

PAPA JOHN'S  
FRANCHISE AGREEMENT  
NON-TRADITIONAL RESTAURANT

Franchisee:  
Address:

Ball State University  
The Atrium Food Court  
1101 North McKinley Avenue  
Muncie, Indiana 47306

Store No. 4502

TABLE OF CONTENTS

	<u>Page</u>
RECITALS.....	1
1. Grant.....	2
2. Term, Renewal and Expiration.....	2
3. Franchise Fees and Payments.....	4
4. Franchisor Services.....	4
5. Territorial Provisions.....	5
6. Premises.....	5
7. Proprietary Marks; Copyright.....	6
8. Advertising.....	7
9. Telephone Number.....	11
10. Construction, Design and Appearance; Equipment.....	11
11. Operations; Standards of Quality; Inspections.....	12
12. Products; QCC's; Menu.....	15
13. Accounting and Reports.....	16
14. Transfers.....	17
15. Your Additional Covenants.....	19
16. Trade Secrets and Confidential Information.....	20
17. Insurance.....	21
18. Termination.....	22
19. Obligations upon Termination or Expiration.....	25

20.	Independent Contractor; Indemnification. ....	26
21.	Your Representations.....	27
22.	ENFORCEMENT. ....	28
23.	Notices.....	31
24.	Miscellaneous. ....	31

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THIS FRANCHISE AGREEMENT ("Agreement") is made as of the "Effective Date" (as defined in Section 24.(j)), by and between **PAPA JOHN'S INTERNATIONAL, INC.**, a Delaware corporation ("we", "us" or "Papa John's"), and **BALL STATE UNIVERSITY**, an Indiana institution of higher education ("you").

RECITALS:

A. We and our Affiliates have expended time, money and effort to develop a unique system for operating retail restaurants devoted primarily to carry-out and delivery of pizza and other food items. The chain of current and future Papa John's restaurants is referred to as the "Papa John's Chain" or the "Chain."

B. The Chain is characterized by a unique system which includes: special recipes and menu items; distinctive design, decor, color scheme and furnishings; software and programs; standards, specifications and procedures for operations; procedures for quality control; training assistance; and advertising and promotional programs; all of which we may improve, amend and further develop from time to time (the "System").

C. We identify our goods and services with certain service marks, trade names and trademarks, including "Papa John's," "Papa John's Pizza" and "Pizza Papa John's and Design" (the Papa John's Logo) as well as certain other trademarks, service marks, slogans, logos and emblems that have been or may be designated for use in connection with the System from time to time (the "Marks").

D. Papa John's offers a program (the "Non-Traditional Program") that allows for development and operation of Papa John's restaurants in non-traditional sites, such as malls, hospitals, schools, airports, parks (including theme parks), sports arenas and similar venues.

E. You now desire to enter into this Agreement regarding the operation of one Papa John's restaurant under the System and the Marks at the location listed below (the "Restaurant") under the Papa John's Non-Traditional Program.

F. We have agreed to grant you a franchise for the Restaurant on the terms and conditions of this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Grant. Subject to the terms and conditions of this Agreement and your continuing faithful performance, we hereby grant to you the non-exclusive right and franchise (the "Franchise") to operate a Non-Traditional Restaurant under the System and the Marks to be located at:

Ball State University  
The Atrium Food Court  
1101 North McKinley Avenue  
Muncie, Indiana 47306

(the "Location")

Pursuant to this grant, you will, at your own expense, construct or remodel, and equip, staff, open and operate the Restaurant at the Location on or before December 28, 2014. Unless otherwise agreed in writing by us, you must commence operating the Restaurant within 60 days after the above date and diligently operate such business in accordance with this Agreement for the Term (defined below). Approval of the Location by us does not constitute an assurance, representation or warranty of any kind, expressed or implied, as to: (i) the suitability of the Location for a Papa John's restaurant; (ii) the successful operation of the Restaurant; or (iii) for any other purpose. Our approval of the Location indicates only that we believe it complies with acceptable minimum criteria that we establish solely for our purposes at the time of the evaluation. Unless we otherwise approve, the operations of the Restaurant may be carried on only from the Location.

2. Term, Renewal and Expiration.

(a) Initial Term. The Franchise is granted for a term of 5 years from the Effective Date of this Agreement, unless terminated earlier as provided in this Agreement (the "Initial Term"). You have the option to renew this Agreement for one additional 5-year term (the "Renewal Term") subject to the provisions of Section 2.(c).

(b) Term. As used in this Agreement, "Term" means the Initial Term, the Renewal Term or any extension of either of them, as the case may be.

(c) Renewal of Franchise. This Agreement does not automatically renew upon the expiration of the Initial Term. You have an option to renew the Franchise upon the expiration of the Initial Term. You may renew the Franchise for one additional 5-year term (the "Renewal Term") if, and only if, each and every one of the following conditions is satisfied:

(i) You give us written notice of your desire to renew the Franchise not less than 3 months before the end of the Initial Term, provided that if we have not received notice from you of your desire to renew by such date, we will notify you and you will have a period of 30 days thereafter within which to submit the renewal notice.

(ii) You are in full compliance with this Agreement and there is no uncured default by you under this Agreement; there has been no series of defaults by you during the

Initial Term (i.e., an abnormal frequency of defaults or a default that has occurred repeatedly, or a combination thereof), whether or not such defaults were cured; all your debts and obligations to us and our Affiliates under this Agreement or otherwise are current; and your obligations to the Marketing Fund and each Cooperative (defined below) of which you are a member are current.

(iii) You execute and deliver to us, within ninety (90) days after delivery to you, the form of Papa John's Franchise Agreement being offered to new franchisees on the date you give the notice under this Section, including all exhibits and our other then-current ancillary agreements, which agreements supersede this Agreement and all ancillary agreements in all respects, and the terms and conditions of which may differ substantially from this Agreement; provided that such Franchise Agreement will provide for a term of 5 years.

