

Inst # 1998-20067

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Joseph J. London, Esq.
21800 Oxnard Street
Suite 1190
Woodland Hills, CA 91367

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

SHORT FORM OF GROUND LEASE

THIS SHORT FORM OF GROUND LEASE ("Lease") is made and entered into this 28th day of May, 1998, by and between J. WILSON DINSMORE, an individual ("Lessor"), having his principal place of business at 2107 Fifth Avenue North, Birmingham, Alabama 35203, and IHOP PROPERTIES, INC., a California corporation ("Lessee"), having its principal place of business at 525 N. Brand Boulevard, Third Floor, Glendale, California 91203-1903.

W I T N E S S E T H:

THAT for and in consideration of the mutual covenants and conditions contained in that certain Ground Lease of even date herewith between Lessor and Lessee ("Lease"), Lessor does hereby demise and lease to Lessee, and Lessee does hereby lease from Lessor, that certain tract of land ("Land") consisting of approximately 42,841 square feet, together with the rights appurtenant thereto, situated in the City of Pelham, County of Shelby, State of Alabama, as more particularly described in Exhibit A attached hereto and, by this reference, incorporated herein. All improvements now or hereafter located on the Land shall hereinafter be referred to as the "Improvements;" the Land and Improvements shall hereinafter be referred to collectively as the "Premises."

The Lease is or will be subject and subordinate to (a) that certain Declaration of Easements for Joint Access, Drainage Pipe, Sewer Pipe, and Construction/ Maintenance/Repair of Retaining Wall, dated August 29, 1997, between Lessor and R.K.M. 'Bama, Inc., recorded August 29, 1997, as Instrument No. 1997-27813, Shelby County, Alabama, Records ("Declaration A"); (b) that certain Declaration of Easements for Joint Access, Drainage Pipe, Sewer Pipe, and Construction/ Maintenance/Repair, dated September 5, 1997, between Lessor and North Pelham, L.L.C., recorded September 11, 1997, as Instrument No. 1997-29355, Shelby County, Alabama, Records ("Declaration B"); and (c) that certain Declaration of Easements and Restrictions and Joint Maintenance Agreement to be made by Lessor and recorded in the Shelby County, Alabama, Records, pursuant to Section 20(c) of the Lease ("Declaration C") (collectively, "Declarations"). During the term of the Lease, Lessee shall have all of the rights and obligations of Lessor under the Declarations, as they relate to the Land only, except as expressly set forth to the contrary in the Lease or in Declaration C.

Pelham, AL

- 106701/1998-20067
03:50 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
009 MCD 278.50

LEASE.SF (5/18/98)

At Title

TO HAVE AND TO HOLD the Land for an initial term commencing (a) thirty (30) days after the completion of construction of the Improvements and the installation of Lessee's or its affiliate's Trade Fixtures (as defined in Section 15.1 of the Lease) in accordance with the provisions of Exhibit C to the Lease, (b) when the business to be conducted on the Premises opens to the public, or (c) one hundred eighty (180) days after the date of the mutual execution of the Lease, whichever date is earliest, and shall end twenty (20) years thereafter; provided, however, if the commencement date falls on a day other than the first day of any calendar month, then said term shall end twenty (20) years after the last day of the calendar month during which said commencement date falls. Lessor also hereby grants to Lessee the options to extend the initial term of the Lease for four (4) additional, consecutive periods of five (5) years each, by giving written notice to Lessor of its intention to exercise said options, respectively, at least one hundred eighty (180) days prior to the expiration of the then current term.

SUBJECT TO the following additional provisions contained in the Lease:

5.4 Ownership of Improvements. The Improvements (including all alterations, improvements, additions and changes thereto) shall be and remain the sole property of Lessee during the term and, if applicable, extended terms, of this Lease, and upon the expiration or earlier termination (subject to the rights of any leasehold mortgagee pursuant to Section 10.2) of the term or, if applicable, extended terms of this Lease, the Improvements shall become the sole property of Lessor.

