shares of Preferred Stock. As of June 29, 2007, (i) 16,835,229 shares of Common Stock were issued and outstanding (not including 6,254,195 shares of Common Stock held in treasury), and no shares of Preferred Stock were issued and outstanding, and (y) 608,106 shares of Common Stock were reserved for issuance upon exercise of outstanding options to purchase shares of Common Stock. Except as set forth in Schedule 2.3 hereto, there are no outstanding securities, options, warrants, calls, rights, contracts, commitments, agreements, arrangements or understandings to which the Company or any of its subsidiaries is a party, or by which any of them is bound, obligating the Company or any of its subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, shares of capital stock or other securities of the Company or any of its subsidiaries, or any securities convertible into or exercisable or exchangeable for any shares of capital stock or other securities of the Company or any of its subsidiaries, or obligating the Company or any of its subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call, right, contract, commitment, agreement, arrangement or understanding. Except as set forth in Schedule 2.3 hereto, there are no contracts, commitments, agreements, arrangements or understandings to which the Company or any of its subsidiaries is a party, or by which any of them is bound, granting to any person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or requiring the Company to include such securities with Shares registered pursuant to any registration statement.

2.4 Subsidiaries. Each of the subsidiaries of the Company (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; (b) has full corporate power and authority to conduct, operate and carry on its business and operations as currently conducted, and to manage, use, control, own, lease and operate its properties and assets; and (c) is duly qualified or licensed to do business and is in good standing in every jurisdiction in which such qualification or licensing is required, except where the failure to be so qualified or licensed and in good standing, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. All of the outstanding shares of capital stock of, other securities of or other interests in each of the Company's subsidiaries are owned by the Company, directly or indirectly through one or more of the Company's subsidiaries.

2.5 Authorization; Validity of Agreement; Company Action. The Company has the requisite corporate power and authority to execute and deliver this Agreement and the Registration Rights Agreement, to perform its obligations under this Agreement and the Registration Rights Agreement and to consummate the transactions contemplated by this Agreement and the Registration Rights Agreement. The execution and delivery by the Company of this Agreement and the Registration Rights Agreement and the consummation by the Company of the transactions contemplated by this Agreement and the Registration Rights Agreement have been duly authorized by, and this Agreement and the Registration Rights Agreement and each of the transactions contemplated by this Agreement and the Registration

Rights Agreement have been validly approved by, the requisite vote of the Company's Board of Directors. No other corporate action or proceeding on the part of the Company is necessary for the execution and delivery by the Company of this Agreement or the Registration Rights Agreement, the performance by the Company of its obligations under this Agreement or the Registration Rights Agreement or the consummation by the Company of the transactions contemplated by the this Agreement or the Registration Rights Agreement. This Agreement and the Registration Rights Agreement have been duly executed and delivered by the Company and, assuming due authorization, execution and delivery of this Agreement and the Registration Rights Agreement, respectively, by the Purchaser, each of this Agreement and the Registration Rights Agreement is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject, as to enforcement, to (i) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereinafter in effect affecting creditors' rights generally and (ii) general principles of equity.

2.6 Consents and Approvals. Assuming the accuracy of the representations of the Purchaser set forth in Section 3 hereof, except for the filing of the Certificate with the Secretary of State of the State of Delaware, no registration (including any registration under the Securities Act) or filing with, or any notification to, or any approval, permission, consent, ratification, waiver, authorization, order, finding of suitability, permit, license, franchise, exemption, certification or similar instrument or document (each, an "**Authorization**") of or from, any court, arbitral tribunal, arbitrator, administrative or regulatory agency or commission or other governmental or regulatory authority, agency or governing body, domestic or foreign (each, a "**Governmental Entity**"), or any other person, or under any statute, law, ordinance, rule, regulation or agency requirement of any Governmental Entity (each, a "**Law**"), on the part of the Company or any of its subsidiaries is required in connection with the execution or delivery by the Company of this Agreement or the Registration Rights Agreement, the performance by the Company of its obligations under this Agreement or the Registration Rights Agreement or the consummation by

the Company of the transactions contemplated by this Agreement or the Registration Rights Agreement.

2.7 No Conflict. None of the execution or delivery by the Company of this Agreement or the Registration Rights Agreement, the performance by the Company of its obligations under this Agreement or the Registration Rights Agreement or the consummation by the Company of any of the transactions contemplated by this Agreement or the Registration Rights Agreement will (a) conflict with, or result in or constitute any violation or breach of or default under, or give rise (either with or without due notice or the passage of time or both or the happening or occurrence of any other event (including through the action or inaction of any person)) to any right of termination, amendment, cancellation or acceleration or any obligation to pay or repay with respect to, or result in the loss of any benefit under, any provision of (x) the articles of incorporation, bylaws or similar organizational documents of the Company or any of its subsidiaries or (y) any indenture, loan agreement, mortgage, guarantee, other indebtedness, lease or other agreement, contract, instrument, obligation, understanding or arrangement to which the Company or any of its subsidiaries is a party, or by which the Company or any of its subsidiaries may be bound, or to which any of the respective properties or assets of the Company or any of its subsidiaries may be subject, (each, a "**Contract**"); (b) conflict with, or result in or constitute any violation of, any award, decision, judgment, decree, injunction, writ, order, subpoena, ruling, verdict or arbitration award entered, issued, made or rendered by any federal, state, local or foreign government or any other Governmental Entity (each an "**Order**"), or any Law, applicable to the Company or any of its subsidiaries, or to any of their respective properties or assets; (c) result in the creation or imposition of (or the obligation to create or impose) any Lien on any of the properties or assets of the Company or any of its subsidiaries; or (d) conflict with, or result in or constitute any violation of, or result in the termination, suspension or revocation of, any Authorization applicable to the Company or any of its subsidiaries, or to any of their respective properties or assets, or result in any other impairment of the rights of the holder of any such Authorization, except in the case of clauses (a)(y), (b), (c) and (d), where

such conflict, violation, breach, default, termination, amendment, cancellation, acceleration, obligation to repay or loss of benefit, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

2.8 SEC Documents; Financial Statements. The Company has filed all required reports, proxy statements, forms, and other documents with the Securities and Exchange Commission (the "**SEC**") since January 1, 2004 (collectively, the "**SEC Documents**"). Each of the SEC Documents, as of its respective date complied in all material respects with the requirements of the Securities Act and the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such SEC Documents, and, except to the extent that information contained in any SEC Document has been revised or superseded by a later filed SEC Document filed and publicly available prior to the date of this Agreement, none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company and its consolidated subsidiaries included in the SEC Documents (a) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, in each case as of the date such SEC Document was filed, and (b) have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except as may be indicated in such financial statements or the notes thereto) and fairly presented in all material respects the consolidated financial position of the Company and its consolidated subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows of the Company and its consolidated subsidiaries for the periods then ended (subject, in the case of unaudited statements, to normal recurring audit adjustments).

2.9 Authorizations; Compliance with Law. Each of the Company and its subsidiaries has such Authorizations of, and has made all registrations and filings with and notices to, all Governmental Entities as are necessary to manage, use, control, own, lease and operate its properties and assets and to conduct, operate and carry on its business and operations, except where the failure to have any such Authorization or to make any such registration, filing or notice, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Company, each of the Company and its subsidiaries is in compliance with all Laws and Orders applicable to the Company or any of its subsidiaries, or to any of their respective properties or assets, or to any Shares, except where the failure to be in compliance, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

2.10 No Solicitation; No Integration. Neither the Company nor any of its subsidiaries or affiliates, nor any person acting on its or their behalf, (i) has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of the Shares or the Underlying Shares, (ii) has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under any circumstances that would require registration of the Shares or the Underlying Shares under the Securities Act or (iii) has issued any securities which would be integrated with the sale of the Shares or the Underlying Shares to such Purchaser for purposes of the Securities Act or of any applicable stockholder approval provisions, including, without limitation, under the rules and regulations of any exchange or automated quotation system on which any of the securities of the Company are listed or designated, nor will the Company or any of its subsidiaries or affiliates take any action or steps that would require registration of any of the Shares or the Underlying Shares under the Securities Act or cause the offering of the Shares or the Underlying Shares to be integrated with other offerings. Assuming the accuracy of the representations and warranties of the Purchaser in Section 3 of this Agreement, the offer and sale of the

Shares or the Underlying Shares by the Company to the Purchaser pursuant to this Agreement will be exempt from the registration requirements of the Securities Act.

2.11 Investment Company Act. The Company is not and, after giving effect to the transactions contemplated by this Agreement, will not be an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

As of the date hereof, each Purchaser represents and warrants to the Company, as to itself, as follows:

3.1 Authority. Such Purchaser has all requisite power and authority to execute and deliver this Agreement, to perform its obligations under this Agreement and the Registration Rights Agreement and to consummate the transactions contemplated by this Agreement and the Registration Rights Agreement. Such Purchaser has taken all requisite action with respect to, and no other action or proceeding on the part of such Purchaser is necessary for, the execution and delivery by such Purchaser of this Agreement and the Registration Rights Agreement, the performance by such Purchaser of its obligations under this Agreement and the Registration Rights Agreement or the consummation by such Purchaser of the transactions contemplated by this Agreement and the Registration Rights Agreement. This Agreement and the Registration Rights Agreement have been duly executed and delivered by such Purchaser and, assuming due authorization, execution and delivery of this Agreement and the Registration Rights Agreement, respectively, by the Company, each of this Agreement and the Registration Rights Agreement is a valid and binding obligation of such Purchaser and is enforceable by the Company against such Purchaser in accordance with its terms, subject, as to enforcement, to (i) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereinafter in effect affecting creditors' rights generally and (ii) general principles of equity.

3.2 Consents and Approvals. No Authorization of or from any Governmental Entity or any other person, on the part of such Purchaser, including, without limitation, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, is required in connection with the execution or delivery by such Purchaser of this Agreement or the Registration Rights Agreement, the performance by such Purchaser of its obligations under this Agreement or the Registration Rights Agreement or consummation by such Purchaser of the transactions contemplated by this Agreement or the Registration Rights Agreement.

3.3 Business and Financial Experience. By reason of its business or financial experience or the business or financial experience of its professional advisors who are unaffiliated with the Company and who are not compensated by the Company, such Purchaser has the capacity to evaluate the merits and risks of the purchase of the Shares and the Underlying Shares.

3.4 Investment Intent; Blue Sky. Such Purchaser is acquiring the Shares and the Underlying Shares for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution thereof. Such Purchaser understands that the issuance of the Shares and the Underlying Shares has not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of such Purchaser's investment intent and the accuracy of such Purchaser's representations as expressed herein. Such Purchaser's address set forth in Section 6.2 represents such Purchaser's true and correct state of domicile, upon which the Company may rely for the purpose of complying with applicable Blue Sky laws. Such Purchaser understands that the Company is relying on the statements contained in this Agreement to establish an exemption from

registration under federal and state securities laws. Such Purchasers shall promptly notify the Company in writing of any changes in the information set forth in this Agreement with respect to such Purchaser.

3.5 Information and Investment Risk.

(a) Such Purchaser acknowledges that the Shares and the Underlying Shares must be held indefinitely unless subsequently registered under the Securities Act or unless an exemption from such registration is available. It is aware of the provisions of Rule 144 promulgated under the Securities Act which permit limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things, the existence of a public market for the shares, the availability of certain current public information about the Company, the resale occurring not less than one year after a party has purchased and paid for the security to be sold, the sale being effected through a "broker's transaction" or in a transaction directly with a "market maker," and the number of shares being sold during any three-month period not exceeding specified limitations. Such Purchaser recognizes that an investment in the Shares and the Underlying Shares involves a high degree of risk, including a risk of total loss of such Purchaser's investment. Such Purchaser is able to bear the economic risk of holding the Shares and the Underlying Shares for an indefinite period.

(b) Such Purchaser has had an opportunity to discuss the Company's business, management and financial affairs with the Company's management. It has also had an opportunity to ask questions of officers of the Company. It understands that such discussions, as well as any written information issued by the Company, were intended to describe certain aspects o£ the Company's business and prospects but were not a thorough or exhaustive description. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 2 of this Agreement, or the right of such Purchaser to rely thereon.

3.6 Accredited Investor. Such Purchaser represents that it is an accredited investor within the meaning of Regulation D under the Securities Act. Such Purchaser will have at the Closing sufficient immediately available funds in cash to pay the aggregate Purchase Price for the Shares set forth opposite such Purchaser's name on Schedule A hereto.