(iv) You secure the right to continue possession of the Premises for a period at least equal to the Renewal Term or, alternatively, you secure premises at another location that we approve for the same period.

(v) Your Principal Operator (defined below) and manager attends and successfully completes our training program for new franchisees.

(vi) We are then continuing to offer Papa John's Pizza franchises in the state in which the Restaurant is located and have all required documents filed and all necessary approvals to offer Papa John's franchises in that state.

(vii) You execute and deliver to us a general release, releasing us from all claims which you are aware at the time of renewal that you have against us and our Affiliates and subsidiaries, and their respective officers, directors, shareholders and employees in both their corporate and individual capacities.

(viii) You make, or provide for in a manner reasonably satisfactory to us, such renovation and re-equipping of the Restaurant as may be necessary or appropriate to reflect the then-current standards and image of the System, including renovation or replacement of signs, equipment, furnishings, fixtures and decor; provided that substantial renovation and re-equipping will not be required if you have substantially renovated the Restaurant within the 3-year period immediately preceding the end of the Initial Term.

(d) Expiration. Renewal of the Franchise after the Initial Term does not constitute a renewal or extension of this Agreement, but is conditioned upon satisfaction of the above provisions. Upon expiration of the Renewal Term, further renewal rights will be governed by the Franchise Agreement executed by you upon expiration of the Initial Term. If you fail to meet any of the conditions under Section 2.(c) above with respect to the renewal of the Franchise, the Franchise automatically expire at the end of the Initial Term.

3. Franchise Fees and Payments.

(a) Initial Franchise Fee and Royalties. In consideration of the grant of the Franchise, you must pay us the following fees:

(i) a continuing royalty (the "Royalty") of 5% of the "Net Sales" of the Restaurant for each "Period" (as defined in Section 13.(a)); provided that we will waive the royalty for a period of twelve (12) months from the opening date. Net Sales means the gross revenues of the Restaurant from sales of approved products and provision of approved services (whether such sales are evidenced by cash, check, credit, charge account or otherwise), less sales tax collected on such sales and paid to the State or other local taxing authority. The Royalty is due on the 10th day of the month following each Period; and

(b) Taxes. If the state in which the Restaurant is located (or a local taxing authority within the state) imposes a sales tax, use tax, gross receipts compensating tax or similar tax on the Initial Franchise Fee or the Royalty, we will collect such tax from you in addition to the amount set forth or determined as provided herein and remit the amount of the tax directly to the taxing authority. This does not include income taxes imposed on us, for which we are solely responsible.

4. Franchisor Services. During the Term, we will provide to you the following services:

(a) specifications for the design of the Restaurant and related facilities to be used in the operation of the Restaurant;

(b) specifications for fixtures, furnishings, decor, communications and computer hardware and software, signs and equipment;

(c) the names and addresses of designated and approved suppliers, and standards and specifications for (i) all food products, ingredients and cooking materials sold from or used in the operation of the Restaurant, and (ii) all containers, boxes, cups, packaging, menus, uniforms and other products and materials used in connection with the operation of the Restaurant;

(d) our supervision and periodic inspections and evaluations of your operation, as described more fully in Section 11.(j), which supervision, inspections and evaluations will be conducted at such times and in such manner as we reasonably determine;

(e) communication to you of information relating to the operation of a Papa John's restaurant to the extent we deem it necessary or pertinent; and

(f) Oven Option. If the Restaurant opens on or before the date provided in Section 1, a 36-month lease on two (2) PS636E WOW ovens (or another model of similar capacity specified by us). During the lease period no monthly payments will be required. If the Restaurant is still open and you are in good standing under the Franchise Agreement, you may purchase the oven

set for \$50 at the end of the lease period. The form of the lease agreement for the oven set is attached hereto as Exhibit A. If you anticipate receiving this incentive, but are unable to open a Restaurant in time to qualify for the oven lease, you will be required to pay for the oven set.

5. Territorial Provisions.

(a) Territory. Subject to the provisions of this Section 5, during the Term we will not locate nor license another to locate a Papa John's restaurant at the Location, including any parking lots that are part of, or exclusively dedicated to, the Location (the "Territory").

(b) Other Businesses. You understand that we reserve the right, either directly and/or through Affiliates, to operate, franchise, or license others to operate or franchise, restaurants or other food related establishments or businesses other than Papa John's restaurants and you agree that we and our Affiliates may do so within the Territory, provided, that such restaurants or food establishments or businesses do not sell pizza on a delivery basis, or primarily on a carry-out basis. We also reserve the right to develop, market and conduct any other business under the Marks or any other trademark.

(c) Other Methods of Distribution. We also reserve the right, directly or through third parties, to manufacture or sell, or both, within and outside your Territory, pizza and other products that are the same as or similar to those sold in Papa John's restaurants using brand names that are the same as or similar to the Marks, through any channel of distribution, provided that such items are not sold through restaurants or on a ready-to-eat basis.

6. Premises.

(a) Premises Identification. Regardless of whether you own or lease the Premises, you must, within ten days after the expiration or termination of the Franchise Agreement, remove all signs and other items and indicia that serve, directly or indirectly, to identify the Premises as a Papa John's restaurant and make such other modifications as are reasonably necessary to protect the Marks and the Papa John's System, and to distinguish the Premises from Papa John's restaurants. To enforce this provision, we may pursue any or all remedies available to us under applicable law and in equity, including injunctive relief. Your obligation will be conditioned upon our giving you prior notice of the modifications to be made and the items removed.

(b) Suitability of Premises. Regardless of whether the Premises are owned or leased, it is your responsibility to determine that the Premises can be used, under all applicable laws and ordinances, for the purposes provided herein and that the Premises can be constructed or remodeled in accordance with the terms of this Agreement and you must obtain all permits and licenses that may be required to construct, remodel and operate the Restaurant. The Premises may not be used for any purpose other than the operation of the Restaurant in compliance with this Agreement, provided, we recognize that the Restaurant will be located in a food court, that the food court as a whole will be the site of other food service operations in addition to the Restaurant and that for purposes of the foregoing restriction the term "Premises" means only to the space specifically designated for preparation and sale of Papa John's branded products.

