

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

This table lists important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this offering circular.

Provision	Section in Agreement	Summary
a. Term of the franchise	§ 2.1 of Franchise Agreement; § 4 in Area Development Agreement; § 4 of Software License Agreement	10 years
b. Renewal or extension of the term	§ 2.2 of Franchise Agreement; none in Area Development Agreement	One additional 10-year term
c. Requirements for you to renew or extend	§§ 2.2.1 - 2.2.8 of Franchise Agreement; none in Area Development Agreement	Notice, satisfaction of monetary obligations, compliance with Franchise Agreement, release, sign new Franchise Agreement, and others; see §§ 2.2.1 –2.2.8 in Franchise Agreement.
d. Termination by you	None	We each have the right to terminate the Deposit Agreement at any time, with or without cause, by providing written notice to the other party.
e. Termination by us without cause	None	We each have the right to terminate the Deposit Agreement at any time, with or without cause, by providing written notice to the other party.
f. Termination by us with cause	§ 14 of Franchise Agreement; § 6 in Area Development Agreement; § 9 of Software License Agreement	Default under Franchise Agreement, bankruptcy, abandonment, and other grounds; see § 14 of the Franchise Agreement. Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing.
g. "Cause" defined – defaults which can be cured	§ 13.3 of Franchise Agreement; § 6.3 in Area Development Agreement	All other defaults not specified in §§ 14.1 and 14.2 of the Franchise Agreement

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h. "Cause" defined – defaults which cannot be cured	§§ 14.1 and 14.2 of Franchise Agreement; §§ 6.1 and 6.2 in Area Development Agreement	Bankruptcy, abandonment, conviction of felony, and others; see § 14.2. of the Franchise Agreement (Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing.)
i. Your obligations on termination/nonrenewal	§ 15 of Franchise Agreement; § 6.4 in Area Development Agreement; § 10 of Software License Agreement	Cease operating Restaurant, payment of amounts due, and others; see §§ 15.1 – 15.9 of the Franchise Agreement.
j. Assignment of contract by us	§ 13.1 of Franchise Agreement; § 7.1 in Area Development Agreement	There are no limits on our right to assign the Franchise Agreement.
k. "Transfer" by you – definition	§§ 13.4.1 - 13.4.4 of Franchise Agreement; §§ 7.4.1 – 7.4.4 in Area Development Agreement	Includes transfer of any interest.
l. Our approval of transfer by you	§ 13.4 of Franchise Agreement; § 7.4 in Area Development Agreement	We have the right to approve transfers.
m. Conditions for our approval of transfer	§ 13.5 of Franchise Agreement; § 7.5 in Area Development Agreement	Release, signature of new Franchise Agreement, payment of transfer fee, and others; see §§ 13.5.1 – 13.5.10 of the Franchise Agreement.
n. Our right of first refusal to acquire your business	§ 13.6 of Franchise Agreement; § 7.6 in Area Development Agreement	We can match any offer.
o. Our option to purchase your business	§§ 15.4 and 15.9 of Franchise Agreement; none in Area Development Agreement	We can acquire any interest which you have in any lease or sublease for the premises and purchase your furnishings, equipment, material, or inventory at cost or fair market value.
p. Your death or disability	§§ 13.7, 13.8 and 13.9 of Franchise Agreement; §§ 7.7, 7.8 and 7.9 in Area Development Agreement	Your estate must transfer your interest in the Restaurant to a third party we have approved, within a year after death or 6 months after the onset of disability.

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q. Non-competition covenants during the term of the franchise	§§ 16.2, 16.3 and 16.4 of Franchise Agreement; §§ 8.2, 8.3 and 8.4 in Area Development Agreement	Includes prohibition on engaging in any other business which is the same or similar to the Restaurant and others; see §§ 16.2 – 16.4 of the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	§§ 16.3 and 16.4 of Franchise Agreement; §§ 8.3 and 8.4 in Area Development Agreement	Includes an 18 month prohibition similar to "q" (above), within 5 miles of the Approved Location, or within 5 miles of any other Restaurant then-operating under the System.
s. Modification of the agreement	§ 22 of Franchise Agreement; § 13 in Area Development Agreement; § 19 in Software License Agreement	Must be in writing signed by both parties.
t. Integration/ merger clause	§ 22 of Franchise Agreement; § 13 in Area Development Agreement; § 16 in Software License Agreement	Only the final written terms of the Franchise Agreement are binding.
u. Dispute resolution by arbitration or mediation.	§ 25.3 of Franchise Agreement; § 15.3 in Area Development Agreement	Before bringing an action in court, the parties must first submit the dispute to non-binding mediation (except for injunctive relief).
v. Choice of forum	§ 25.2 of Franchise Agreement; § 15.2 in Area Development Agreement	If we ever litigate, you must do so in the state and judicial district where we maintain our principal place of business, currently, Golden, Colorado.*
w. Choice of law	§ 25.1 of Franchise Agreement; § 15.1 in Area Development Agreement	Colorado law applies.*

These states have statutes which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise: Arkansas [Ark. Code Sections 4-72-201 to 4-72-210]; California [Bus. & Prof. Code Sections 20000 to 20043]; Connecticut [Gen. Stat. Sections 42-133e to 42-133h]; Delaware [Code Sections 2551 to 2556]; Hawaii [Rev. Stat. Section 482E-6]; Illinois [815 ILCS 705/1-44]; Indiana [Stat. Sections 23-2.5-1 and 23-2-2.7]; Iowa [Code Sections 523H.1 to 523H.17]; Michigan [Stat. Section 19.854(27)]; Minnesota [Stat. Section 80C.14]; Mississippi [Code Sections 75-24-51 to 87-410]; Missouri [Rev. Stat. Sections 407.400 to 407.410]; Nebraska [Rev. Stat. Sections 87-401 to 87-410]; New Jersey [Rev. Stat. Section 56:10-1 to 56:10-12]; South Dakota [Codified Laws Section 37-5a-51]; Virginia [Code 13.1-557 through 13.1-574]; Washington [Code Section 19.100.180]; and Wisconsin [Stat. Section 135.01 to 135.07]. These and other states may have other statutes and court decisions that may supersede the franchise agreement in your relationship with us including the areas of termination and renewal of your franchise.

In addition to the provisions noted in the table above, the Franchise Agreement and Development Agreement contain a number of provisions that may affect your legal rights, including a waiver of a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Sections 25.6, 25.7 and 25.8 in the Franchise Agreement, and Sections 15.6 and 15.7 in the

Development Agreement. We recommend that you carefully review all of these provisions, and the entire contracts, with a lawyer.

\* Please refer to the disclosure addenda and contractual amendments appended to this offering circular for additional terms that may be required under applicable state law. The fact that you receive one of these addenda (or even if we sign a state-specific amendment) won't make those laws apply to you unless those state laws would have otherwise applied to you in the first place.

\* In addition to the provisions noted in the chart above, the Franchise Agreement and Area Development Agreement contain a number of provisions that may affect your legal rights, including a waiver of jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. Please refer to Section 25 of the Franchise Agreement and Section 15 of the Area Development Agreement. We recommend that you carefully review all of these provisions, and all of the contracts as well as this offering circular, with a lawyer.

#### **ITEM 18** **PUBLIC FIGURES**

We do not use any public figures to promote our franchise.

#### **ITEM 19** **EARNINGS CLAIMS**

We do not furnish or authorize our employees, salespersons, or any other representations to furnish any oral or written information concerning the actual or potential sales, costs, income, or profits of a Restaurant. Actual results vary from unit to unit, and neither we nor our employees, salespersons, nor any other representative can estimate the results of any particular franchise.