3.7 No Legal, Tax or Investment Advice. Such Purchaser understands that nothing in this Agreement or the Registration Rights Agreement or any other materials presented to such Purchaser in connection with the purchase and sale of the Shares or the Underlying Shares constitutes legal, tax or investment advice. Such Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed to be necessary or appropriate in connection with its purchase of the Shares and the Underlying Shares, and it relies solely on such advisors and not on any statements or representations of the Company or any of the Company's agents or representatives with respect to such legal, tax and investment consequences. Such Purchaser understands that it, and not the Company, shall be responsible for its own tax liability that may arise as a result of the transactions contemplated by this Agreement and the Registration Rights Agreement.

SECTION 4. CONDITIONS

4.1 Conditions to Each Party's Obligations. Each Purchaser's obligation to purchase the Shares at the Closing, and the Company's obligation to issue and sell the Shares at the Closing, is subject to the satisfaction, or waiver by such Purchaser and the Company, respectively, of the following conditions:

(a) Merger Closing. All conditions in Article VII of the Merger Agreement shall have been satisfied or, if permissible, waived by the party entitled to make such a waiver, and the Merger Closing shall have simultaneously occurred.

(b) No Injunctions or Illegality. No temporary restraining order, preliminary or permanent injunction or other judgment or order issued by any Governmental Entity and no Law shall be in effect enjoining, making illegal or otherwise prohibiting the consummation of the transactions contemplated by this Agreement; provided, however, that the party claiming such failure of condition shall have used its reasonable best efforts to prevent the entry of any such injunction or order and to appeal as promptly as possible any injunction or other order that may be entered.

(c) NYSE Listing. The Underlying Shares shall have been approved for supplemental listing, subject to official notice of issuance, on the New York Stock Exchange.

4.2 Conditions to Closing of the Purchasers. Each Purchaser's obligation to purchase the Shares at the Closing also is subject to the satisfaction, or waiver by such Purchaser, of the following conditions:

(a) Representations and Warranties.

(i) The representations and warranties of the Company set forth in Section 2.3 shall be true and correct as of the date of this Agreement and the Closing Date (except to the extent that such representation or warranty speaks of an earlier date, in which case as of such earlier date).

(ii) The representations and warranties of the Company set forth in Sections 2.1, 2.2, 2.5, 2.6, 2.7, 2.10 and 2.11 and the first sentence of Section 2.8 of this Agreement shall be true and correct (disregarding all qualifications or limitations as to materiality or a Material Adverse Effect) as of the date of this Agreement and as of the Closing Date (except to the extent that such representation or warranty speaks of an earlier date, in which case as of such earlier date) as though made on and as of the Closing Date, except where the failure of such representations and warranties to be so true and correct would not, individually or in the aggregate, reasonably to be expected to have a Material Adverse Effect.

(iii) The Purchasers shall have received a certificate signed on behalf of the Company by the Chief Executive Officer and the Chief Financial Officer of the Company to the effect set forth in clauses (i) and (ii) of this Section 4.2(a).

(b) Performance of Obligations of Company. The Company shall have performed in all material respects all agreements and covenants required to be performed by it under this Agreement prior to the Closing Date. The Purchasers shall have received a certificate signed on behalf of the Company by the Chief Executive Officer and the Chief Financial Officer of the Company to such effect.

(c) Filing of Certificate. The Company shall have filed the Certificate with the Secretary of State of the State of Delaware.

4.3 Conditions to Closing of the Company. The Company's obligation to issue and sell the Shares at the Closing is subject to the satisfaction, or waiver by the Company, of the following conditions:

(a) Representations and Warranties. The representations and warranties of each Purchaser set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date (except to the extent that such representation or warranty speaks of an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such date) as though made on and as of the Closing Date. The Company shall have received a certificate signed on behalf of each Purchaser by an authorized officer of such Purchaser to such effect.

(b) Performance of Obligations of the Purchasers. Each Purchaser shall have performed in all material respects all agreements and covenants required to be performed by it under this Agreement prior to the Closing Date. The Company shall have received a certificate signed on behalf of each Purchaser by an authorized officer of such Purchaser to such effect.

SECTION 5. RESTRICTIONS ON TRANSFER OF SHARES

5.1 Restrictions on Transferability. The Shares and the Underlying Shares may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities laws, or pursuant to an exemption therefrom, and in each case in compliance with the terms of this Agreement and the restrictions set forth in the text of the restrictive legend required to be included on the Shares and the Underlying Shares pursuant to Section 5.2 hereof. The Company shall be entitled to give stop transfer orders to its transfer agent with respect to the Shares and the Underlying Shares in order to enforce the foregoing restrictions.

5.2 Restrictive Legend. Each certificate representing the Shares and each certificate representing the Underlying Shares will contain a legend substantially to the following effect (in addition to any legends required under applicable securities laws).

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE DIRECTLY OR INDIRECTLY OFFERED, SOLD, TRANSFERRED, ENCUMBERED, ASSIGNED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (B) AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, INCLUDING RULE 144, SUBJECT TO THE COMPANY'S AND THE TRANSFER AGENT'S RIGHT PRIOR TO ANY SUCH OFFER, SALE, TRANSFER, ENCUMBRANCE,

ASSIGNMENT OR OTHER DISPOSITION TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION REASONABLY SATISFACTORY TO EACH OF THEM.

To the extent that the circumstances or provisions requiring the above legend have ceased to be effective, the Company will upon request reissue certificates without the legend.

SECTION 6. MISCELLANEOUS

6.1 Survival of Representations and Warranties; Termination.

(a) All representations, warranties, covenants and agreements (except covenants and agreements which are expressly required to be performed and are performed in full on or before the Closing Date) contained in this Agreement shall survive the Closing Date for one year.

(b) This Agreement shall immediately and automatically terminate without any action by the parties hereto in the event that the Merger Agreement is terminated in accordance with its terms at any time prior to the Closing.

6.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed sufficiently given and served for all purposes (a) when personally delivered or given by machine-confirmed facsimile, (b) one business day after a writing is delivered to a national overnight courier service or (c) three business days after a writing is deposited in the United States mail, first class postage or other charges prepaid and registered, return receipt requested, in each case, addressed as follows (or at such other address for a party as shall be specified by like notice):

(i) in the case of the Company, to:

IHOP Corp.
450 North Brand Boulevard
Glendale, California 91203-2306
Attention: General Counsel
Facsimile No.: (818) 637-3131

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue
Los Angeles, California 90071
Attn: Rodrigo A. Guerra, Esq.
Facsimile No.: (213) 621-5217

(ii) in the case of each Purchaser, addressed as set forth opposite such Purchaser's name on Schedule A hereto,

with a copy to:

Cadwalader, Wickersham & Taft LLP
One World Financial Center, Suite 32-106
New York, New York 10281
Attention: Dennis J. Block, Esq.
Facsimile No: (212) 504-5557

6.3 Amendments and Waivers. No modifications or amendments to, or waivers of, any provision of this Agreement may be made, except pursuant to a document signed by the Company and the Purchaser.

6.4 Interpretation. When a reference is made in this Agreement to Sections, paragraphs, clauses or Exhibits, such reference shall be to a Section, paragraph, clause or Exhibit to this Agreement unless otherwise indicated. The words "include," "includes," and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement has been negotiated by the respective parties hereto and their attorneys and the language hereof will not be construed for or against any party. The phrases "the date of this Agreement," "the date hereof," and terms of similar import, unless the context otherwise requires, shall be deemed to refer to July 15, 2007. The words "hereof," "herein," "herewith," "hereby" and "hereunder" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement. For the avoidance of doubt, references to "transactions contemplated by this Agreement" and "performance of obligations under this Agreement" (and words of similar import) shall not be deemed to refer to the Merger or to any of the transactions contemplated by the Merger Agreement or to the performance of obligations under the Merger Agreement.

6.5 Fee and Expenses. Each party shall pay all costs and expenses incurred by it in connection with the execution and delivery of this Agreement and the transactions contemplated hereby, including fees of legal counsel.

6.6 Further Assurances. Each party to this Agreement shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such agreements, certificates, instruments and documents as the other party hereto may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

6.7 No Third-Party Beneficiaries. No person or entity not a party to this Agreement shall be deemed to be a third-party beneficiary hereunder or entitled to any rights hereunder. All representations, warranties or agreements of any Purchaser contained in this Agreement shall inure to the benefit of the Company.

6.8 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties hereto. Notwithstanding the foregoing, neither any Purchaser nor the Company shall assign or delegate any of its rights or obligations under this Agreement, *provided* that the Purchaser may assign its rights to an affiliate if it has given prior written notice to the Company.

6.9 Entire Agreement. This Agreement and all other documents required to be delivered pursuant hereto constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior documents, agreements and understandings, both written and verbal, among the parties with respect to the subject matter hereof and the transactions contemplated hereby.

6.10 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, then, if possible, such illegal, invalid or unenforceable provision will be modified to such extent as is necessary to comply with such present or future laws and such modification shall not affect any other provision hereof; provided that if such provision may not be so modified such illegality, invalidity or unenforceability will not affect any other provision, but this Agreement will be reformed, construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein.

6.11 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH CONTRACTS MADE AND TO BE PERFORMED IN THE STATE OF NEW YORK.

6.12 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to each of the other parties, it being understood that all parties need not sign the same counterpart.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

IHOP CORP.

By: /s/ Thomas Conforti
Name: Thomas Conforti
Title: Chief Financial Officer

[Signature Page to Convertible Preferred Stock Purchase Agreement**]**

CHILTON INVESTMENT PARTNERS, L.P.

By: **Chilton Investment Company, LLC,**
as general partner

By: /s/ James Steinthal
Name: James Steinthal
Title: Managing Director

CHILTON QP INVESTMENT PARTNERS, L.P.

By: **Chilton Investment Company, LLC,**
as general partner

By: /s/ James Steinthal
Name: James Steinthal
Title: Managing Director

CHILTON INTERNATIONAL, L.P.

By: **Chilton Investment Company, LLC,**
as general partner

By: /s/ James Steinthal
Name: James Steinthal
Title: Managing Director

CHILTON STRATEGIC VALUE PARTNERS, L.P.

By: **Chilton Investment Company, LLC,**
as general partner

By: /s/ James Steinthal
Name: James Steinthal
Title: Managing Director

CHILTON OPPORTUNITY TRUST, L.P.

By: **Chilton Investment Company, LLC,**
as general partner

By: /s/ James Steinthal
Name: James Steinthal
Title: Managing Director

[Signature Page to Convertible Preferred Stock Purchase Agreement]

CHILTON GLOBAL PARTNERS, L.P.

By: **Chilton Investment Company, LLC,**
as general partner

By: /s/ James Steinthal
Name: James Steinthal
Title: Managing Director

CHILTON OPPORTUNITY INTERNATIONAL, L.P.

By: **Chilton Investment Company, LLC,**
as general partner

By: /s/ James Steinthal
Name: James Steinthal
Title: Managing Director

BIRCHWOOD INVESTMENTS LTD. LLC

By: **Chilton Investment Company, Inc.,**
as managing member

By: /s/ Patricia Mallon
Name: Patricia Mallon
Title: President

/s/ Kristin Resnansky
KRISTIN RESNANSKY

/s/ Rachel S. Obenshain
RACHEL S. OBENSHAIN

SCHEDULE A

SCHEDULE OF PURCHASERS

Name of Purchaser	Address of Purchaser	Number of Shares to be Purchased by such Purchaser(1)
Chilton Investment Partners, L.P.		
Chilton QP Investment Partners, L.P.		
Chilton International, L.P.		
Chilton Strategic Value Partners, L.P.		
Chilton Opportunity Trust, L.P.		
Chilton Global Partners, L.P.		
Chilton Opportunity International, L.P.		
Kristin Resnansky		
Rachel S. Obenshain		
	Total Shares	**35,000**

(1) To be completed at least two (2) business days prior to the Closing Date in accordance with Section 1.1, provided that such column shall total up to "Total Shares" of 35,000.

EXHIBIT A

CERTIFICATE OF DESIGNATIONS
OF
THE POWERS, PREFERENCES AND RELATIVE, PARTICIPATING,
OPTIONAL AND OTHER SPECIAL RIGHTS,
AND QUALIFICATIONS, LIMITATIONS AND RESTRICTIONS THEREOF,
OF
SERIES A PERPETUAL PREFERRED STOCK

[attached]

IHOP CORP.