(c) Relocation; Assignments. You will not, without first obtaining our written consent: (i) relocate the Restaurant; or (ii) renew or materially alter, amend or modify any lease, or make or allow any transfer, sublease or assignment of your rights under any lease or owned location pertaining to the Premises. Such consent may not be unreasonably withheld.

7. Proprietary Marks; Copyright.

(a) Ownership of Copyrights. You acknowledge that: (i) we may authorize you to use certain copyrighted or copyrightable works (the "Copyrighted Works"), including the Manuals; (ii) the Copyrighted Works are the valuable property of us; and (iii) your rights to use the Copyrighted Works are granted to you solely on the condition that you comply with the terms of this Agreement. You acknowledge that we will further create, acquire or obtain licenses for certain copyrights in various works of authorship used in connection with the operation of the Restaurant, all of which shall be deemed to be Copyrighted Works under this Agreement. Copyrighting of any material by us will not be construed as causing the material to be public information. All data provided by you, uploaded to our computer system from your computer system, and/or downloaded from your computer system to our computer system is and will be owned exclusively by us, and we will have the right to use that data in any manner that we deem appropriate without compensation to you.

(b) Ownership; Use by Others. You acknowledge that we are the sole and exclusive owner of: (i) the Marks and all goodwill associated with or generated by use of the Marks; (ii) the Copyrighted Works; and (iii) any and all data generated by use of the Copyrighted Works. You acknowledge that all works of authorship related to the System that are created in the future will be owned by, or licensed to, us or our Affiliates. Your use of the Copyrighted Works and the Marks does not vest you with any interest therein other than the non-exclusive license to use the Copyrighted Works and Marks granted in this Agreement. You will execute any documents that we or our counsel deem necessary for the protection of the Copyrighted Works or the Marks or to maintain their validity or enforceability, or to aid us in acquiring rights in or in registering any of the Marks or any trademarks, trade names, service marks, slogans, logos or emblems that we subsequently adopt. You will give notice to us of any knowledge that you acquire concerning any actual or threatened infringement of the Copyrighted Works or the Marks, or the use by others of names, marks or logos that are the same as or similar to the Marks. You will cooperate with us in any suit, claim or proceeding involving the Marks or the Copyrighted Works or their use to protect our rights and interests in the Marks or the Copyrighted Works. We, in our sole discretion, control all decisions concerning the Marks or the Copyrighted Works.

(c) Use of Marks. You have the right to use the Marks only in connection with the operation of the Restaurant at the Location specified herein, and only in the manner that we authorize. Your right to use the Marks is limited to use during the Term of this Agreement and in compliance with specifications, procedures and standards prescribed by us from time to time. You will prominently display the Marks in the manner that we prescribe on all signs, plastic and paper products used in the preparation and sale of Papa John's branded products, and other supplies and packaging materials that we designate, provided that such requests are reasonable and would not result in your breach of any contract or agreement to which you are a party at the time of the request. You will not fail to perform any act required under this Agreement, or commit any act, that would impair the value of the Marks or the goodwill associated with the Marks. You will not at

any time engage in any business or market any product or service under any name or mark that is confusingly or deceptively similar to any of our Marks. You will not use any of the Marks as part of your corporate or trade name, or as part of any e-mail address, web-site address, domain name, or other identification of your business in any electronic medium without our express written consent. You will not use any trademark, trade name, service mark, logo, slogan or emblem that we have not authorized for use in connection with the Restaurant, including any co-branding or cross-promotional efforts containing the name, trademark, service mark, logo or emblem of any third party without our approval. You will obtain such fictitious or assumed name registrations as required by applicable state law and forward to us copies of the same upon request.

(d) Designation as You. You will identify yourself as the owner of the Franchise in conjunction with the use of the Marks, including on checks, invoices, receipts, letterhead and contracts, as well as at conspicuous locations on the Premises in a form that specifies your name, followed by the phrase "an independently owned and operated franchise" or such other phrase as we direct.

(e) Discontinuance of Use; Additional Marks and/or Copyrights. You must modify or discontinue use of any Mark or Copyrighted Work if a court of competent jurisdiction orders it, or if we in our sole discretion deem it necessary or advisable. You will comply with our directions regarding any such Mark or Copyrighted Work within 30 days after receipt of notice from us. You will also use such additional or substitute Marks or Copyrighted Works as we direct. We will not be obligated to compensate you for any costs or expenses incurred by you to modify or discontinue using any Mark or Copyrighted Work or to adopt additional or substitute Copyrighted Works or Marks.

## 8. Advertising.

(a) Contributions and Expenditures. Recognizing the value of advertising and the importance of the standardization of advertising to the furtherance of the goodwill and public image of the System, each month during the Term, you will make the following contributions and expenditures for advertising, marketing and promotion of the Papa John's brand:

(i) You will contribute to the Marketing Fund 25% of such amount as designated from time to time as the contribution rate for standard Papa John's restaurants. However, at no time will the contributions exceed 2.0% of sales.

(ii) You will contribute to the "Cooperative" (as defined below) an amount equal to 25% of such amount as designated from time to time as the contribution rate of standard Papa John's restaurants within the Cooperative. However, at no time will the contributions exceed 1.0% of sales.

(b) Marketing Fund. Papa John's Marketing Fund, Inc., a Kentucky nonstock, nonprofit corporation (the "Marketing Fund"), has been organized for the purposes set forth in the Articles of Incorporation and By-Laws of the Marketing Fund, as they may be amended from time to time. You will automatically become a non-voting member of the Marketing Fund upon the execution of this Agreement.

