

**Item 17**

**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the exhibits attached to this Offering Circular.

| <u>Provision</u>                    | <u>Section in Franchise Agreement</u> | <u>Summary</u>   |
|-------------------------------------|---------------------------------------|--|
| a. Term of the franchise            | Section 2.(a)                         | 10 years*  |
| b. Renewal or extension of the term | Section 2.(c)                         | 10 year renewal if you meet certain requirements.*   |
| c. Requirements for you to renew    | Section 2.(c)                         | Written notice, remodel, full compliance, sign then current form of Franchise Agreement, secure approved location, pay renewal fee, sign release, Principal Operator completes training and we are continuing to offer franchises in your state. |
| d. Termination by you               | None                                  | You have no right to terminate.  |

| <u>Provision</u>                                 | <u>Section in Franchise Agreement</u> | <u>Summary</u>  |
|--|---------------------------------------|---|
| e. Termination by us without cause               | None                                  | We have no right to terminate without cause.  |
| f. Termination by us with cause                  | Section 19                            | We can terminate only if you commit any one of several listed violations.   |
| g. "Cause" defined-defaults that cannot be cured | Section 19.(a) and (b)                | Assignment for creditors, bankruptcy filing or adjudication or similar proceeding, final judgment unsatisfied, your dissolution, your interest subject to an attachment or similar action, execution levied on your property, you default under a security agreement and we elect to assume the indebtedness, cease operation or lose right to possession, unpermitted transfers, criminal conviction or other actions adversely affecting Marks, failure to transfer as required, disclose confidential information, repeated defaults, violate non-competition provisions, maintain false books, records or reports, failure to maintain required insurance coverages, impair value of the Marks or System or imminent danger to public health or safety. |
| h. "Cause" defined-defaults that can be cured    | Section 19.(c)                        | 15 days for all other defaults.   |

| <u>Provision</u>                                       | <u>Section in Franchise Agreement</u> | <u>Summary</u>   |
|--|---------------------------------------|--|
| i. Your obligations on termination/nonrenewal          | Section 20                            | Cease operating franchised business, cease use of confidential information and Marks, return property, cancel assumed or similar name registrations, assign lease or de-identify, pay outstanding amounts and damages, deliver manuals, assign phone numbers, comply with covenants. (see also r). |
| j. Assignment of contract by us                        | Section 14.(a)                        | No restriction on our right to assign.   |
| k. "Transfer" by you - definition                      | Section 11.(a) and 14.(b)             | Includes transfer of any interest in the agreement, assets or you, including Principal Operator's interest.  |
| l. Our approval of transfer by you                     | Section 14.(b)                        | We have the right to approve all transfers except transfers to or among your shareholders, members or partners.  |
| m. Conditions for our approval of transfer             | Section 14.(c)                        | Full compliance, transferee qualifies and provides required documents, all amounts due are paid in full, completion of training, \$7,500 transfer fee paid, then-current agreement and other agreements signed, franchisee executes or delivers other required documents including release.        |
| n. Our right of first refusal to acquire your business | Section 14.(b) and (i)                | We have right to match offer.  |

| <u>Provision</u>  | <u>Section in Franchise Agreement</u> | <u>Summary</u>  |
|---|---------------------------------------|---|
| o. Our option to purchase your business                                   | Section 20.(b)                        | We have the right to purchase the assets of the Restaurant for fair market value on termination or non-renewal.   |
| p. Your death or disability   | Section 15.(a)                        | Franchise must be assigned to approved buyer within 9 months. Heirs or estate may qualify as an approved buyer or transferee provided our standard franchisee qualifications are met and an approved Principal Operator is appointed. |
| q. Non-competition covenants during the term of the franchise             | Section 16.(a)                        | No involvement in any other business anywhere, including prohibitions in (r) below.   |
| r. Non-competition covenants after the franchise is terminated or expires | Section 16.(c)                        | No interest in competing business for 2 years within 10 miles of the Restaurant or any other Papa John's Pizza Restaurant.  |
| s. Modification of the agreement  | Section 25.(e)                        | No modifications generally but Operations Manual subject to change.   |
| t. Integration/merger clause  | Section 25.(c)                        | Only terms of Franchise Agreement are binding (subject to state law).   |
| u. Dispute resolution by arbitration or mediation                         | Section 23.(a)                        | Arbitration of most disputes in Louisville, Kentucky.   |
| v. Choice of forum  | Section 23.(b)                        | Litigation in Jefferson County, Kentucky (subject to state law).  |