CERTIFICATE OF DESIGNATIONS
OF
THE POWERS, PREFERENCES AND RELATIVE, PARTICIPATING,
OPTIONAL AND OTHER SPECIAL RIGHTS,
AND QUALIFICATIONS, LIMITATIONS AND RESTRICTIONS THEREOF,
OF
SERIES B CONVERTIBLE PREFERRED STOCK

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

IHOP Corp., a Delaware corporation (the "**Corporation**"), does hereby certify that the Board of Directors of the Corporation (the "**Board of Directors**"), by unanimous written consent dated as of **[ ]**, 2007, duly approved and adopted the following resolution:

RESOLVED, that, pursuant to the authority vested in the Board of Directors by the Corporation's Restated Certificate of Incorporation, effective as of July 30, 1992 (as it may be amended from time to time, subject to the provisions of this Certificate, the "**Certificate of Incorporation**"), the Board of Directors does hereby create, authorize and provide for the issuance, out of the authorized but unissued shares of the preferred stock, par value $1.00 per share, of the Corporation ("**Preferred Stock**"), of a new series of Preferred Stock to be designated "Series B Convertible Preferred Stock" (the "**Convertible Preferred Stock**"), to consist of Thirty-Five Thousand (35,000) shares, par value $1.00 per share, of which the preferences and rights, and the qualifications, limitations or restrictions thereof, shall be (in addition to those set forth in the Certificate of Incorporation) as follows:

Section 1. Ranking. Shares of Convertible Preferred Stock shall rank prior to shares of Common Stock and any other Junior Securities with respect to the payment of dividends and distributions and in the liquidation, dissolution or winding up, and upon any distribution of the assets of, the Corporation. Unless specifically designated as junior to the Convertible Preferred Stock with respect to the payment of dividends and distributions, in the liquidation, dissolution, winding up, or upon any other distribution of the assets of, the Corporation, all other series of Preferred Stock of the Corporation, including the Series A Perpetual Preferred Stock, shall rank on a parity with the Convertible Preferred Stock with respect to such dividends and distributions, in such liquidation, dissolution or winding up, and upon any such distribution of the assets of, the Corporation, as applicable.

Section 2. Accreted Value; Extraordinary Dividends.

2A. Accretion Rate. The Stated Value of each share of Convertible Preferred Stock shall increase at a rate of six percent (6%) per annum (the "**Accretion Rate**"), compounded quarterly, commencing on and including the date of issuance of such share to and including the first to occur of the date on which (i) the Accreted Value of such share is paid to the holder thereof in connection with the liquidation, dissolution or winding up, or the distribution of assets, of the Corporation or the redemption of such share by the Corporation or (ii) such share is converted into shares of Conversion Stock hereunder (the Stated Value, as so accreted as of any date of determination, the "**Accreted Value**"). The Accreted Value shall be calculated based on a 360-day year consisting of twelve 30-day months.

2B. Extraordinary Dividends. In addition to (and not as an offset to or credit against) the accretion in the Stated Value pursuant to Section 2A above, (i) in the event that the Corporation declares or pays any dividend or makes any distribution upon the Common Stock (whether payable in cash, securities or other property, other than any rights, warrants or options to which Section 5E(vi) or Section 5E(viii) applies), and (ii) if such dividend or distribution (assuming the fair market value of such dividend, together with the fair market value of any other dividends or distributions paid or made by the Corporation upon the Common Stock (whether in cash, securities or other property, other than any rights, warrants or options to which Section 5E(vi) or Section 5E(viii) applies) in the preceding consecutive twelve-month period, had been paid in cash to holders of the Convertible Preferred Stock based on the number of shares of Common Stock issuable upon conversion of the Convertible Preferred Stock at the applicable Conversion Rate at the beginning of such twelve-month period) would have resulted in holders of Convertible Preferred Stock having received dividends and distributions in the preceding consecutive twelve-month period having a fair market value in excess of the sum of (x) the Increased Accreted Value (as defined below) for such twelve-month period plus (y) any Extraordinary Dividend (as defined below) paid during such twelve-month period (any such dividend in excess of such sum, the "**Extraordinary Dividend**"), then the Corporation shall also declare and pay to the holders of the Convertible Preferred Stock at the same time that it declares and pays such dividend to the holders of the Common Stock, an Extraordinary Dividend having a fair market value equal to such excess with respect to each share of Convertible Preferred Stock. "**Increased Accreted Value**" means, for any twelve-month period, the increase in the Accreted Value of the Convertible Preferred Stock from the beginning of such twelve-month period to the payment date of a dividend for which a calculation is made under this Section 2B. The fair market value of any non-cash dividends or distributions shall be determined by the Board of Directors, whose determination shall be conclusive.

Section 3. Liquidation. Upon any liquidation, dissolution or winding up, or any other distribution of the assets, of the Corporation (whether voluntary or involuntary), each holder of Convertible Preferred Stock shall be entitled to be paid, before any distribution or payment is made upon any Junior Securities, an amount in cash equal to the aggregate Accreted Value of all shares of Convertible Preferred Stock held by such holder, and the holders of Convertible Preferred Stock shall not be entitled to any further payment in respect thereof. If upon any such liquidation, dissolution or winding up of the Corporation the Corporation's assets to be distributed among the holders of the Convertible Preferred Stock are insufficient to permit payment to such holders of the aggregate amount which they are entitled to be paid under this Section 3, then the entire assets available to be distributed to the Corporation's stockholders shall be distributed pro rata among the holders of the Convertible Preferred Stock and any Parity Securities, based upon, in the case of the Convertible Preferred Stock, the aggregate Accreted Value of the Convertible Preferred Stock held by each such holder, and in the case of any Parity Securities, in accordance with the terms of such Parity Securities. Neither the consolidation or merger of the Corporation into or with any other entity or entities (whether or not the Corporation is the surviving entity), nor the sale or transfer by the Corporation of all or any part of its assets, nor the reduction of the capital stock of the Corporation nor any other form of recapitalization or reorganization affecting the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 3 or any other section of this Certificate.

Section 4. Redemption.

4A. Optional Redemption. Shares of Convertible Preferred Stock will not be redeemable by the Corporation prior to the fourth anniversary of the Issue Date. On and after the fourth anniversary of the Issue Date, the Corporation may redeem the outstanding shares of Convertible Preferred Stock, in whole or (subject to the following sentence) in part, upon not less than fifteen (15) nor more than sixty (60) days' notice, for cash at a redemption price equal to the Accreted Value as of,

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but not including, the applicable redemption date. In the event that at any time fewer than all of the outstanding shares of Convertible Preferred Stock are to be redeemed, either the shares to be redeemed shall be selected by lot or the redemption shall be made pro rata in proportion to the number of shares held by each holder of Convertible Preferred Stock.

4B. Notice of Redemption. The Corporation shall mail written notice of any redemption pursuant to this Section 4, postage prepaid, at least fifteen (15) days but not more than sixty (60) days prior to the redemption date, to each holder of record of shares of Convertible Preferred Stock to be redeemed at such holder's address appearing on the stock register of the Corporation. Each such notice shall state (i) the date fixed for such redemption, (ii) the place or places where certificates for the shares of Convertible Preferred Stock called for redemption are to be surrendered for payment, (iii) the redemption price, (iv) that unless the Corporation defaults in making the redemption payment, dividends on the shares of Convertible Preferred Stock called for redemption shall cease to accrue on and after the redemption date, and (v) that if fewer than all of the shares of Convertible Preferred Stock owned by such holder are then to be redeemed, the number of shares which are to be redeemed.

If the notice of redemption shall have been so mailed and if prior to the date of redemption specified in such notice all funds necessary for such redemption shall have been irrevocably deposited in trust, for the account of the holders of the shares of Convertible Preferred Stock to be redeemed, with a bank or trust company named in such notice doing business in Los Angeles, California, and having capital surplus and undivided profits of at least $100,000,000, then, without awaiting the redemption date, all shares of Convertible Preferred Stock with respect to which such notice shall have been so mailed and such deposit shall have been so made thereupon shall, notwithstanding that any certificate for shares of Convertible Preferred Stock shall not have been surrendered for cancellation, be deemed no longer to be outstanding, and all rights with respect to such shares of Convertible Preferred Stock forthwith upon such deposit in trust shall cease and terminate, except for the right of the holders thereof on or after the redemption date to receive out of such deposit the amount payable upon the redemption, without interest. If the holders of any shares of Convertible Preferred Stock which have been called for redemption shall not within two (2) years (or any longer period required by law) after the redemption date claim any amount so deposited in trust for the

redemption of such shares, then such bank or trust company shall, if permitted by applicable law, pay over to the Corporation any such unclaimed amount so deposited with it and thereupon shall be relieved of all responsibility in respect thereof; and thereafter the holders of such shares shall, subject to applicable unclaimed property laws, look only to the Corporation for payment of the redemption price for such shares, without interest.

4C. Status of Shares. Shares of Convertible Preferred Stock redeemed, purchased, or otherwise acquired by the Corporation shall, after such acquisition, have the status of authorized but unissued shares of Preferred Stock and may be reissued by the Corporation at any time as shares of any series of Preferred Stock, other than as shares of Convertible Preferred Stock.

4D. Voting Rights. The holders of the Convertible Preferred Stock shall be entitled to notice of all stockholders meetings in accordance with the Corporation's Bylaws, and in addition to any circumstances in which the holders of the Convertible Preferred Stock shall be entitled to vote as a separate class under the General Corporation Law of the State of Delaware, the holders of the Convertible Preferred Stock shall be entitled to vote on all matters (including the election of directors) submitted to the stockholders for a vote together with the holders of the Common Stock voting together as a single class with each share of Common Stock entitled to one vote per share and each share of Convertible Preferred Stock entitled to one vote for each share of Common Stock issuable upon conversion of the Convertible Preferred Stock as of the record date for such vote or, if no record date is specified, as of the date of such vote.

Section 5. Conversion.

5A. Conversion Rights. At any time and from time to time, any holder of Convertible Preferred Stock may convert all or any portion of the Convertible Preferred Stock held by such holder into a number of shares of Conversion Stock computed by multiplying (i) each $1,000 of aggregate Accreted Value of the shares of Convertible Preferred Stock to be converted by (ii) the Conversion Rate then in effect.

5B. Automatic Conversion. All outstanding shares of Convertible Preferred Stock shall automatically convert into shares of Common Stock on the fifth anniversary of the Issue Date at the Conversion Rate then in effect, without any action on the part of the holder thereof.

5C. Conversion Procedure.

(i) To convert shares of Convertible Preferred Stock into shares of Common Stock, the holder thereof shall (x) transmit by facsimile (or otherwise deliver) a copy of an executed notice of conversion in the form attached hereto as Exhibit 1 to the Corporation, and (y) deliver to the Corporation the original certificates representing the shares of Convertible Preferred Stock being converted.

(ii) Except as otherwise provided herein, each conversion of Convertible Preferred Stock shall be deemed to have been effected as of the close of business on the date on which the certificate or certificates representing the Convertible Preferred Stock to be converted have been surrendered for conversion at the principal office of the Corporation. At the time any such conversion has been effected, the rights of the holder of the shares of Convertible Preferred Stock converted as a holder of Convertible Preferred Stock shall cease and the Person or Persons in whose name or names any certificate or certificates for shares of Conversion Stock are to be issued upon such conversion shall be deemed to have become the holder or holders of record of the shares of Conversion Stock represented thereby.

(iii) The conversion rights of any share of Convertible Preferred Stock subject to redemption hereunder shall terminate on the redemption date for such share of Convertible Preferred Stock unless the Corporation has failed to pay to the holder thereof the Accreted Value of such share.

(iv) As soon as possible after a conversion has been effected (but in any event within three (3) Business Days in the case of subparagraph (a)(x) below), the Corporation shall deliver to the converting holder:

(a) (x) a certificate or certificates representing the number of shares of Conversion Stock issuable by reason of such conversion in such name or names and such denomination or denominations as the converting holder has specified, or (y) provided that the Corporation's transfer agent is participating in The Depositary Trust Company ("**DTC**") Fast Automated Securities Transfer Program, upon the request of such holder, credit such aggregate number of shares of Common Stock to which the holder shall be entitled to the holder's or its designee's balance account with DTC through its Deposit Withdrawal Agent Commission system;

(b) payment of any amount payable under subparagraph (viii) below with respect to such conversion; and

(c) a certificate representing any shares of Convertible Preferred Stock which were represented by the certificate or certificates delivered to the Corporation in connection with such conversion but which were not converted.

(v) The issuance of certificates for shares of Conversion Stock upon conversion of Convertible Preferred Stock shall be made without charge to the holders of such Convertible Preferred Stock for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Conversion Stock. Upon conversion of each share of Convertible Preferred Stock, the Corporation shall take all such actions as are necessary in order to ensure that the Conversion Stock issuable with respect to such conversion shall be validly issued, fully paid and nonassessable.