(i) You acknowledge that the Marketing Fund is intended to increase recognition of the Marks and to further the public image and acceptance of the System and that we, the Marketing Fund and the directors of the Marketing Fund do not undertake any obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Marketing Fund by Papa John's restaurants operating in such geographic area or that you or the Restaurant will benefit directly or in proportion to your contribution to the Marketing Fund. We (including our officers, directors, agents and employees) are not a fiduciary or trustee of the contributions to, or the assets of, the Marketing Fund. We, the Marketing Fund and our respective officers, directors, agents and employees will not be liable to you with respect to the maintenance, direction or administration of the Marketing Fund, including with respect to contributions, expenditures, investments and borrowings, except for acts constituting willful misconduct.

(ii) We and our Affiliates will make contributions to the Marketing Fund for each Papa John's restaurant that we own on the same basis as required of comparable franchisees within the System.

(iii) You will make your monthly contribution to the Marketing Fund on the date and in the manner provided for the Royalty in Section 3.(a)(i). Contributions to the Marketing Fund may be used to defray our expenses only to the extent of the administrative costs and overhead that we may reasonably incur in rendering services to the Marketing Fund.

(iv) The funds collected by the Marketing Fund, and any earnings thereon, are not and will not be our asset or the asset of any franchisee.

(v) Although the Marketing Fund is intended to be of perpetual duration, the Board has the right to terminate the Marketing Fund. However, the Marketing Fund may not be terminated until all monies held by it have been expended for the purposes set forth in its Articles of Incorporation and By-Laws or distributed as permitted by law.

(c) Regional Cooperative Advertising. We have the right, in our sole discretion, to designate from time to time a geographical area in which the Restaurant is located for the purpose of establishing an advertising cooperative (the "Cooperative"). If a Cooperative has been established applicable to the Restaurant at the time you commence operations, you immediately become a non-voting member of such Cooperative. If a Cooperative applicable to the Restaurant is established at any later time during the Term, you will become a non-voting member of such Cooperative no later than 30 days after the date on which the Cooperative commences operation. In no event will the Restaurant be required to contribute to more than one Cooperative. We may designate, from time to time, a formula for calculating a proration or reduction of the contribution rate for Papa John's restaurants in a Cooperative based on media coverage, demographics or other factors. The following provisions apply to each Cooperative:

(i) Each Cooperative must be organized and governed in a form and manner conforming to applicable state law, but your obligation hereunder to participate in and make monetary contributions to a Cooperative is not dependent on any organizational formalities. Each Cooperative will commence operation on a date that we approve or designate, which will, for

purposes of this Agreement, constitute the date that the Cooperative is "established." Your contribution obligation will commence on that date (or on the date of this Agreement, if a Cooperative applicable to the Restaurant has already been established at that time). On all matters to be voted on by the Cooperative's membership, each voting member has one vote for each standard Papa John's restaurant it owns.

(ii) Each Cooperative is organized for the purposes of producing and conducting general advertising, marketing and promotional programs and activities, including both print and electronic media, for use in and around the applicable geographic area and developing standardized promotional materials for use by the members and neither you nor the Cooperative may use member contributions for any other purpose.

(iii) We will make contributions to each Cooperative of which we are a member on the same basis as required of comparable Papa John's restaurant franchisees within the System.

(iv) No advertising, marketing or promotional programs or materials may be used by the Cooperative or furnished to its members, and no advertising, marketing or promotional activities may be conducted by the Cooperative, without our prior written approval. All such programs, materials and planned activities must be submitted to us for approval in accordance with the procedure set forth below. Advertising agencies employed by a Cooperative must be approved by us.

(v) Subject to the provisions above, each Cooperative has the right to require its members to make contributions to the Cooperative in such amounts as are determined by the governing body of the Cooperative.

(vi) You must make your contributions to the Cooperative on the date and in the manner designated by the Cooperative. You must also submit such statements and reports as may be designated from time to time by us or the Cooperative.

(vii) Notwithstanding the foregoing, we, in our sole discretion, may, upon written request of a franchisee stating reasons supporting such request, grant to any franchisee an exemption from the requirement of membership in a Cooperative. Such an exemption may be for any length of time and may apply to one or more Papa John's restaurants owned by such franchisee. We may also exempt one or more restaurants owned or controlled by us from the requirement of membership in a Cooperative for such periods as we reasonably deem appropriate. Our decision concerning an exemption is final.

(d) Supplemental Advertising. You have the right to conduct, at your separate expense, supplemental advertising, marketing or promotional programs or activities in addition to the expenditures specified herein. All such supplemental advertising, marketing or promotional programs or activities and all materials to be used in connection therewith must be either prepared

or previously approved by us within the 90-day period preceding their intended use, or approved by us as provided below.

(e) Our Approval. Before their use by the Cooperative or by you, samples of all advertising, marketing and promotional materials not prepared or previously approved by us within the 90-day period preceding their intended use, including co-branding or cross-promotional efforts containing the name, trademark, service mark, logo or emblem or any third party, must be submitted to us (via commercial overnight courier or through the U.S. mail, return receipt requested) for our approval, to ensure consistency with the then-current standards and image of the System and protection of the Marks and the goodwill associated therewith. If disapproval is not received within 20 days from the date of receipt by us of such materials, we will be deemed to have given the required approval. The Cooperative and you may not use, and must cease using, any advertising or promotional materials that we may at any time disapprove, regardless whether we have previously approved any such items.

(f) Our Advertising. We may from time to time expend our own funds to produce such marketing or promotional materials and conduct such advertising as we deem necessary or desirable. In any advertising, marketing or promotional efforts conducted solely by or for us, we have the sole discretion to determine the products and geographical markets to be included, and the medium employed and we have no duty or obligation to supply you with any advertising, marketing or promotional materials produced by or for us at our sole expense.

(g) Ownership of Advertising. We are the sole and exclusive owner of all materials and rights that result from advertising and marketing programs produced and conducted, whether by you, us, the Cooperative or the Marketing Fund. Any participation by you in any advertising, whether by monetary contribution or otherwise, does not vest you with any rights in the Marks employed in such advertising or in any tangible or intangible materials or rights, including copyrights, generated by such advertising. If requested by us, you will assign to us any contractual rights or copyright that you acquire in any advertising and execute such documents or instruments as we may reasonably require in order to implement the terms of this Section 8.(h).