17. RIGHT OF FIRST REFUSAL. If at any time after the date of the mutual execution of this Lease and prior to the date of the expiration of the term of this Lease Lessor shall desire to sell its interest in the Premises separate and apart from any adjoining property owned by Lessor, Lessee shall have the right of first refusal as follows: Lessor shall give to Lessee a notice in writing specifying the terms and conditions upon which it desires to sell its interest in the Premises and offering to sell same to Lessee upon said terms and conditions. Within five (5) business days after receipt of said notice, Lessee shall either accept or reject said offer. If Lessee shall reject said offer, then for a period of one hundred eighty (180) days after the expiration of said five (5) business day period Lessor shall be free to sell its interest in the Premises to any other person, at a price of no less than 97.5% of the price, and otherwise upon the terms and conditions, specified in said notice. If the sale is to be made on terms and conditions other than those as aforesaid, then the right to purchase shall again be offered to Lessee as set forth above. The rejections of any one or more such offers by Lessee shall not affect its right of first refusal as to any other sales by Lessor or its successors or assigns. Notwithstanding the foregoing, Lessee's right of first refusal set forth above shall not apply to any sale or transfer of the Premises or Lessor's interest therein to any family member or related entity of Lessor, or to one, Michael Randman or entity controlled by him.

19. PROHIBITION AGAINST COMPETITION
AND PROTECTION FOR EXPOSURE

19.1 Lessor's Covenant. Lessor agrees, for itself and its successors and assigns, that, commencing upon the date of the mutual execution of this Lease and ending upon the expiration or earlier termination of this Lease, no portion of those certain tracts of land owned by Lessor and described in Exhibit D [attached hereto and, by this reference, incorporated herein] ("Restricted Property") shall be used for a Competitive Use (as hereinafter defined). The foregoing restrictions will continue only for so long as the business conducted upon the Premises is a food service operation of the type comprising a Competitive Restaurant (as hereinafter defined), except that said restrictions shall continue in full force and effect during the period prior to the initial construction of the Improvements to be constructed thereon and during temporary periods of damage, destruction, repair, restoration or remodeling of said Improvements, until such time as same can reasonably be repaired, restored and/or completed; provided, however, such temporary periods shall in no event exceed one (1) year in the case of damage or destruction of the Improvements and the subsequent repair and/or restoration thereof; and ninety (90) days in the case of the remodeling of the Improvements.

19.2 "Competitive Use" and "Competitive Restaurant" Defined. As used herein, the term "Competitive Use" shall mean any Competitive Restaurant (as hereinafter defined) or any use incidental to the operation of any hotel, motel or lodging facility involving the sale or the offer for sale of prepared food for on- or off-premises consumption by the guests or other invitees of the hotel, motel or lodging facility, other than so-called "continental breakfasts" offered on a complimentary basis, and prepackaged snacks such as candy, cookies, crackers, chips, nuts and the like, but excluding sandwiches. As used herein, the term "Competitive Restaurant" shall mean any food service operation that offers full service (orders taken and served by wait personnel at the customer's table or counter), full menu (breakfast, lunch and dinner items), and moderately priced menu items, such as, but not limited to, The Village Inn®, Bob's Big Boy®, Shoney's®, Denny's®, Perkins®, Waffle House®, Baker's Square®, Coco's®, JB's® and Bob Evans' Farms®. Provided, however, "Competitive Restaurant" shall not include any: (a) dinner house, steak house, or seafood restaurant, such as, but not limited to, Captain D's Seafood Restaurant®, Outback Steak House®, Quincy's Family Steak House®, Red Lobster Restaurant®, Ruth's Chris Steak House® and Ryan's Family Steak House®; (b) Oriental, French, Greek, Lebanese, Mexican, Italian, or other ethnic restaurant, such as, but not limited to, Asahi Japanese Restaurant®, El Palacio Mexican Restaurant®, and Olive Garden Italian Restaurant®; (c) so-called "fast food" restaurant, such as, but not limited to, Burger King®, Dairy Queen®, Gus' Hot Dogs®, Hardee's Hamburgers®, Jack's Hamburgers®, Milo's Hamburgers®, Mrs. Winner's®, Famous Recipe Chicken and Biscuits®, McDonald's®, Rally's Hamburgers®, Sneaky Pete's Hotdogs® and Wendy's Old Fashioned Hamburgers® (and notwithstanding the fact that its employees may on occasion deliver food to a customer's table); (d) so-called "casual dining" restaurant, such as, but