(vi) The Corporation shall not close its books against the transfer of Convertible Preferred Stock or of Conversion Stock issued or issuable upon conversion of Convertible Preferred Stock in any manner which interferes with the timely conversion of Convertible Preferred Stock. The Corporation shall assist and cooperate with any holder of shares required to make any governmental filings or obtain any governmental approval prior to or

in connection with any conversion of shares hereunder (including, without limitation, making any filings required to be made by the Corporation and the Corporation shall pay all filing fees and expenses payable by the Corporation or any such holder in connection therewith).

(vii) The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Conversion Stock, solely for the purpose of issuance upon the conversion of the Convertible Preferred Stock, such number of shares of Conversion Stock issuable upon the conversion of all outstanding Convertible Preferred Stock. All shares of Conversion Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges. The Corporation shall take all such actions as may be necessary to assure that all such shares of Conversion Stock may be so issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which shares of Conversion Stock may be listed (except for official notice of issuance which shall be immediately delivered by the Corporation upon each such issuance). The Corporation shall not take any action which would cause the number of authorized but unissued shares of Conversion Stock to be less than the number of such shares required to be reserved hereunder for issuance upon conversion of the Convertible Preferred Stock.

(viii) If any fractional interest in a share of Conversion Stock would, except for the provisions of this subparagraph, be delivered upon any conversion of the Convertible Preferred Stock, the Corporation, in lieu of delivering the fractional share therefor, shall either issue an additional share or pay an amount to the holder thereof equal to the product of (x) the then Current Market Price per share of Common Stock times (y) such fractional interest as of the date of conversion.

5D. Conversion Rate.

(i) The initial Conversion Rate shall be **[ ](1)** shares of Common Stock per $1,000 of Accreted Value (as it may be adjusted from time to time as provided in this Certificate, the

(1) The initial Conversion Price will be set at a 22% premium to the 5-day average stock price immediately prior to the day after announcement of Chilton's investment, provided such announcement is made before the market opens. If such announcement is made after the market closes, then the 5-day period shall be the 5-day average stock price immediately prior to the second day after announcement of Chilton's investment The initial Conversion Rate will be $1,000 divided by the initial Conversion Price.

"**Conversion Rate**"). In order to prevent dilution of the conversion rights granted under this Section 5, the Conversion Rate shall be subject to adjustment from time to time pursuant to Section 5E.

5E. Conversion Rate.

The Conversion Rate shall be subject to adjustments from time to time as follows:

(i) Subdivisions and Combinations. In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately increased, and, conversely, in case outstanding shares of Common Stock shall be combined into a smaller number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(ii) Reclassification. The reclassification of Common Stock into securities other than Common Stock (other than any reclassification upon a consolidation or merger to which paragraph (vii) of this Section 5E applies) shall be deemed to involve:

(a) a distribution of such securities other than Common Stock to all holders of Common Stock, which distribution shall be taken into account pursuant to Section 2B, and

(b) a subdivision or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter (and the effective date of such reclassification shall be deemed to be "the day upon which such subdivision becomes effective" or "the day upon which such combination becomes effective," as the case may be, and "the day upon which such subdivision or combination becomes effective" within the meaning of paragraph (i) of this Section 5E).

(iii) De Minimis Adjustment. No adjustment in the Conversion Rate shall be required unless such adjustment (plus any adjustments not previously made by reason of this paragraph (iii)) would require an increase or decrease of at least one percent in such rate; provided, however, that any adjustments which by reason of this paragraph (iii) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 5E shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be.

(iv) Voluntary Increases. To the extent permitted by applicable law, the Corporation from time to time may increase the Conversion Rate by any amount for any period of time if the period is at least twenty (20) Business Days, the increase is irrevocable during such period, and the Board of Directors shall have made a determination that such increase would be in the best interests of the Corporation, which determination shall be conclusive.

(v) No Adjustments. Notwithstanding the foregoing provisions of this Section 5E, no adjustment of the Conversion Rate shall be

required to be made (a) upon the issuance of shares of Common Stock pursuant to any present or future plan for the reinvestment of dividends, (b) upon a change in the par value of the Common Stock, (c) because of a tender offer, (d) because of an exchange offer of the character described in Rule 13e-4(h)(5) under the Exchange Act or any successor rule thereto, or (e) for the payment of any dividends or distributions upon Common Stock, whether payable in cash, securities or other property, other than any rights, warrants or options to which Section 5E(vi) or Section 5E(viii) applies); provided that for the avoidance of doubt, the dividends and distributions referred to in this clause (e) (other than any rights, warrants or options to which Section 5E(vi) or Section 5E(viii) applies) shall be taken into account in any calculation made pursuant to Section 2B.

(vi) Stockholder Rights Plan. Rights or warrants distributed by the Corporation to all holders of Common Stock entitling the holders thereof to subscribe for or purchase shares of the Corporation's capital stock (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("**Trigger Event**") (i) are deemed to be transferred with such shares of Common Stock, (ii) are not exercisable, and (iii) are also issued in respect of future issuances of Common Stock shall not be deemed distributed for purposes of Section 2B or Section 5E(viii), as applicable, until the occurrence of the earliest Trigger Event. If the Corporation adopts a stockholder rights plan, in lieu of any calculation pursuant to Section 2B or Section 5E(viii), as applicable, the shares of Convertible Preferred Stock will become entitled to receive upon conversion, in addition to the shares of Common Stock issuable upon conversion, any associated rights to the same extent as holders of the Common Stock.

(vii) Provision in Case of Consolidation, Merger or Sale of Assets. In case of any merger or consolidation of the Corporation with or into any other Person (other than a merger that does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock of the Corporation) or any conveyance, sale, transfer, lease (other than a mere grant of security interest) or other disposition of all or substantially all of the assets of the Corporation (other than a sale of all or substantially all of the assets of the Corporation that does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock of the Corporation), the Person formed by such consolidation or resulting from such merger or which acquires such assets, as the case may be, shall make appropriate provision (including providing for adjustments that, for events subsequent thereto, shall be as nearly equivalent as may be practicable to the adjustments provided for in Section 2B and this Section 5E) so that the holders of each share of Convertible Preferred Stock then outstanding shall have the right thereafter to convert such share only into the kind and amount of securities, cash and other property receivable upon such consolidation, merger, conveyance, sale, transfer, lease (other than a mere grant of security interest) or other disposition by a holder of the number of shares of Common Stock of the Corporation into which such share might have been converted immediately prior to such consolidation, merger, conveyance, sale, transfer, lease (other than a mere grant of security interest) or other disposition, assuming such holder of Common Stock of the Corporation (i) is not (A) a Person with which the Corporation consolidated or merged with or into or which merged into or with the Corporation or to which such conveyance, sale, transfer, lease (other than a mere grant of security interest) or other disposition was made, as the case may be (a "**Constituent Person**"), or (B) an Affiliate of a Constituent Person and (ii) failed to exercise his rights of election, if any, as to the kind or amount of securities, cash and other property receivable upon such consolidation, merger, conveyance, sale, transfer, lease (other than a mere grant of security interest) or other disposition (provided that if the kind or amount of securities, cash and other property receivable upon such consolidation, merger, conveyance, sale, transfer, lease (other than a mere grant of security interest) or other disposition is not the same for each share of Common Stock of the Corporation held immediately prior to such consolidation, merger, conveyance, sale, transfer, lease (other than a mere grant of security

interest) or other disposition by others than a Constituent Person or an Affiliate thereof and in respect of which such rights of election shall not have been exercised ("**Non-electing Share**"), then for the purpose of this paragraph (vii) the kind and amount of securities, cash and other property receivable upon such consolidation, merger, conveyance, sale, transfer, lease (other than a mere grant of security interest) or other disposition by the holders of each Non-electing Share shall be deemed to be the kind and amount so receivable per share by a plurality of the Non-electing Shares). The above provisions of this paragraph (vii) shall similarly apply to successive consolidations, mergers, conveyances, sales, transfers or leases (other than a mere grant of security interest).

(viii) Common Stock Issued at Below Market Price. In case the Corporation shall issue rights, warrants or options to all holders of its Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price per share of the Common Stock on the date fixed for the determination of stockholders entitled to receive such rights, warrants or options (other than any rights, options or warrants that by their terms will also be issued to any holder upon conversion of a share of Convertible Preferred Stock into shares of Common Stock without any action required by the Corporation or any other Person), in lieu of any calculation pursuant to Section 2B, the Conversion Rate in effect at the opening of business on the day following the date fixed for such determination shall be *increased* by dividing

(a) the Conversion Rate in effect immediately prior to such date, by

(b) a fraction of which

(x) the numerator shall be the sum of (A) the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus (B) the number of shares of Common Stock that the aggregate of the offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such Current Market Price, and

(y) the denominator shall be the sum of (A) the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus (B) the number of shares of Common Stock so offered for subscription or purchase,

such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. If, after any such date fixed for determination, any such rights, options or warrants are not in fact issued, or are not exercised prior to the expiration thereof, the Conversion Rate shall be immediately readjusted, effective as of the date such rights, options or warrants expire, or the date the Board of Directors determines not to issue such rights, options or warrants, to the Conversion Rate that would have been in effect if the unexercised rights, options or warrants had never been granted or such determination date had not been fixed, as the case may be. For the purposes of this Section 5E(viii), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Corporation but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The Corporation shall not issue any rights, warrants or options in respect of shares of Common Stock held in the treasury of the Corporation. For the avoidance of doubt, any rights, warrants or options subject to this Section 5E(viii), and any shares of Common Stock acquired upon exercise thereof, shall not be taken into account for any purpose under Section 2B, and the sole right of a holder of Convertible Preferred Stock under this Certificate with respect to such rights, warrants or options and any shares of Common Stock acquired upon exercise thereof shall be the adjustment in the Conversion Rate pursuant to this Section 5E(viii).

5F. Notice of Adjustments of Conversion Rate.

Whenever the Conversion Rate is adjusted as herein provided, (i) the Corporation shall compute the adjusted Conversion Rate in accordance with Section 5E; and (ii) upon each such adjustment, a notice stating that the Conversion Rate has been adjusted and setting forth the adjusted Conversion Rate shall be provided by the Corporation to all holders of the Convertible Preferred Stock.

5G. Notice of Certain Corporate Action.

In case:

(i) the Corporation shall declare a dividend (or any other distribution) on its Common Stock, or shall authorize the granting to all or substantially all of the holders of its Common Stock of rights, options or warrants to subscribe for or purchase any shares of capital stock of any class or of any other rights, in any such case that would result in an Extraordinary Dividend pursuant to Section 2B or an adjustment in the Conversion Rate pursuant to Section 5E(viii);

(ii) of any reclassification of the Common Stock, or of any consolidation, merger or share exchange to which the Corporation is a party and for which approval of any stockholders of the Corporation is required, or of the conveyance, sale, transfer, lease (other than a mere grant of security interest) or other disposition of all or substantially all of the assets of the Corporation;

(iii) of the voluntary or involuntary dissolution, liquidation or winding up of the Corporation;

(iv) of any voluntary increase in the Conversion Rate pursuant to Section 5E(iv); or

(v) the Corporation shall take any other action requiring adjustment to the Conversion Rate;

then the Corporation shall cause to be provided to all holders of Convertible Preferred Stock, (1) at least ten (10) days prior to the applicable record or effective date hereinafter specified, a notice stating (x) in the case of clause (i) above, the date on which a record is to be taken for the purpose of such dividend, distribution, rights, options or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, rights, options or warrants are to be determined, (y) in the case of clause (ii) or (iii) above, the date on which such reclassification, consolidation, merger, conveyance, transfer, sale, lease (other than a mere grant of security interest), dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, conveyance, transfer, sale, lease, dissolution, liquidation or winding up, and (z) in the case of clause (v) above, the date on which such other action is expected to become effective, and (2) in the case of clause (iv) above, the increased Conversion Rate and the period during which it will be in effect. Neither the failure to give such notice or the notice referred to in the following paragraph nor any defect therein shall affect the legality or validity of the proceedings described in clauses (i) through (v) of this Section 5G.

Section 6. Compliance with Securities Laws; Legends.

(i) None of the shares of Convertible Preferred Stock nor any Conversion Stock may be offered, sold or otherwise transferred except in compliance with the registration requirements of

the Securities Act and any other applicable securities laws, or pursuant to an exemption therefrom, and in each case in compliance with the terms of this Certificate and the restrictions set forth in the text of the restrictive legend required to be set forth on the shares of Convertible Preferred Stock and the shares of Conversion Stock pursuant to clause (ii) of this Section 6. The Corporation shall be entitled to give stop transfer orders to its transfer agent with respect to the shares of Convertible Preferred Stock in order to enforce the foregoing restrictions.