(h) Internet Website, Social Media and Other Digital or Electronic Marketing. You specifically acknowledge that any internet website, social media site or channel (such as, but not limited to, Facebook and Twitter accounts or sites) and other digital or electronic marketing channels or media directly related to the Restaurant, whether now existing or hereafter created (collectively "Electronic Channels") are deemed "advertising" under this Agreement and will be subject to, among other things, Sections 8.(f) and 8.(h) above. In connection with any Electronic Channel:

(i) You may at your discretion establish a separate Electronic Channel, but you may only have one or more Electronic Channel page(s), as designated by us, within our Electronic Channel;

(ii) If we approve, in writing, a separate Electronic Channel for you, then each of the following provisions apply:

(A) You will not establish or use the Electronic Channel without our prior written approval.

(B) Before establishing the Electronic Channel, you must submit to us, for our prior written approval, a sample of the proposed Electronic Channel domain name, format, visible content (including proposed screen shots), and non-visible content (including meta tags) in the form and manner we may reasonably require; and you will not use or modify such Electronic Channel without our prior written approval as to such proposed use or modification.

(C) In addition to any other applicable requirements, you will comply with our standards and specifications for websites as prescribed by us from time to time in the Manuals or otherwise in writing.

(D) If requested by us, you may at your discretion establish such hyperlinks or other link or connection to our Electronic Channel and others as we may request in writing.

(E) Upon expiration or termination of the Franchise, you must cease use of any Electronic Channel associated with the Restaurant and assign to us or, at our election, delete any domain name, or other Electronic Channel page, name or site containing any of the Marks or any words or combinations of words, letters or symbols that are confusingly or deceptively similar to any of the Marks.

The provisions of this Section 8.(i) also apply to Cooperatives.

9. Telephone Number. You will be solely responsible for and entitled to use of (during the Term and after expiration or termination of this Agreement) any customer ordering telephone number assigned to the Restaurant.

10. Construction, Design and Appearance; Equipment.

(a) Construction. You will construct or remodel the Premises at the Location in accordance with our construction or remodeling plans and design, layout and decor specifications. You will purchase or lease the pizza preparation, storage and other equipment, displays, fixtures, and furnishings that we designate. You will make no changes to any Premises building plan, design, layout or decor, or any equipment or signage without our prior written consent, and you will maintain the interior and exterior decor in such manner as may be reasonably prescribed from time to time by us.

(b) Signs. You will prominently display, at your expense, both on the interior and exterior of the Premises, advertising signs in such form, color, number, location and size, and containing such Marks, logos and designs as we designate. Such signs must be obtained from a source designated or approved by us. You must obtain all permits and licenses required for such signs and you also are responsible for ensuring that all signs comply with all laws and ordinances. You will not display in or upon the Premises any sign or advertising of any kind to which we object, provided, we recognize that the Restaurant will be located in a food court, that the food court as a whole will be the site of other food service operations in addition to the Restaurant and that for purposes of the foregoing restriction the term "Premises" means only to the space specifically designated for preparation and sale of Papa John's branded products.

(c) Technology System. You acquire, use in your operation of the Restaurant, and maintain a point of sale technology system (the "Information System"). The Information System must include, at a minimum, the capability of electronic reporting of sales data.

(d) Maintenance, Remodeling, Re-equipping, Enhancements and Replacements. You will at all times maintain the Restaurant in accordance with our standards, and you will, within 120 days from the date of written notice from us, remodel or re-equip or perform such maintenance at the Restaurant in accordance with the specifications we provide. Such maintenance, remodeling and re-equipping may include, without limitation: replacing worn out, obsolete, or dated equipment, fixtures, furnishings and signs; structural modifications; painting and redecorating; and purchasing more efficient or improved equipment. We may require you to perform maintenance and remodeling and to purchase equipment at such times as we deem necessary and reasonable; provided, however, that notwithstanding anything herein to the contrary, we may not require any remodeling of the Restaurant during the Initial Term.

11. Operations; Standards of Quality; Inspections.

(a) Principal Operator. You must designate one or more individuals to serve as a "Principal Operator" of the Restaurant.

(i) A Principal Operator must devote best efforts to the supervision and conduct of the development and operation of the Restaurant.

(ii) The Principal Operator must be a person approved by us who completes our initial training requirements and who must participate in and successfully completes all additional training as we may reasonably designate.

(iii) The Principal Operator must be proficient in writing and speaking English, to ensure compliance with our operational standards and to ensure efficient communications with customers and us.

If, at any time for any reason, the Principal Operator no longer qualifies to act as such, you must promptly designate another Principal Operator subject to the same qualifications listed above.

(b) Management of the Restaurant. The Principal Operator must personally devote his/her best efforts to the management and operation of the Restaurant in order to ensure compliance with this Agreement and to maintain our high standards. Management responsibility includes: presence of a Principal Operator or a manager at the Restaurant during all business hours; maintaining the highest standards of product quality and consistency; maintaining the Restaurant in the highest condition of sanitation, cleanliness and appearance; and supervising employees to ensure that the highest standard of service is maintained and to ensure that your employees deal with customers, suppliers, us, and all other persons in a courteous and polite manner.

(c) Compliance with Our Standards. You have full responsibility for the conduct and terms of employment for your employees and the day-to-day operation of your business, including hiring, termination, pay practices and any other employment practices. However, in order to ensure compliance with the quality standards and other requirements of the System, you must operate the Restaurant through strict adherence to the standards, specifications and policies of the System as they now exist, and as they may from time to time be modified. Such standards and policies include: (i) specifications and preparation methods for food; (ii) hours of operation (provided, the days and hours of operation may conform to the schedule of events at the Location and/or other restrictions imposed by the owner or licensor of the Premises and/or the Location); (iii) menu items and services offered; (iv) employee uniform requirements and specifications; (v) use of specified emblems and Marks on containers, bags, boxes, napkins, and other products; and (vi) data privacy and security. Notwithstanding the foregoing or anything in this Agreement to the contrary, you shall under no circumstances be required to take any action which would result in a breach of any other agreement to which you are a party; provided that such other agreement was not entered into subsequent to the Effective Date of this Agreement and with knowledge that a breach would result from entering into such agreement.