not limited to, Chili's®, Bennigan's®, Friday's®, and Ruby Tuesday's®; (e) delicatessen restaurant, such as, but not limited to, Wall Street Deli®, (f) so-called "drive-in" restaurant (and notwithstanding the fact that its employees may deliver food to a customer's vehicle or to a table not located in the building interior); (g) food specialty shops, such as, but not limited to, ice cream, yogurt, submarine sandwich, pizza and similar single item shops, such as, but not limited to, Donato's Pizza®, Backyard Burgers®, Baskin Robbins®, Chic-Fil-A®, Church's Chicken®, Golden Rule Bar-B-Que®, Jim and Nick's Bar-B-Que®, Johnny Ray's Bar-B-Que®, Johnny Rocket's®, Ollie's Bar-B-Que®, Papa John's Pizza®, Pizza Hut®, Popeye's Famous Fried Chicken®, and Sub-Way Sandwiches and Salads®; or (h) other restaurant which offers only breakfast and lunch, only lunch and dinner, or only breakfast and dinner.

19.3 Lessee's Remedies for Breach. The covenant of Lessor contained in Section 19.1 is a material inducement for Lessee to enter into this Lease, and upon any breach by Lessor of said covenant, which breach is not cured within thirty (30) days after written notice thereof by Lessee to Lessor, Lessee, subject to Sections 19.4 and 19.5, shall have the right to pursue all of its rights available at law or in equity, including cancellation of this Lease, a suit for damages, and/or a suit for injunctive relief (it being understood that the enumeration of the foregoing rights and remedies shall not preclude the exercise of any other rights or remedies which might be available at law or in equity).

19.4 Separate Ownership. In the event that the Restricted Property or any portion thereof shall be used for a Competitive Use in violation of the covenant of Lessor pursuant to Section 19.1, and at the time of such violation the owner of the Restricted Property or any portion thereof and the then Lessor under this Lease are not the same party or Related Parties (as hereinafter defined), then notwithstanding any provision herein to the contrary, Lessee shall have no right to cancel or terminate this Lease, withhold any rental payments, or make any other claim or demand for damages or otherwise, on account of such violation, but nothing herein contained shall deprive Lessee of any rights or remedies against the owner of the Restricted Property or portion thereof, or its tenants, subtenant, licensees or other occupants, or their respective successors or assigns, by way of suit for damages or injunctive relief, or as otherwise provided by law, on account of such violation. As used herein, the term "Related Parties" shall mean any member of Lessor's immediate family (i.e., parent, spouse or child), or any entity controlled by, controlling, or under common control, directly or indirectly, with Lessor.

19.5 Lessor's Mortgagee. In the event that Lessor's interest in the Premises is at any time subject to a first mortgage, held by any life insurance company, bank, savings and loan association, trust, real estate investment trust, pension fund or organization, or any entity which regularly makes loan secured by real estate (collectively, "Institutional First Mortgage"), and in the further event that the holder of the Institutional First Mortgage ("First Mortgagee") acquires title to Lessor's interest in the Premises by reason of foreclosure or deed given in lieu of foreclosure, then so

long as such First Mortgagee retains such title and notwithstanding anything contained in Section 19.3 to the contrary, Lessee shall not have the right to cancel or terminate this Lease, withhold rental payments, or make any other claim or demand for damages or otherwise, on account of any violation of the covenant of Lessor pursuant to Section 19.1, so long as such First Mortgagee takes all commercially reasonable steps available to it to enjoin such violation, but nothing herein contained shall deprive Lessee of any rights or remedies against the owner of the Restricted Property, or its tenants, subtenants, licensees or other occupants, or their respective successors or assigns, by way of suit for damages or injunctive relief, or as otherwise provided by law, on account of such violation. The provisions of this Section 19.5 will apply irrespective of the fact that the Restricted Property may be owned by such First Mortgagee or a Related Party.