(ii) Each certificate representing shares of Convertible Preferred Stock and each certificate representing shares of Conversion Stock shall contain a legend substantially to the following effect (in addition to any legends required under applicable securities laws):

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE DIRECTLY OR INDIRECTLY OFFERED, SOLD, TRANSFERRED, ENCUMBERED, ASSIGNED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (B) AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, INCLUDING RULE 144, SUBJECT TO THE COMPANY'S AND THE TRANSFER AGENT'S RIGHT PRIOR TO ANY SUCH OFFER, SALE, TRANSFER, ENCUMBRANCE, ASSIGNMENT OR OTHER DISPOSITION TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION REASONABLY SATISFACTORY TO EACH OF THEM.

To the extent that the circumstances or provisions requiring the above legend have ceased to be effective, the Corporation will upon request reissue certificates without the legend.

Section 7. Registration of Transfer. The Corporation shall keep at its principal office a register for the registration of Convertible Preferred Stock. Upon the surrender of any certificate representing Convertible Preferred Stock at such place, the Corporation shall, at the request of the

record holder of such certificate, execute and deliver (at the Corporation's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of shares of Convertible Preferred Stock represented by the surrendered certificate. Each such new certificate shall be registered in such name and shall represent such number of shares of Convertible Preferred Stock as is requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate, and dividends shall accrue on the Convertible Preferred Stock represented by such new certificate from the date to which dividends have been fully paid on such Convertible Preferred Stock represented by the surrendered certificate.

Section 8. Replacement. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing shares of Convertible Preferred Stock, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation (provided that if the holder is a financial institution or other institutional investor its own agreement shall be satisfactory), or, in the case of any such mutilation upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of Convertible Preferred Stock of such class represented by

such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate, and dividends shall accrue on the Convertible Preferred Stock represented by such new certificate from the date to which dividends have been fully paid on such lost, stolen, destroyed or mutilated certificate.

Section 9. Definitions.

"**beneficial ownership**" shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder.

"**Business Day**" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York City, New York are authorized or required bylaw, regulation or executive order to close.

"**Change of Control**" means the occurrence of any of the following:

(1) the acquisition by any Person (including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act) of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of shares of capital stock of the Corporation entitling such person to exercise 50% or more of the total voting power of all shares of Voting Stock of the Corporation, other than (a) any such acquisition by the Corporation, any subsidiary of the Corporation or any employee benefit plan of the Corporation or (b) any such acquisition by any holding company which after the occurrence of such acquisition owns 100% of the total voting power of all shares of Voting Stock of the Corporation (so long as no Change of Control would otherwise have occurred in respect of the Voting Stock of such holding company);

(2) any consolidation of the Corporation with, or merger of the Corporation into, any other Person, any merger of another Person into the Corporation, or any conveyance, sale, transfer, lease (other than a mere grant of security interest) or other disposition of all or substantially all of the assets of the Corporation to another Person, other than (a) any such transaction (x) that does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of capital stock of the Corporation and (y) pursuant to which the holders of 50% or more of the total voting power of all shares of the Corporation's capital stock entitled to vote generally in the election of directors immediately prior to such transaction have the entitlement to exercise, directly or indirectly, 50% or more of the total voting power of all shares of capital stock entitled to vote generally in the election of directors of the continuing or surviving corporation immediately after such transaction, (b) any transaction which is effected solely to change the jurisdiction of incorporation of the Corporation and results in a reclassification, conversion or exchange of outstanding shares of Common Stock into solely shares of common stock of the surviving entity), and (c) any such transaction with a holding company which after the occurrence of such transaction owns 100% of the total voting power of all shares of Voting Stock of the Corporation (so long as no Change of Control would otherwise have occurred in respect of the Voting Stock of such holding company); or

(3) the first day on which a majority of the members of the Board of Directors of the Corporation are not Continuing Directors.

"**Closing Price Per Share**" means, with respect to the Common Stock, for any day, (i) the last reported sale price regular way on The New York Stock Exchange or, (ii) if the Common

Stock is not quoted on The New York Stock Exchange, the last reported sale price regular way per share or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked prices regular way, in either case, on the principal national securities exchange on which the Common Stock is listed or admitted to trading, (iii) if the Common Stock is not quoted on The New York Stock Exchange or listed or admitted to trading on any national securities exchange, the average of the closing bid and asked prices in the over-the-counter market as furnished by any New York Stock Exchange member firm selected from time to time by the Corporation for that purpose.

"**Common Stock"** means the Corporation's common stock, par value $.01 per share.

"**Continuing Directors**" means, as of any date of determination, any member of the Board of Directors of the Corporation who: (1) was a member of such Board of Directors on the date of this Certificate; or (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

"**Conversion Price**" means, as of any date of determination, $1,000 divided by the Conversion Rate then in effect.

"**Conversion Stock**" means Common Stock; provided that if there is a change such that the securities issuable upon conversion of the Convertible Preferred Stock are issued by an entity other than the Corporation or there is a change in the type or class of securities so issuable, then the term "Conversion Stock" shall mean one share of the security issuable upon conversion of the Convertible Preferred if such security is issuable in shares, or shall mean the smallest unit in which such security is issuable if such security is not issuable in shares.

"**Current Market Price**" per share of Common Stock on any date shall be calculated by the Corporation and be the average of the daily Closing Prices Per Share for the five consecutive Trading Days selected by the Corporation commencing not more than ten (10) Trading Days before, and ending not later than the earlier of the day in question and the day before the "ex date" with respect to the issuance or distribution requiring such computation. For purposes of this paragraph, the term "'**ex date**," when used with respect to any issuance or distribution, means the first date on which the Common Stock trades regular way in the applicable securities market or on the applicable securities exchange without the right to receive such issuance or distribution.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Issue Date**" means the date of issuance of the Convertible Preferred Stock.

"**Junior Securities**" means any shares of Common Stock of the Corporation and any shares of Preferred Stock specifically designated as junior to the Convertible Preferred Stock with respect to the payment of dividends and distributions, in the liquidation, dissolution, winding up, or upon any other distribution of the assets of, the Corporation.

"**Parity Securities**" means any shares of Preferred Stock, including the Series A Perpetual Preferred Stock, or other equity securities of the Corporation that do not by their terms expressly provide that they rank senior to or junior to the Convertible Preferred Stock with respect to the payment of dividends and distributions, in the liquidation, dissolution, winding up, or upon any other distribution of the assets of, the Corporation.

"**Person**" means an individual, a partnership, a corporation, a limited liability company, a limited liability, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"**redemption date**" as to any share of Convertible Preferred Stock means the applicable date specified herein in the case of any redemption; provided that no such date shall be a redemption date unless the applicable redemption price is actually paid in full on such date, and if not so paid in full, the redemption date shall be the date on which such amount is fully paid.

"**Stated Value**" of any share of Convertible Preferred Stock as of any particular date shall be equal to $1,000. For the avoidance of doubt, no dividend paid on any share of Convertible Preferred Stock shall constitute an offset to or credit against such share's Stated Value.

"**Trading Day**" means (i) if the Common Stock is quoted on The New York Stock Exchange or any other system of automated dissemination of quotations of securities prices, days on which trades may be effected through such system, (ii) if the Common Stock is listed or admitted for trading on any national or regional securities exchange, days on which such national or regional securities exchange is open for business, or (iii) if the Common Stock is not listed on a national or regional securities exchange or quoted on The New York Stock Exchange or any other system of automated dissemination of quotation of securities prices, days on which the Common Stock is traded regular way in the over-the-counter market and for which a closing bid and a closing asked price for the Common Stock are available.

"**Voting Stock**" of a Person means capital stock of such Person entitled to vote generally in the elections of directors of such Person.

Section 10. Amendment and Waiver. No amendment, modification, alteration, repeal or waiver of any provision of Sections 1 through 9 or this Section 10 shall be binding or effective without the prior written consent of the holders of a majority of the Convertible Preferred Stock outstanding at the time such action is taken.

Section 11. Notices. Except as otherwise expressly provided hereunder, all notices referred to herein shall be in writing and shall be delivered by registered or certified mail, return receipt requested and postage prepaid, or by reputable overnight courier service, charges prepaid, and shall be deemed to have been given when so mailed or sent (i) to the Corporation, at its principal executive offices and (ii) to any stockholder, at such holder's address as it appears in the stock records of the Corporation (unless otherwise indicated by any such holder).

[*signature page follows***]**

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designations of the Powers, Preferences and Relative, Participating, Optional and Other Special Rights, and Qualifications, Limitations and Restrictions Thereof, of Series B Convertible Preferred Stock of IHOP Corp. to be executed by **[ ]**, its **[ ]**, this day of 200**[ ]**.

IHOP CORP.

By: _____

Name:
Title:

Exhibit 1

IHOP CORP.
CONVERSION NOTICE
SERIES B CONVERTIBLE PREFERRED STOCK

Reference is made to the Certificate of Designations of the Powers, Preferences and Relative, Participating, Optional and Other Special Rights, and Qualifications, Limitations and Restrictions Thereof, of Series B Convertible Preferred Stock of IHOP Corp. (the "**Certificate of Designations**"). In accordance with and pursuant to the Certificate of Designations, the undersigned hereby irrevocably elects to convert the number of shares of Series B Convertible Preferred Stock, par value $1.00 per share (the "**Convertible Preferred Stock**"), of IHOP Corp., a Delaware corporation (the "**Corporation**"), indicated below into shares of Common Stock, par value $.01 per share (the "**Common Stock**"), of the Corporation, in accordance with the terms of the Certificate of Designations, and directs that the shares of Common Stock issuable and deliverable upon such conversion, together with any check in payment for cash, if any, payable for fractional shares and any shares of Convertible Preferred Stock representing any unconverted shares, be issued and delivered to the registered holder unless a different name has been indicated below. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Certificate of Designations. If shares, or any portion of the shares of Convertible Preferred Stock not converted, are to be issued in the name of a person other than the undersigned, the undersigned will provide the appropriate information below and pay all transfer taxes payable with respect thereto.

Dated: _____

_____

_____
Signature(s)

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Transfer Agent for the Common Stock, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Note Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

_____
Signature Guarantee

Exhibit 1-1

Fill in the registration of shares of Common Stock, if any, if to be issued, and any portion of the shares of Convertible Preferred Stock not converted, if any, to be delivered, and the person to whom cash and payment for fractional shares is to be made, if to be made, other than to and in the name of the registered holder:

Please print name and address

_____
(Name)

_____
(Street Address)

_____
(City, State and Zip Code)

DTC Account No.
(if shares not converted are to be credited):

_____

Number of shares to be converted
(if less than all):

$ _____

Social Security or Other Taxpayer
Identification Number:

_____

Stock certificate no(s). of shares of Convertible Preferred Stock to be converted:

_____

Exhibit 1-2

EXHIBIT B

FORM OF REGISTRATION RIGHTS AGREEMENT

[attached]

B-1

IHOP CORP.

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "**Agreement**") is entered into as of **[ ]**, 200**[ ]**, by and among IHOP Corp., a Delaware corporation (the "**Company**"), and the persons identified on Schedule A hereto (each, an "**Investor**" and, collectively, the "**Investors**").

WHEREAS the Investors are a party to that Stock Purchase Agreement, dated as of July 15, 2007, among the Investors and the Company (the "**Purchase Agreement**"), pursuant to which, on the date hereof, the Investors purchased from the Company, for a cash purchase price of $35,000,000, 35,000 shares of Series B Convertible Preferred Stock, par value $1.00 per share, of the Company (the "**Convertible Preferred Stock**"), which Convertible Preferred Stock is convertible into shares of common stock, par value $.01 per share, of the Company (the "**Common Stock**"); and

WHEREAS, the Investor and the Company desire to enter into this Agreement to set forth certain registration rights of Investor with respect to such shares of Convertible Preferred Stock and the Common Stock into which such shares of Convertible Preferred Stock may be converted in accordance with the terms thereof.

NOW THEREFORE, in consideration of the mutual promises, representations, warranties, covenants and conditions set forth herein, the parties mutually agree as follows:

Section 1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"**Affiliate**" of any Person shall mean any other Person who either directly or indirectly is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"**Business Day**" shall mean any Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in The City of New York are authorized by law, regulation or executive order to close.

"**Common Stock**" shall mean the common stock, par value $.01 per share, of the Company.

"**Company Registration**" has the meaning set forth in Section 2.2 hereof.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended (or any similar successor federal statute), and the rules and regulations thereunder, as the same are in effect from time to time.