(d) Training. You will, at your own expense, conduct at the Restaurant such training and instruction, using such materials, equipment and supplies, as we may reasonably require from time to time. Should any employee or prospective employee of yours perform work that in our reasonable judgment requires additional operational training, skills or knowledge, such employee must take part in such additional training and instruction. You are solely responsible for all wages, travel and living expenses, and all other costs incurred by you and your employees in connection with any training or instruction that we provide.

(e) Manuals. We will lend to you one or more manuals that contain: (i) the mandatory and suggested specifications, standards and operating procedures prescribed from time to time by us; and (ii) information relative to other obligations hereunder and the operation of the Restaurant (the "Manuals"). The Manuals at all times remain our sole property. We may, from time to time, revise the contents of the Manuals. To the extent that we deem it necessary or appropriate, we will provide you with policy and procedure statements or other written notice of specifications, standards and procedures. You will promptly adopt and use the formulas, methods, procedures, policies, menus, recipes, food products and other standards and specifications contained in the Manuals, policy and procedure statements and other written notices as issued and/or as modified from time to time by us. You acknowledge that all information in the Manuals, policy and procedure

statements and other notices which constitutes confidential information and trade secrets may not be disclosed at any time by you, except as required by law, including in response to a public records request submitted under the Indiana Access to Public Records Act or any successor statute or similar law. You will not copy any part of the Manuals or any other communication or information provided by us.

(f) Variations in Standards. You may not implement any change to the System without our prior written consent. However, because complete and detailed uniformity under varying conditions may not be possible or practical, we specifically reserve the right, in our sole discretion and as we may deem in the best interests of you or the Chain, to vary the System, including specific standards, policies and/or procedures, within the Restaurant or any other restaurant(s) in the Chain based upon peculiarities of a particular location or circumstances, including: density of population and other demographic factors; size of the Territory; business practices or customs; and any other condition that we deem to be of importance to the operation of such restaurant(s) or the Chain. You acknowledge that because of these factors and others, there may be variations from standard specifications and practices in the Chain and that you are entitled to require us to grant like or similar variations or privileges to you.

(g) Your Developments. We have the right to use and incorporate into the System for the benefit of other franchisees and us any modifications, ideas or improvements, in whole or in part, developed or discovered by you or your employees or agents, without any liability or obligation to you or the developer thereof.

(h) Compliance with Laws. You must at all times during the Term comply with all applicable laws, ordinances, rules and regulations of all governmental bodies.

(i) Courtesy; Cooperation. At all times and under all circumstances, you and your employees will treat all customers and other persons, including our agents, officers, and employees, with the utmost respect and courtesy and fully cooperate with us and our agents, officers and employees in all aspects of the franchise relationship.

(j) Inspections. An agent, officer or employee of ours may make inspections of the Restaurant to ensure compliance with all required standards, specifications and procedures. Our representative will be allowed to inspect the condition and operation of the Restaurant and all areas of the Restaurant at any time during normal business hours. Such inspections may include: (i) reviewing sales and order forms; (ii) observing the Principal Operator and all managers and your other employees; (iii) interviewing any such persons; (iv) interviewing customers of the Restaurant in order to evaluate your performance and to ensure that the Restaurant is being operated in accordance with the requirements of this Agreement and the Manuals; and (v) conducting any type of audit or review necessary to evaluate your compliance with all required standards, specifications or procedures. We may, from time to time, make suggestions and give mandatory instructions with respect to your operation of the Restaurant, as we consider necessary or appropriate to ensure compliance with the then-current quality standards and other requirements of the System and to protect the goodwill and image of the System.

12. Products; QCC's; Menu.

(a) Products. You will use only those food items, ingredients, cooking materials, containers, boxes, packaging, and menus in the operation of the Restaurant as we specifically designate or approve. You may be required to purchase from us certain products that involve trade secrets or that have been specially prepared by us or at our direction or that we consider to be integral to the System. We may require that certain products be purchased from approved suppliers, which will be identified on a list that we provide to you. In the event we require that certain products be purchased from an approved supplier, we shall defend, indemnify and hold you harmless from and against any and all loss, expense, damage, claim, demand, judgment, fine, charge, lien, liability, action, cause of action or proceedings of any kind whatsoever arising directly or indirectly in connection with the actions or inactions of the approved supplier, whether the same arises before or after expiration of this Agreement. Products other than those required to be obtained from us or a designated supplier may be purchased from any source, provided that the particular supplier and products have been approved by us. We may, from time to time, amend the list of approved products and suppliers.

(b) Quality Control Centers. PJ Food Service, Inc. ("PJFS") currently supplies designated and approved products to Papa John's restaurants owned by us or our Affiliates and those of our franchisees from quality control centers that are either owned or operated by PJFS or us (the "QCCs"). PJFS is currently the only approved supplier of dough and Papa John's proprietary pizza sauce for use by Papa John's restaurants and you must purchase dough and pizza sauce from PJFS or a designated representative unless and until such time as a successor supplier of dough and/or pizza sauce is designated. PJFS has no obligation to continue supplying you or to continue to operate a QCC. If PJFS ceases operating a QCC capable of supplying the Restaurant or terminates service to you (other than as a result of the termination or expiration of the Franchise), we will provide you with the name, address and phone number of an alternative approved supplier(s) and the products to be purchased from such supplier(s). All purchases by you from the QCCs are on the terms specified from time to time by PJFS, including your provision of unattended access to the Restaurant for the purpose of effecting unattended deliveries during times when the Restaurant is closed. PJFS, through us, hereby reserves the right to specify different terms for different franchisees. We make no representations or warranties about any of the services performed by or any of the products produced or sold by or through PJFS or any other approved supplier. Notwithstanding the foregoing, we agree to indemnify, defend, and hold you harmless from any and all claims, causes of action, liability, and expenses (including reasonable attorney's fees, court costs and other expenses), arising from, or relating to, our acts or omissions or the acts or omissions of any of our subsidiaries or affiliates, including, but not limited to, PJFS.