25. LIABILITY OF LESSOR. The term "Lessor" as used in this Lease means only the owner of the fee interest in the Land from time to time. In the event of any transfer at any time of the entire fee interest of Lessor in the Land, the transferor shall be and is entirely freed and relieved of all covenants and obligations of Lessor under this Lease accruing after the effective date of such transfer, and it shall be deemed and construed, without further agreement between the parties or their respective successors in interest, or between the parties and the transferee, that the transferee of Lessor's interest has assumed and agreed to perform and observe each and every covenant, obligation and term to be performed and observed by Lessor hereunder, accruing after the effective date of such transfer.

It is understood and agreed that this Short Form of Ground Lease is executed solely for the purpose of giving notice to the public of the existence of the Lease of the Land, the terms and conditions of which are expressly incorporated herein by reference for all purposes as though fully set forth herein. Should there be any inconsistency between the terms of this instrument and the Lease incorporated herein, the terms of said incorporated Lease shall prevail.

IN WITNESS WHEREOF, the parties hereto have executed this Short Form of Ground Lease as of the day and year first above written.

LESSOR:

J. WILSON DINSMORE

LESSEE:

IHOP PROPERTIES, INC.

By:

Richard K. Herzer, President

State of Alabama)
County of Jefferson) S.S.

I, Jennifer Carson, a Notary Public in and for said County in said State, hereby certify that J. Wilson Dinsmore, whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he executed the same voluntarily on the day the same bears date.

Given under my hand this the 21st day of May, 1998.

Jennifer Carson 3/12/2001
Notary Public

(Seal)

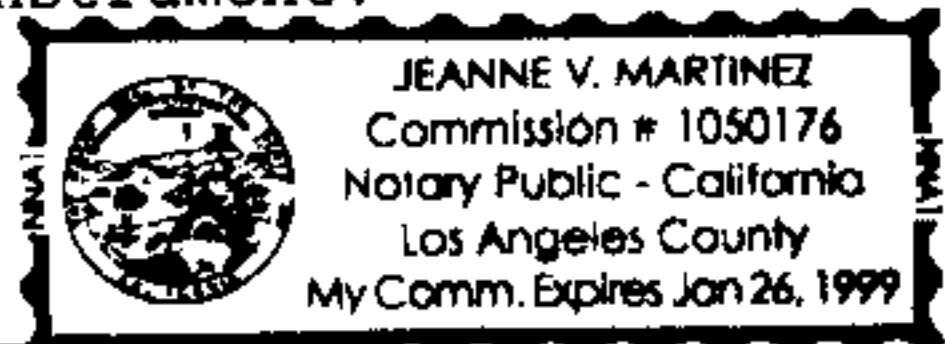
State of California)
County of) S.S.

On May 28, 1998, before me, Jeanne V. Martinez, a Notary Public in and for said County and State, personally appeared Richard K. Herzer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature

Jeanne V. Martinez



(Seal)

Exhibit A
to
Short Form of Ground Lease
Legal Description of Land

Parcel 1

A parcel of land situated in the northeast 1/4 of Section 36, Township 19 South, Range 3 West, Shelby County, Alabama, being more particularly described as follows:

Commence at the northeast corner of said Section 36; thence run South along the east line of said Section 36 a distance of 266.80 feet; thence turn 117°40'00" right and run Northwesterly 165.21 feet to a point on the westerly right of way line of U.S. Highway 31; thence turn 110°54'05" left to the tangent of a curve to the left, said curve having a radius of 1,752.68 feet, run along the arc of said curve and said road right of way for 16.26 feet to the southeast corner of Lot 1 according the survey of Walgreens-Pelham, as recorded in Map Book 23, Page 88, in the Office of Probate of Shelby County, Alabama, and the point of beginning; thence continue along said curve and said road right of way for 70.67 feet to a point; thence turn 90°00'00" left from the tangent to said curve at said point and run Easterly along said road right of way for 15.00 feet; thence turn 90°00'00" right to the tangent of a curve to the left, said curve having a radius of 1,737.68 feet, and run along the arc of said curve and said road right of way for 189.15 feet to a point; thence turn 94°22'17" right from the tangent to said curve at said point and run Westerly for 239.68 feet; thence turn 95°24'00" right and run Northeasterly for 116.68 feet to a point on the southeast line of said Lot 1; thence turn 50°36'53" right and run Northeasterly along said lot line for 257.43 feet to the point of beginning. Containing 0.98 acres.

Parcel 2

Perpetual, non-exclusive easements, appurtenant to Parcel 1, for access, drainage, sanitary sewer, and retaining wall, over, under and across that certain adjoining property, as set forth and described in (a) that certain Declaration of Easements for Joint Access, Drainage Pipe, Sewer Pipe, and Construction/Maintenance/Repair of Retaining Wall, dated August 29, 1997, between J. Wilson Dinsmore and R.K.M. 'Bama, Inc., recorded August 29, 1997, as Instrument No. 1997-27813, Shelby County, Alabama, Records; and (b) that certain Declaration of Easements for Joint Access, Drainage Pipe, Sewer Pipe, and Construction/Maintenance/Repair, dated September 5, 1997, between J. Wilson Dinsmore and North Pelham, L.L.C., recorded September 11, 1997, as Instrument No. 1997-29355, Shelby County, Alabama, Records.

Parcel 3

Perpetual, non-exclusive easements, appurtenant to Parcel 1, for ingress, egress, parking, utility lines and drainage, over, under and across that certain adjoining property, as set forth and described in that certain Declaration of Easements and Restrictions and Joint Maintenance Agreement, dated May 21, 1998, made by J. Wilson Dinsmore, recorded ~~May 1~~ 1998, as Instrument No. ~~1998-20066~~, Shelby County, Alabama, Records.

EXHIBIT D

LEGAL DESCRIPTION OF RESTRICTED PROPERTY
DESCRIPTION PARCEL 2

A PARCEL OF LAND SITUATED IN THE NORTHEAST 1/4 OF SECTION 36, TOWNSHIP 19 SOUTH, RANGE 3 WEST, SHELBY COUNTY, ALABAMA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE NORTHEAST CORNER OF SAID SECTION 36; AND RUN SOUTH ALONG THE EAST LINE OF SAID SECTION 36 A DISTANCE OF 266.80 FEET; THENCE TURN 117°40'00" RIGHT AND RUN NORTHWESTERLY 165.21 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY 31; THENCE TURN 110°54' 05" LEFT TO THE TANGENT OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 1,752.68 FEET, AND RUN ALONG THE ARC OF SAID CURVE AND SAID ROAD RIGHT OF WAY 86.93 FEET TO A POINT; THENCE TURN 90°00'00" LEFT FROM THE TANGENT TO SAID CURVE AT SAID POINT AND RUN EASTERLY ALONG SAID ROAD RIGHT OF WAY 15.00 FEET; THENCE TURN 90°00'00" RIGHT TO THE TANGENT OF A CURVE TO THE LEFT SAID CURVE HAVING A RADIUS OF 1,737.68 FEET AND RUN ALONG THE ARC OF SAID CURVE AND SAID ROAD RIGHT OF WAY 189.15 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE ALONG THE LAST DESCRIBED COURSE AND ALONG SAID ROAD RIGHT OF WAY 113.00 FEET TO A POINT; THENCE TURN 82°08'35" RIGHT FROM THE TANGENT TO SAID CURVE AT SAID POINT AND RUN SOUTHWESTERLY 211.53 FEET; THENCE TURN 90°00'00" RIGHT AND RUN NORTHWESTERLY 177.28 FEET; THENCE TURN 105°57'15" RIGHT AND RUN 239.84 FEET TO THE POINT OF BEGINNING.