"**Holder**" shall mean the Investors and each Permitted Transferee of any Investor. For purposes of this Agreement, the Company may deem the registered holder of a Registrable Security as the Holder thereof.

"**Material Development Condition**" shall have the meaning set forth in Section 2.4(b) hereof.

"**Person**" shall mean an individual, partnership, corporation, limited liability company, joint venture, trust or unincorporated organization, a government or agency or political subdivision thereof or any other entity.

"**Permitted Transferee**" shall mean a transferee of Registrable Securities.

"**Prospectus**" shall mean the prospectus included in any Registration Statement, as amended or supplemented by a prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement and by all other amendments and supplements to the prospectus, including post-effective amendments and all material incorporated by reference in such prospectus.

"**Registrable Securities**" shall mean the shares of Common Stock issuable upon conversion of the shares of Convertible Preferred Stock, in accordance with its terms, held by the Investors as of the date hereof and any other securities issued or issuable with respect to such shares of Common Stock as a result of or in connection with any stock dividend, stock split or reverse stock split, combination, reclassification, merger, consolidation or similar transaction in respect of such shares of Common Stock ("**Successor Securities**"); provided, that any shares of Common Stock and any Successor Securities held by the Investors or any other Holder shall cease to be Registrable Securities upon the earliest of the following: (i) a registration statement registering such shares of Common Stock or Successor Securities, as the case may be, under the Securities Act has been declared or becomes effective and such shares of Common Stock or Successor Securities, as the case may be, have been sold or otherwise transferred by the Holder or owner thereof pursuant to such effective registration statement; (ii) such shares of Common Stock or Successor Securities, as the case may be, are sold or otherwise transferred to the public pursuant to Rule 144; or (iii) all such shares of Common Stock or Successor Securities, as the case may be, held by such Holder may be sold in a single transaction without registration in compliance with Rule 144(k) under the Securities Act.

"**Registration Expenses**" shall have the meaning set forth in Section 2.5 hereof.

"**Registration Statement**" shall mean any registration statement which covers any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus included therein, all amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all material incorporated by reference in such Registration Statement.

"**Requesting Securityholder Registration**" has the meaning set forth in Section 2.2 hereof.

"**Rule 144**" shall mean Rule 144 promulgated under the Securities Act, as amended from time to time, or any similar successor rule thereto that may be promulgated by the SEC.

"**SEC**" shall mean the Securities and Exchange Commission, or any other federal agency at the time administering the Securities Act or the Exchange Act.

"**Securities Act**" shall mean the Securities Act of 1933, as amended (or any similar successor federal statute), and the rules and regulations thereunder, as the same are in effect from time to time.

"**Underwritten Offering**" shall mean a registered offering in which shares of Common Stock are sold to an underwriter for reoffering to the public.

Section 2. Registration Rights.

2.1 Demand Registrations.

(a) Demand. Upon the written request of Holders owning at least one-third of the Registrable Securities that the Company effect an offering of Registrable Securities on a Registration Statement under the Securities Act and specifying the aggregate number of Registrable Securities to be registered and the intended method of disposition thereof, the Company shall, subject to Section 2.4(b) hereof, use its commercially reasonable efforts to effect the registration under the Securities Act of the Registrable Securities which the Company has been so requested to register by the Investor as soon as practicable; provided, however, that the Company shall not be obligated to effect, or to take any action to effect, any such registration pursuant to this Section 2.1(a):

(i) unless the Registrable Securities requested to be included therein constitute at least 50% of the shares of Common Stock into which the Convertible Preferred Stock is convertible on the date of this Agreement;

(ii) after the Company has effected one (1) such registration; or

(iii) during the period commencing with the date thirty (30) days prior to the Company's good faith estimate of the date of filing of, and ending on a date ninety (90) days after the effective date of, a Company Registration, provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective; provided, that, if the Company abandons such Company Registration, the Company shall promptly notify the Holders requesting a registration pursuant to this Section 2.1(a).

The Holders requesting a registration pursuant to this Section 2.1(a) may, at any time prior to the effective date of the Registration Statement relating to a registration requested pursuant to this Section 2.1(a), revoke such request by providing a written notice to the Company revoking such request and, if applicable, request withdrawal of any Registration Statement filed with the SEC, and the Company shall use its commercially reasonable efforts to so withdraw such Registration Statement. A registration requested pursuant to this Section 2.1(a) shall not be deemed to have been effected unless a Registration Statement with respect thereto has become effective and the Registrable Securities registered thereunder for sale are sold thereunder or are not so sold solely by reason of an act or omission by the Investor; provided, however, that if such registration does not become effective after the Company has filed it solely by reason of the Investor's revocation of its registration request or refusal to proceed (other than a refusal to proceed based upon the advice of counsel relating to a matter with respect to the Company), then such registration shall be deemed to have been effected unless the Investor shall have elected to pay all Registration Expenses and any out-of-pocket expenses of any party required to be borne by the Company pursuant hereto.

(b) Effectiveness of Registration Statement. Subject to Section 2.4(b), the Company agrees to use its commercially reasonable efforts to (i)

cause the Registration Statement relating to any demand registration pursuant to this Section 2.1 to become effective as promptly as practicable following a request for registration under Section 2.1(a), and (ii) thereafter keep such Registration Statement effective continuously for the period specified in the next succeeding paragraph.

Except as provided in the last paragraph of Section 2.1(a) above, a demand registration requested pursuant to this Section 2.1 will not be deemed to have been effected:

(i) unless the Registration Statement relating thereto has become effective under the Securities Act and remained continuously effective (except as otherwise permitted under this Agreement) for a period ending on the earlier of (x) the date which is ninety (90) days after the effective date of such Registration Statement (subject to extension as provided in Sections 2.3(b) and 2.4(b)) and (y) the date on which all Registrable Securities covered by such Registration Statement have been sold and the distribution contemplated thereby has been completed;

(ii) if, after it has become effective, such registration is interfered with for any reason by any stop order, injunction or other order or requirement of the SEC or any other governmental authority, or as a result of the initiation of any proceeding for such a stop order by the SEC through no fault of the Holders, and the result of such interference is to prevent the Holders from disposing of such Registrable Securities proposed to be sold in accordance with the intended methods of disposition, or

(iii) if the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with any Underwritten Offering shall not be satisfied or waived with the consent of the participating Holders, other than as a result of any breach by any Holder or any underwriter of its obligations thereunder or hereunder.

(c) Inclusion of Other Securities; Cutback. The Company, and any other holder of the Company's securities who has registration rights, may include its securities in any demand registration effected pursuant to this Section 2.1 on a basis no less favorable to the Holders than that of any other holder of the Common Stock of the Company who has registration rights; provided, however, that if the managing underwriter of a proposed Underwritten Offering contemplated thereby advises the Holders in writing that the total amount or kind of securities to be included in such proposed public offering exceeds the number or is not of a type that can be sold in such offering within a price range acceptable to the Holders, then the amount or kind of securities offered for the account of the following groups of holders shall be reduced pro rata among members of such group in accordance with such managing underwriter's recommendation in the following order of priority (with the securities to be reduced first listed first): (i) securities other than Registrable Securities; (ii) securities offered by the Company; and (iii) Registrable Securities; and provided, further, that no Registrable Securities shall be reduced until all securities other than Registrable Securities and securities offered by the Company are entirely excluded from the underwriting.

2.2 Piggyback Registration.

If the Company at any time proposes to file a registration statement with respect to any of its equity securities, whether for its own account (other than a registration statement on Form S-4 or S-8 (or any successor or substantially similar form), or in connection with (A) an employee stock option, stock purchase or compensation plan or securities issued or issuable pursuant to any such plan, or (B) a dividend reinvestment plan) (any of the foregoing, a "**Company Registration**"), or for the account of a holder of securities of the Company pursuant to demand registration rights granted by the Company (a "**Requesting Securityholder**" and, such registration, a "**Requesting Securityholder Registration**"), then the Company shall in each case give written notice of such proposed filing to all Holders of Registrable Securities at least twenty (20) days before the anticipated filing date of any such registration statement by the Company, and such notice shall offer to all Holders the opportunity to have any or all of the Registrable Securities held by such Holders included in such registration statement.

Each Holder of Registrable Securities desiring to have its Registrable Securities registered under this Section 2.2 shall so advise the Company in writing within ten (10) days after the date of receipt of such notice (which request shall set forth the amount of Registrable Securities for which

registration is requested), and the Company shall include in such Registration Statement all such Registrable Securities so requested to be included therein. If the Registration Statement relates to an Underwritten Offering, such Registrable Securities shall be included in the underwriting on the same terms and conditions as the securities otherwise being sold through the underwriter, as provided herein. Any Holder shall have the right to withdraw a request to include its Registrable Securities in any public offering pursuant to this Section 2.2 by giving written notice to the Company of its election to withdraw such request at least ten (10) Business Days prior to the effective date of such Registration Statement. Notwithstanding the foregoing, if the managing underwriter of any such proposed public offering advises the Company in writing that the total amount or kind of securities which the Holders of Registrable Securities, the Company and any other persons or entities intended to be included in such proposed public offering is sufficiently large or of a type which such managing underwriter believes would adversely affect the success of such proposed public offering, then the amount or kind of securities offered for the account of the following groups of holders shall be reduced pro rata among members of such group in accordance with such managing underwriter's recommendation in the following order of priority: (i) if a registration under this Section 2.2 is a Company Registration, then the order of priority shall be (with the securities to be reduced first listed first) (A) subject to the provisions of Section 2.8 hereof, Registrable Securities and securities other than Registrable Securities, on a pro rata basis, and (B) securities offered by the Company; (ii) if a registration under this Section 2.2 is a Requesting Securityholder Registration (and the Requesting Securityholder is not a Holder), then the order of priority shall be (with the securities to be reduced first listed first) (A) Registrable Securities (other than securities of the Requesting Securityholder), (B) securities offered by the Company and (C) securities of the Requesting Securityholder; and (iii) if a registration under this Section 2.2 is a Requesting Securityholder Registration made pursuant to Section 2.1 hereof, then the order of priority shall be as set forth in Section 2.1(c). Anything to the contrary in this Agreement notwithstanding, the Company may withdraw or postpone a Registration Statement referred to in this Section 2.2 at any time before it becomes effective or withdraw, postpone or terminate the offering after it becomes effective, without obligation to any Holder of Registrable Securities, unless such registration statement was filed pursuant to Section 2.1 hereof.

2.3 Registration Procedures.

(a) General. In connection with the Company's registration obligations, pursuant to Section 2.1 and 2.2 hereof, at its expense, except as provided in Section 2.6, the Company will, as expeditiously as possible:

(i) prepare and file with the SEC a Registration Statement with respect to such Registrable Securities as described in Sections 2.1 and 2.2 on a form permitted by Section 2.1 or 2.2 and available for the sale of the Registrable Securities by the Holders thereof in accordance with the intended method or methods of distribution thereof or such amendments and post-effective amendments to an existing Registration Statement as may be necessary to keep such Registration Statement effective for the time periods set forth in Section 2.1(b) (if applicable); provided that no Registration Statement shall be required to remain in effect after all Registrable Securities covered by such Registration Statement have been sold and distributed as contemplated by such Registration Statement;

(ii) take such reasonable action as may be necessary so that: (1) any Registration Statement and any amendment thereto and any Prospectus forming part thereof and any amendment or supplement thereto (and each report or other document incorporated therein by reference) complies in all material respects with the Securities Act and the Exchange Act and the respective rules and regulations thereunder, (2) any Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and (3) any Prospectus forming part of any Registration Statement, and any amendment or supplement to such Prospectus, does

not, as of such date, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(iii) notify the selling Holders of Registrable Securities and the managing underwriters, if any, promptly and, if requested by the Holders, confirm such notice in writing (1) when a new Registration Statement, Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to any new Registration Statement or post-effective amendment, when it has become effective, (2) of any request by the SEC for amendments or supplements to any Registration Statement or Prospectus or for additional information, (3) of the issuance by the SEC of any comments with respect to any filing and of the Company's responses thereto, (4) of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for that purpose, (5) of any suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose and (6) of the happening of any event which makes any statement of a material fact made in any Registration Statement, Prospectus or any document incorporated therein by reference untrue or which requires the making of any changes in any Registration Statement, Prospectus or any document incorporated therein by reference in order to make the statements therein (in the case of any Prospectus, in the light of the circumstances under which they were made) not misleading (which notice shall be accompanied by an instruction to suspend the use of the Prospectus relating to such Registrable Securities until the requisite changes have been made);