(c) Alternative Suppliers. If you desire to: (i) use any equipment, supplies or other products not previously designated and approved by us; (ii) obtain designated products from a source of supply not previously approved by us; or (iii) offer any non-standard menu item or service in the Restaurant, you must furnish to us for our prior approval, free of cost, samples of such products (or a description and demonstration of any such service) in reasonable quantities, its cartons, containers and packaging and wrapping material, the quality and style of which are subject to our approval. Such distributor, supplier, products or services will be approved for use in the Restaurant only upon your receipt of written approval from us. We may withdraw our approval of any previously approved supplier, products or services and you must cease using such products,

supplier and/or services upon receipt of written notice from us. In connection with our qualification of any alternative supplier identified and submitted for approval by you (including re-qualification of any supplier that, after our initial qualification and approval, fails to adhere to or maintain our quality standards or specifications) or approval of any non-standard menu item that you desire to offer, you must reimburse to us all of our reasonable expenses incurred in investigating such alternative supplier or establishing standards for, and approving the offering of such non-standard menu item or service and the supplier(s) thereof (or ingredients therefor, as the case may be), in each case including all travel, lodging and meal expenses of our employees or agents. We will not unreasonably withhold or revoke approval of any qualified third party product or supplier.

(d) Commercial Terms. We will have no responsibility for the commercial terms of transactions between you and your distributors and suppliers. The terms and conditions of your purchase of goods from suppliers (including our Affiliates) will be upon the terms and conditions established by such suppliers from time to time, or through your independent bargaining with such distributors or suppliers. This Agreement does not establish the commercial terms of any purchase and sale transaction between you and any supplier (including our Affiliates). To protect the business reputation, image and goodwill of the System and the Chain, you will promptly and within the due time allowed, make payment to all suppliers of goods and services sold or provided to you in connection with the construction, equipping and operation of the Restaurant, including us, our Affiliates, and our designated suppliers, excepting only non-payment resulting from a bona fide dispute with a vendor. You will disclose to us the terms of purchases from approved suppliers, including all revenues, rebates, and discounts that you or your affiliates receive from any supplier.

(e) Menu Items. You will: (i) offer for retail sale, and shall carry on your menu, only those types, sizes, styles and brands of pizza, pizza dough, pizza sauce, toppings, and other products (with the exception of beverages, which shall be provided outside of this Agreement by a vendor of your choosing) as we specify from time to time; and (ii) offer all menu items that we specify or designate from time to time as mandatory for the System (subject to prior contractual agreements or obligations with other food service concepts), including, without limitation, (A) items that are temporary promotion items, and (B) non-food items that are integral to systemwide or national promotional programs. You agree that you will not sell or carry on your menu any food items or other products, or provide any services, that we have not specified or approved. Notwithstanding the foregoing or anything to the contrary herein, we acknowledge and agree that beverages shall be supplied by a vendor of your choosing in cups supplied by a vendor of your choosing, and that beverage sales at the Restaurant, as part of “combo meals” or otherwise, shall be outside of this Agreement and not subject to the terms and conditions of this Agreement.

(f) Pricing. You have the sole responsibility for establishing your prices.

(g) Service. Except with our prior approval and consent, you may not provide delivery service from the Restaurant to any location not either: (i) on the campus of Ball State University; or (ii) owned by Ball State University.

13. Accounting and Reports.

(a) Recordkeeping. You will establish and maintain accounting and record keeping systems substantially in accordance with the specifications and procedures provided by us and as amended from time to time, including: (i) maintaining accounting records on a basis enabling or facilitating reporting to us the sales revenue of the Restaurant, separately identifiable from the transactions of any other business or operations that you may conduct, according to monthly or multi-week periods (each such accounting period is referred to as "Period"); and (ii) electronic or e-mail sales reporting via a worksheet or template prescribed by us. You will make all such records available to us upon request. You will maintain and preserve, for at least five years from the date of preparation, full, complete and accurate books, records and accounts.

(b) Periodic Reports. Upon our request, you will deliver to us: (i) a statement, in the form prescribed by us, of the revenues and expenses of the Restaurant for the immediately preceding Period; and (ii) such other records and reports as are requested by us, including bank statements, sales and expense forms and reports, and a current balance sheet.

(c) Review by Us. We, or our authorized agent, have the right, upon reasonable notice, to review, examine or audit all your sales and expense records and reports that are located in or that relate to the Restaurant, and to make copies of all such items. If any such examination or audit discloses any underpayment of the Royalty, Marketing Fund payments, or any other sums or fees owed to us, you must immediately pay the deficient amount. If any such examination or audit discloses any underpayment of the Royalty, Marketing Fund payments, or any other sums or fees owed to us of two percent (2%) or more you must pay the deficit amount plus interest thereon from the date due until paid, at a rate equal to 12% per annum. All payments received will first be credited against interest due and then against other payments due. If such an examination or audit discloses an understatement in any statement or report of 5% or more, you will, in addition to the above provision, reimburse us for the cost of having your books examined or audited. The foregoing are in addition to any other rights or remedies we may have, including the termination of the Franchise granted herein.

14. Transfers.

(a) Transfers by Us. We may transfer or assign this Agreement or any or all of the rights, interests, benefits or obligations arising hereunder without restriction. Upon any transfer or assignment of this Agreement by us, we will be released from all obligations and liabilities arising or accruing in connection with this Agreement after the date of such transfer or assignment.