DESCRIPTION PARCEL 3

A PARCEL OF LAND SITUATED IN THE NORTHEAST 1/4 OF SECTION 36, TOWNSHIP 19 SOUTH, RANGE 3 WEST, SHELBY COUNTY, ALABAMA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE NORTHEAST CORNER OF SAID SECTION 36; AND RUN SOUTH ALONG THE EAST LINE OF SAID SECTION 36 A DISTANCE OF 266.80 FEET; THENCE TURN 117°40'00" RIGHT AND RUN NORTHWESTERLY 165.21 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY 31; THENCE TURN 110°54' 05" LEFT TO THE TANGENT OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 1,752.68 FEET, AND RUN ALONG THE ARC OF SAID CURVE AND SAID ROAD RIGHT OF WAY 86.93 FEET TO A POINT; THENCE TURN 90°00'00" LEFT FROM THE TANGENT TO SAID CURVE AT SAID POINT AND RUN EASTERLY ALONG SAID ROAD RIGHT OF WAY 15.00 FEET; THENCE TURN 90°00'00" RIGHT TO THE TANGENT OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 1,737.68 FEET AND RUN ALONG THE ARC OF SAID CURVE AND SAID ROAD RIGHT OF WAY 302.15; THENCE TURN 82°08'35" RIGHT FROM THE TANGENT TO SAID CURVE AT SAID POINT AND RUN SOUTHWESTERLY 211.53 FEET; TO THE POINT OF BEGINNING; THENCE CONTINUE ALONG THE LAST DESCRIBED COURSE 326.38 FEET TO A POINT ON THE NORTHEAST RIGHT OF WAY LINE OF OLD MONTGOMERY HIGHWAY; THENCE TURN 67°22'28" RIGHT AND RUN NORTHWESTERLY ALONG SAID RIGHT OF WAY LINE 159.18 FEET; THENCE TURN 92°26'33" RIGHT AND RUN NORTHEASTERLY 60.75 FEET TO THE POINT OF BEGINNING OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 72.00 FEET, AND RUN ALONG THE ARC OF SAID CURVE 18.96 FEET TO THE POINT OF A TANGENT TO SAID CURVE; THENCE RUN NORTHEASTERLY ALONG SAID TANGENT TO SAID CURVE 87.46 FEET; THENCE TURN 45°00'00" LEFT AND RUN 42.43 FEET; THENCE TURN 45°00'00" RIGHT AND RUN 66.56 FEET; THENCE TURN 16°09'56" LEFT AND RUN 186.72 FEET; THENCE TURN 132°36'48" RIGHT AND RUN SOUTHERLY 116.68 FEET; THENCE TURN 21°21'15" LEFT AND RUN 177.28 FEET TO THE POINT OF BEGINNING.

JOSEPH J. LONDON
ATTORNEY AT LAW
WARNER CENTER PLAZA
21800 OXNARD STREET, SUITE 1190
WOODLAND HILLS, CALIFORNIA 91367
TELEPHONE: 818-593-2266
TELEFAX: 818-593-2267

June 1, 1998

Via Telefax 205-324-7949

Mr. William Cunningham
Alabama Title Co., Inc.
2233 Second Avenue North
Birmingham, Alabama 35203-3832

Re: IHOP proposed site near southwest corner of U.S. Highway 31 and Valley Dale Road, Pelham, Alabama; Ground Lease dated May 28, 1998, by and between J. Wilson Dinsmore, an individual, as Lessor, and IHOP Properties, Inc., a California corporation, as Lessee; File No. 98-29831 (Revised)

Dear Bill:

This letter will confirm our telephone discussion today that you will add a statement to the end of the Short Form of Ground Lease for recording purposes as follows:

"Lessee hereby states that the value of the leasehold estate described in this Short Form of Ground Lease is the sum of \$250,000, as of the date of this Short Form of Ground Lease."

Very truly yours,



Joseph J. London

JJL:gh

cc: Jess E. Sotomayor, Esq.
William R. Sylvester, Esq.

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