(iv) furnish to each selling Holder of Registrable Securities prior to the filing thereof with the SEC, a copy of any Registration Statement, and each amendment thereof and each amendment or supplement, if any, to the Prospectus included therein and afford such Holder, the managing underwriter and their respective counsel a reasonable opportunity within a reasonable period to review and comment on copies of all such documents (including a reasonable opportunity to review copies of any documents to be incorporated by reference therein and all exhibits thereto) proposed to be filed;

(v) furnish to each selling Holder of Registrable Securities, without charge, as many conformed copies as may reasonably be requested, of the then effective Registration Statement and any post-effective amendments thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(vi) deliver to each selling Holder of Registrable Securities, without charge, as many copies of the then effective Prospectus (including each prospectus subject to completion) and any amendments or supplements thereto as such Persons may reasonably request in order to permit the offering and sale of the shares of such Registrable Securities to be offered and sold, and the Company consents (except during a suspension period permitted by this Agreement) to the use of the Prospectus or any amendment or supplement thereto by the selling Holder in connection with the offering and sale of the Registrable Securities covered by the Prospectus or any amendment or supplement thereto in accordance with the terms hereof;

(vii) use its reasonable best efforts to prevent the issuance, and if issued to obtain the withdrawal, of any order suspending the effectiveness of the Registration Statement relating to such Registrable Securities;

(viii) prior to the offering of Registrable Securities pursuant to any Registration Statement, use commercially reasonable efforts to register or qualify or cooperate with the selling Holders of Registrable Securities and their respective counsel in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or blue sky laws of

such jurisdictions as any selling Holder of Registrable Securities or underwriter reasonably requests in writing and to keep such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective and to do all other acts or things reasonably necessary or advisable to enable the disposition in such distributions of the securities covered by the applicable Registration Statement; provided, however, that the Company will not be required to (1) qualify to do business in any jurisdiction where it would not otherwise be required to qualify, but for this paragraph (viii), (2) subject itself to general taxation in any such jurisdiction or (3) file a general consent to service of process in any such jurisdiction;

(ix) cooperate with the selling Holders of Registrable Securities to facilitate the timely preparation and delivery to the selling Holders or the managing underwriters, at the Company's expense, of certificates representing Registrable Securities to be sold and not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations and registered in such names as the selling Holders or managing underwriters, if any, may request at least two Business Days prior to any sale of Registrable Securities to any underwriters and instruct the transfer agent and registrar of the

Registrable Securities to release any stop transfer orders with respect to the Registrable Securities;

(x) cause all Registrable Securities covered by the Registration Statement to be listed on each securities exchange (or quotation system operated by a national securities association) on which identical securities issued by the Company are then listed on or prior to the effective date of any Registration Statement and enter into customary agreements including, if necessary, a listing application and indemnification agreement in customary form;

(xi) provide the Holders, the transfer agent and registrar a CUSIP number for the Registrable Securities no later than the effective date of such Registration Statement;

(xii) use its commercially reasonable efforts to comply with all applicable rules and regulations of the SEC relating to such registration and the distribution of the securities being offered and make generally available to its securities holders, as soon as reasonably practicable, earnings statements satisfying the provisions of Section 11(a) of the Securities Act;

(xiii) cooperate and assist in any filings required to be made with the National Association of Securities Dealers, Inc.;

(xiv) if requested, include or incorporate in a Prospectus supplement or post-effective amendment to a Registration Statement, such information as the managing underwriters administering an Underwritten Offering of the Registrable Securities registered thereunder reasonably request to be included therein and to which the Company does not reasonably object and make all required filings of such Prospectus supplement or post-effective amendment as soon as reasonably practicable after they are notified of the matters to be included or incorporated in such Prospectus supplement or post-effective amendment;

(xv) upon the occurrence of any event contemplated by clauses (4), (5) or (6) of Section 2.3(a)(iii) above, as soon as reasonably practicable prepare a post-effective amendment to any Registration Statement or an amendment or supplement to the related Prospectus or file any other required document so that, as thereafter delivered to purchasers of the Registrable Securities included therein, the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xvi) subject to the proviso in paragraph (viii) above, cause the Registrable Securities covered by the Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities (other than as may be required by the governmental agencies or authorities of any foreign jurisdiction and other than as may be required by a law applicable to a selling Holder by reason of its own activities or business other than the sale of Registrable Securities);

(xvii) if such offering is an Underwritten Offering, enter into an underwriting agreement with an investment banking firm selected in accordance with Section 2.3(c) of this Agreement containing representations, warranties, indemnities and agreements then customarily included by an issuer in underwriting agreements with respect to secondary underwritten distributions and take all such other actions as are reasonably requested by the managing underwriters for such underwritten offering in order to facilitate the registration or the disposition of such Registrable Securities, including delivery of customary accountants comfort letters and legal opinions;

(xviii) if such offering is an Underwritten Offering, (a) make reasonably available for inspection by each selling Holder of Registrable Securities and any managing or lead underwriter in such Underwritten Offering, and any attorney, accountant or other agent retained by such selling Holder or any such underwriter, all relevant financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries as shall be reasonably necessary to enable them to conduct a "reasonable" investigation for purposes of Section 11(a) of the Securities Act; (b) cause the Company's officers, directors and employees to make reasonably available for inspection all relevant information reasonably requested by the selling Holder or any such underwriter, attorney, accountant or agent in connection with any such Registration Statement, in each case, as is customary for similar due diligence examinations; provided that any information that is designated by the Company as confidential at the time of delivery of such information shall be kept confidential by the selling Holder, such underwriter, or any such, attorney, accountant or agent, unless such disclosure is required by law, or such information becomes available to the public generally or through a third party without an accompanying obligation of confidentiality; and (c) deliver such documents and certificates as may be reasonably requested by the selling Holder and the managing underwriters, if any, including customary opinions of counsel and "cold comfort" letters as may be reasonably required pursuant to the underwriting agreement relating thereto;

(xix) in connection with an Underwritten Offering requested pursuant to Section 2.1, the Company will participate, to the extent reasonably requested by the managing underwriter for the offering or the Holders participating therein, in customary efforts to sell the securities under the offering, including, without limitation, participating in "road shows" or other investor meetings, and the Company shall secure the reasonable participation of its senior management for such purposes; and

(xx) use its commercially reasonable efforts to take all other reasonable steps necessary to effect the registration, offering and sale of the Registrable Securities covered by the Registration Statement contemplated hereby.

The Company may require each seller of Registrable Securities, prior to inclusion of its Registrable Securities in a Registration Statement as to which any registration is being effected, to furnish to the Company such information regarding such seller and the distribution of such securities as the Company may from time to time reasonably request and as shall be required in connection with any registration referred to herein. No Holder may include Registrable Securities in any Registration Statement pursuant to this Agreement unless and until such Holder has furnished to the Company such

information. Each Holder further agrees to furnish as soon as reasonably practicable to the Company all information required to be disclosed in order to make information previously furnished to the Company by such Holder not materially misleading.

(b) Each Holder of Registrable Securities agrees that, upon receipt of any written notice from the Company of the happening of any event of the kind described in clause (4), (5) or (6) of Section 2.3(a)(iii) or in Section 2.4(b), such Holder will forthwith discontinue disposition of Registrable Securities pursuant to the then current Prospectus until (1) such Holder is advised in writing by the Company that a new Registration Statement covering the offer of Registrable Securities has become effective under the Securities Act or (2) such Holder receives copies of a supplemented or amended Prospectus contemplated by this Section 2.3(b), or until such Holder is advised in writing by the Company that the use of the Prospectus may be resumed. If the Company shall have given any such notice during a period when a demand registration is in effect, the Company shall extend the period described in Section 2.1(b)(i) (as applicable) by the number of days during which any such disposition of Registrable Securities is discontinued pursuant to this paragraph, if so directed by the Company, on the happening of such event, the Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

(c) Selection of Underwriters. With respect to any Underwritten Offering, the Company shall be entitled to select the managing underwriter; provided, that if the Underwritten Offering is undertaken pursuant to Section 2.1 hereof, such managing underwriter shall be selected by the Holders of a majority of the Registrable Securities included in such registration, subject to approval of the Company, which approval shall not be unreasonably withheld.

2.4 Other Agreements.

(a) "Market Stand-Off" Election. In the case of any Underwritten Offering, upon the request of the managing underwriter, each Holder agrees not to effect any public sale or distribution of Registrable Securities, except as part of such underwritten registration pursuant to the terms hereof, during the period beginning fifteen (15) days prior to the closing date of such underwritten offering and during the period ending ninety (90) days after such closing date (or such longer period, not to exceed 180 days, as may be reasonably requested by the Company or by the managing underwriter or underwriters).

(b) Material Development Condition. With respect to any Registration Statement filed or to be filed pursuant to Section 2.1, if the Company determines, in its good faith judgment, that (i) it would (because of the existence of, or in anticipation of, a material acquisition or corporate reorganization or other transaction, financing activity, stock repurchase or development involving the Company or any subsidiary, or the unavailability of any required financial statements, or any other event or condition of similar significance to the Company or any subsidiary) be seriously detrimental to the Company or any subsidiary or its stockholders for such a Registration Statement to become effective or to be maintained effective or for sales of Registrable Securities to continue pursuant to the Registration Statement, or (ii) the filing or maintaining effectiveness of a Registration Statement would require disclosure of material information that the Company has a valid business purpose of retaining as confidential (each, a "**Material Development Condition**"), the Company shall, notwithstanding any other provisions of this Agreement, be entitled, upon the giving of a written notice (a "**Delay Notice**") to such effect, signed by the Chief Executive Officer, President or any Vice President of the Company, to any Holder of Registrable Securities included or to be included in such Registration Statement, (A) to cause sales of Registrable Securities by such Holder pursuant to such Registration Statement to cease, (B) to delay actions to bring about the effectiveness of such Registration Statement and sales thereunder or, upon the written advice of counsel, cause such Registration Statement to be withdrawn and the effectiveness of such Registration

Statement terminated, or (C) in the event no such Registration Statement has yet been filed, to delay filing any such Registration Statement, until, in the good faith judgment of the Company, such Material Development Condition no longer exists (notice of which the Company shall promptly deliver to any Holder of Registrable Securities with respect to which any such Registration Statement has been filed).

Notwithstanding the foregoing provisions of this paragraph (b):

(1) the Company shall not be entitled to cause sales of Registrable Securities to cease or to delay any registration of Registrable Securities required pursuant to Section 2.1 by reason of any existing or anticipated Material Development Condition for a period of more than sixty (60) consecutive days; provided, that the Company shall not be entitled to exercise any such right more than two times in any calendar year or less than 30 days from the prior such suspension period; and provided further, that such exercise shall not prevent the Holders from being entitled to at least 240 days of effective registration per calendar year;

(2) in the event a Registration Statement is filed and subsequently withdrawn by reason of any existing or anticipated Material Development Condition as hereinbefore provided, the Company shall cause a new Registration Statement covering the Registrable Securities to be filed with the SEC as soon as reasonably practicable after the occurrence of the earlier of (i) the expiration of such Material Development Condition and (ii) the expiration of the period set forth in clause (1) above, and the registration period for such new registration statement shall be the number of days that remained in the required registration period with respect to the withdrawn Registration Statement at the time it was withdrawn; and

(3) in the event the Company elects not to withdraw or terminate the effectiveness of any such Registration Statement but to cause a Holder or Holders to refrain from selling Registrable Securities pursuant to such Registration Statement for any period during the required registration period, such required registration period with respect to such Holders shall be extended by the number of days during such required registration period that such Holders are required to refrain from selling Registrable Securities.

2.5 Registration Expenses. All expenses incident to the Company's performance of or compliance with this Agreement, including without limitation all registration and filing fees, listing fees, fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications or registrations (or the obtaining of exemptions therefrom) of the Registrable Securities), fees of the National Association of Securities Dealers, transfer and registration fees of transfer agents and registrars, printing expenses (including expenses of printing Prospectuses), messenger and delivery expenses, internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), fees and disbursements of its counsel and its independent certified public accountants (including expenses of any special audit or accounting review), securities acts liability insurance (if the Company elects to obtain such insurance), fees and expenses of any special experts retained by the Company in connection with any registration hereunder, reasonable fees and expenses, not to exceed $50,000 per registration

hereunder, of one counsel for the Holders (and any necessary local counsel), and fees and expenses of other Persons retained by the Company (all such expenses being referred to as "**Registration Expenses**"), shall be borne by the Company; provided, that Registration Expenses shall not include out-of-pocket expenses incurred by the Holders (except as specifically provided above in this Section 2.5) and underwriting discounts, commissions or fees attributable to the sale of the Registrable Securities, which shall be paid by the Holders pro rata on the basis of the number of shares of Common Stock registered on their behalf.

2.6 Indemnification.

(a) Indemnification by the Company. The Company agrees to indemnify and hold harmless, to the full extent permitted by law, but without duplication, each Holder of Registrable Securities included in a Registration Statement, its officers, directors, employees, partners, principals, equityholders, managed or advised accounts, advisors and agents, and each Person who controls such Holder (within the meaning of the Securities Act) and, unless indemnification of such Persons is otherwise provided for in the applicable underwriting agreement, each underwriter, its partners, members, directors and officers and each person, if any, who controls such Underwriter (within the meaning of the Securities Act) (individually, an "**Indemnified Person**"), against all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation and reasonable legal fees and expenses and including expenses incurred and amounts paid in settlement of any litigation, commenced or threatened) arising out of or based upon any untrue statement (or alleged untrue statement) of a material fact in, or any omission (or alleged omission) of a material fact required to be stated in, such Registration Statement or Prospectus or necessary to make the statements therein (in the case of a Prospectus in light of the circumstances under which they were made) not misleading, as such expenses are incurred, except insofar as the same are caused by or contained in any information furnished in writing to the Company by any Indemnified Person expressly for use therein.

(b) Indemnification by Holders of Registrable Securities. In connection with any Registration Statement in which a Holder of Registrable Securities is participating, each such Holder will furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus and agrees to indemnify and hold harmless, to the full extent permitted by law, severally but not jointly with any other Holder, but without duplication, the Company, its officers, directors, shareholders, employees, advisors and agents, and each Person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses (including reasonable costs of investigation and reasonable legal fees and expenses and including expenses incurred and amounts paid in settlement of any litigation, commenced or threatened) arising out of or based upon any untrue statement (or alleged untrue statement) of material fact in, or any omission (or alleged omission) of a material fact required to be stated in, the Registration Statement or Prospectus or necessary to make the statements therein (in the case of a Prospectus in light of the circumstances under which they were made) not misleading, as such expenses are incurred, to the extent, but only to the extent, that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Holder to the Company specifically for inclusion therein. In no event shall any participating Holder be liable for any amount in excess of the proceeds (net of payment of all expenses (excluding underwriting discounts and commissions paid or payable by such Holder)) received by such Holder from the Registrable Securities offered and sold by such Holder pursuant to such Registration Statement.

(c) Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder will (i) give prompt notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) permit such indemnifying party to assume the defense of such claim with counsel of such indemnifying party's choice; provided, however, that any Person entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such indemnified Person unless (A) the indemnifying party shall have agreed in writing to pay them, (B) the indemnifying party shall have failed to assume the defense of such claim and employ counsel reasonably satisfactory to the indemnified party in a timely manner or (C) the named parties to an action, claim or proceeding (including any impleaded parties) include any indemnified party and the indemnifying party or any of its Affiliates and in the reasonable judgment of any such Person, based upon advice of its counsel, (1) a conflict of interest may exist between such person and the indemnifying party with respect to such claims (in which case, if

the Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such person) or (2) there may be one or more legal defenses available to it which are different from or in addition to those available to the indemnifying party; provided, that such counsel only be hired to the extent necessary for such defense or defenses; and provided, further, that the indemnifying party shall be responsible to pay the fees and expenses of only one law firm plus one local counsel in each necessary jurisdiction pursuant to these clauses (A), (B) and (C). The indemnifying party will not be subject to any liability for any settlement made without its written consent (which consent shall not be unreasonably withheld). No indemnified party will be required to consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation. An indemnifying party who is not entitled to, or elects not to, assume the defense of the claim will not be obligated to pay the fees and expenses of more than one counsel (plus one local counsel if required in a specific instance) for all parties indemnified by such indemnifying party with respect to such claim. The failure by an indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under this Section 2.6, except to the extent the failure to give such notice is materially prejudicial to the indemnifying party's ability to defend such action.

(d) Contribution. If for any reason the indemnification provided for in Section 2.6(a) or Section 2.6(b) is unavailable to an indemnified party or insufficient to hold it harmless as contemplated by Section 2.6(a) and Section 2.6(b), then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or the omission or alleged omission relates to information supplied by the indemnifying party or parties on the one hand or the indemnified party on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentations. The amount paid or payable by a party as a

result of any losses shall be deemed to include any legal or other fees or expenses incurred by such party in connection with any proceeding, to the extent such party would have been indemnified for such expenses if the indemnification provided for in Section 2.6(a) or Section 2.6(b) were available to such party. In no event shall any participating Holder be liable for any amount in excess of the proceeds (net of payment of all expenses (excluding underwriting discounts and commissions paid or payable by such Holder)) received by such Holder from the Registrable Securities offered and sold by such Holder pursuant to such Registration Statement.

(e) Remedies Cumulative. The indemnity, contribution and expense reimbursement obligations under this Section 2.6 shall be in addition to any liability each indemnifying person may otherwise have and shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any indemnified party.

2.7 Participation in Underwritten Registrations. No Person may participate in any Underwritten Offering hereunder unless such Person (i) agrees to sell such Person's Registrable Securities on the basis provided in any underwriting arrangements related thereto and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements. Nothing in this Section 2.7 shall be construed to create any additional rights regarding the registration of Registrable Securities in any Person otherwise than as set forth herein.

2.8 Subsequent Registration Rights. The Company shall not modify or amend any existing agreement providing for registration rights in a manner that would adversely affect the rights of the Holders hereunder. In addition, the Company shall not grant any Person any registration rights with respect to shares of Common Stock other than registration rights that expressly permit the Holders to participate in the registration pro rata with the Person being granted registration rights based on the number of shares requested to be included (and on a basis no less favorable to the Holders than that of the Person being granted registration rights). Notwithstanding anything herein to the contrary, the Company may grant registration rights with respect to shares of Common Stock issued in connection with an acquisition of stock or assets of another company so long as the registration rights would not be in conflict with or inconsistent with the rights of the Holders hereunder in any material respect.

2.9 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the SEC that may permit the sale of the restricted securities to the public without registration, the Company agrees to use its commercially reasonable efforts to:

(a) make and keep public information regarding the Company available as those terms are understood and defined in Rule 144 under the Securities Act;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at any time after it has become and remains subject to such reporting requirements; and

(c) so long as a Holder owns any Restricted Securities, furnish to the Holder forthwith upon written request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 of the Securities Act and the Exchange Act (at any time after it has become and remains subject to such reporting requirements), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed as a Holder may reasonably request in availing itself to any rule or regulation of the SEC allowing a Holder to sell any such securities without registration.

Section 3. Miscellaneous.

3.1 Notices. All notices and other communications hereunder shall be in writing and shall be deemed sufficiently given and served for all purposes (a) when personally delivered or given by machine-confirmed facsimile, (b) one business day after a writing is delivered to a national overnight courier service or (c) three business days after a writing is deposited in the United States mail, first class postage or other charges prepaid and registered, return receipt requested, in each case, addressed as follows (or at such other address for a party as shall be specified by like notice):

(i) in the case of the Company, to:

IHOP Corp.
450 North Brand Boulevard
Glendale, California 91203-2306
Attention: General Counsel
Facsimile No.: (818) 637-3131

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue
Los Angeles, California 90071
Attn: Rodrigo A. Guerra, Esq.
Facsimile No.: (213) 621-5217

(ii) in the case of a Holder, to the address set forth opposite such Holder's name, on Schedule A hereto,

with a copy to:

Cadwalader, Wickersham & Taft LLP
One World Financial Center, Suite 32-106
New York, New York 10281
Attention: Dennis J. Block, Esq.
Facsimile No: (212) 504-5557

3.2 Amendment and Waiver. This Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions of this Agreement may not be given, unless (a) with respect to a particular offering under Section 2, the Company has obtained the written consent of Holders of a majority of the Registrable Securities included in such offering as are then outstanding as determined by the Company, and (b) in any other event, the Company has obtained the written consent of Holders of a majority of the Registrable Securities then outstanding as determined by the Company. Whenever the consent or approval of Holders of a specified number of Registrable Securities is required hereunder, Registrable Securities held by the Company shall not be counted in determining whether such consent or approval was given by the Holders of such required number.

3.3 Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns. Notwithstanding the foregoing, the rights and obligations of the Company and the Holders under this Agreement shall not be assigned or delegated without the prior written consent of the other; provided, however, that if any Holder or any Permitted Transferee (collectively, the "**Transferor**") sells or otherwise transfers any of its Registrable Securities to another Holder, such Transferor may assign (in whole or in part) its rights under this Agreement to such Holder; provided, however, (i) the Transferor shall, at least five (5) days prior to such Transfer, furnish to the Company written notice of the name and address of such proposed Holder and a description (including amount) of the securities with respect to which such rights are being assigned and (ii) such transferee Holder shall assume in writing, concurrently with such transfer, the obligations of the Transferor under this Agreement and shall be added to Schedule A hereto; and provided further that no such assignment shall relieve the Investor or the Transferor of any of its obligations under this Agreement. Any attempted or purported assignment that does not comply with this Section 3.3 shall be null and void and shall be of no effect.

3.4 Interpretation. When a reference is made in this Agreement to Sections, paragraphs or clauses, such reference shall be to a Section, paragraph or clause of this Agreement unless otherwise indicated. The words "include," "includes," and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement has been negotiated by the respective parties hereto and their attorneys and the language hereof will not be construed for or against any party. The phrases

"the date of this Agreement," "the date hereof," and terms of similar import, unless the context otherwise requires, shall be deemed to refer to **[ ]**, 200**[ ]**. The words "hereof," "herein," "herewith," "hereby" and "hereunder" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

3.5 Further Assurances. Each party to this Agreement shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such agreements, certificates, instruments and documents as the other party hereto may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

3.6 No Third-Party Beneficiaries. No person or entity not a party to this Agreement shall be deemed to be a third-party beneficiary hereunder or entitled to any rights hereunder. All representations, warranties or agreements of the Holders contained in this Agreement shall inure to the benefit of the Company.

3.7 Entire Agreement. This Agreement and all other documents required to be delivered pursuant hereto constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior documents, agreements and understandings, both written and verbal, among the parties with respect to the subject matter hereof and the transactions contemplated hereby.

3.8 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, then, if possible, such illegal, invalid or unenforceable provision will be modified to such extent as is necessary to comply with such present or future laws and such modification shall not affect any other provision hereof; provided that if such provision may not be so modified such illegality, invalidity or unenforceability will not affect any other provision, but this Agreement will be reformed, construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein.

3.9 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH CONTRACTS MADE AND TO BE PERFORMED IN THE STATE OF NEW YORK.

3.10 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to each of the other parties, it being understood that all parties need not sign the same counterpart.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

IHOP CORP.

By: _____
Name:
Title:

INVESTORS:

CHILTON INVESTMENT PARTNERS, L.P.

By: **Chilton Investment Company, LLC,**
as general partner

By: _____
Name: _____
Title: _____

CHILTON QP INVESTMENT PARTNERS, L.P.

By: **Chilton Investment Company, LLC**,
as general partner

By: _____
Name: _____
Title: _____

CHILTON INTERNATIONAL, L.P.

By: **Chilton Investment Company, LLC**,
as general partner

By: _____
Name: _____
Title: _____

CHILTON STRATEGIC VALUE PARTNERS, L.P.

By: **Chilton Investment Company, LLC**,
as general partner

By: _____
Name: _____
Title: _____

CHILTON OPPORTUNITY TRUST, L.P.

By: **Chilton Investment Company, LLC**,
as general partner

By: _____
Name: _____
Title: _____

CHILTON GLOBAL PARTNERS, L.P.

By: **Chilton Investment Company, LLC**,

as general partner

By: _____
Name: _____
Title: _____

CHILTON OPPORTUNITY INTERNATIONAL, L.P.

By: **Chilton Investment Company, LLC**,
as general partner

By: _____
Name: _____
Title: _____

BIRCHWOOD INVESTMENTS LTD. LLC

By: _____
Name: _____
Title: _____

_____
KRISTIN RESNANSKY

_____
RACHEL S. OBENSHAIN

SCHEDULE A

SCHEDULE OF PURCHASERS

Name of Purchaser	Address of Purchaser	Number of Shares of Convertible Preferred Stock Purchased pursuant to the Purchase Agreement
Chilton Investment Partners, L.P.		
Chilton QP Investment Partners, L.P.		
Chilton International, L.P.		
Chilton Strategic Value Partners, L.P.		
Chilton Opportunity Trust, L.P.		
Chilton Global Partners, L.P.		
Chilton Opportunity International, L.P.		
Kristin Resnansky		
Rachel S. Obenshain		
	Total Shares	**35,000**