(b) Transfers by You. Your rights and interests under this Agreement are and remain personal to you. You recognize that we have granted the Franchise in reliance on your business and financial capacity and other attributes, and in reliance upon the Owner Agreement. Accordingly, neither you nor any holder of any capital stock or other ownership interest in you (if you are a corporation or other entity) may, without obtaining our prior written consent, transfer: (i) any interest in this Agreement; (ii) any material portion of the assets of the Restaurant; or (iii) any controlling stock or other ownership interest in you, provided, that a member, partner or shareholder

of you may transfer all or a portion of such stock or other ownership interest in you to another member, partner or shareholder or to you (such person or entity being referred to as a "Permitted Transferee") and such a transfer is not be subject to our consent and no transfer fee will be required. You will promptly notify us of any such transfer. For purposes of this Agreement, the term "transfer" mean any issuance, sale, assignment, gift, transfer by bankruptcy, transfer by judicial order, merger, consolidation, share exchange. Our consent to a particular transfer will not be deemed as consent to any subsequent or different transfer. If you grant a security interest in your assets to secure a loan for purchase of the Premises or construction, leasehold or equipment costs, you will ensure that the secured party agrees in writing that: (A) upon default by you, it will notify us and we will have the right, but not the obligation, to be substituted as the debtor and to cure the default; and (B) any acceleration of indebtedness provisions of the loan documents will not be exercisable if we cure the default and assume the indebtedness. Upon the occurrence of a default and our election to assume the indebtedness, the Franchise and this Agreement automatically terminate and we have the right under Section 19 to purchase the assets used in the Restaurant. The purchase price as determined under Section 19 will be reduced by the amount of the debt that we assumed.

(i) Our Consent. You must give us at least 45 days prior written notice of any intended transfer of any of your rights or interest under this Agreement or of the proposed transfer of any interest in you or any material portion of your assets. Such notice must set forth the name of the proposed transferee and a detailed statement of all of the terms and conditions of such intended or proposed transfer.

(ii) Approved Transfers. If we approve the transfer in writing, you (or the transferor of an interest in you) may make the proposed transfer on the exact terms and conditions specified in your notice to us, within 60 days after the expiration of our option. If the transfer is not consummated within such 60-day period, you may not thereafter transfer such interest without again complying with this Section. You will keep the bank account designated for the Payment Methods (as provided in Section ?) remain open for a minimum of 30 days after the transfer and to fund such account in sufficient amounts to permit us to use the Payment Methods to collect amounts owed to us and/or any of our Affiliates in connection with your operation of the Restaurant.

(c) Conditions on Transfer. We will not unreasonably withhold our consent to a proposed transfer if all of the following conditions are satisfied:

(i) you are in full compliance with this Agreement and there are no uncured defaults by you hereunder, and all your debts and financial obligations to us and our Affiliates under this Agreement or otherwise are current and your obligations to the Marketing Fund and each Cooperative of which you are a member are current;

(ii) the proposed transferee executes such documents as we may reasonably require to evidence that such transferee has assumed your obligations under this Agreement, and if required by us, the proposed transferee executes, and in appropriate circumstances causes such other parties as we may require to execute, our then-current form of Owner Agreement, and other then-current ancillary agreements, which documents may be substantially different than those attached to this Agreement;

(iii) the proposed transferee enters into an Advertising Agreement with the Marketing Fund and also becomes a member of the Cooperative to which the Restaurant is required to contribute;

(iv) before the date of the proposed transfer, the proposed transferee's Principal Operator and managers undertake and successfully complete such training and instruction as we deem necessary;

(v) we are satisfied that the proposed transferee (and if the proposed transferee is an entity, each owner of any interest in such entity) meets all of the requirements for our new franchisees applicable on the date that we receive notice of the proposed transfer, including, but not limited to, good reputation and character, business experience, restaurant management experience, and financial strength and liquidity;

(vi) you and any owner transferring an interest in you acknowledge and agree in writing that you and they are bound by the non-competition and confidentiality provisions set forth herein and in the Owner Agreement (and any similar provision in any other document that either you or they have executed) to the maximum extent allowed under applicable law;

(vii) you and all owners of an interest in you execute a general release, in the form prescribed by us, releasing, to the fullest extent permitted under the laws of the state where either the Restaurant to be transferred or you, as applicable, is/are located, all claims that you or any of them may have against us or our Affiliates or subsidiaries, including our and their respective shareholders, officers, directors and employees, in both their individual and corporate capacities, and if you are the transferor, you acknowledge in writing that your interest under this Agreement is terminated; and

(viii) you pay to us a transfer fee of \$4,000, provided that, if the proposed transfer is of the Restaurant together with one or more other Papa John's restaurants owned by you to more than one transferee not under common ownership, then the total transfer fee will be an amount equal to \$4,000 per transferee.

15. Your Additional Covenants.

(a) Your Non-Compete. You covenant that during the Term of this Agreement (including the Renewal Term, if applicable) you will not engage in any of the following activities:

(i) directly or indirectly, and irrespective of whether compensation is provided, render any service to or act in concert (with the exception of entering into sponsorship agreements, which shall be permitted and in no way limited by this Agreement) with any person, partnership, limited liability company, corporation or other entity that owns, operates, manages, franchises or licenses any business that sells pizza on a delivery or carry-out basis, including business formats such as Domino's, Pizza Hut, Mr. Gatti's, Sbarro and Little Caesars ("Competitive Business"); or

(ii) directly or indirectly, and irrespective of whether compensation is provided, engage in any such Competitive Business on your own account; or

(iii) become interested in any such Competitive Business, directly or indirectly and irrespective of whether compensation is provided, as an individual, partner, member, shareholder, director, officer, principal, agent, employee, consultant or in any other relationship or capacity; provided, that the purchase of a publicly traded security of a corporation engaged in such business or service will not in itself be deemed violative of this Section so long as you do not own, directly or indirectly, more than 1% of the securities of such corporation; or

(iv) divert or attempt to divert any business or any customers of the Papa John's chain to any Competitive Business.

To the extent required by the laws of the state in which the Restaurant is located, the duration or the geographic areas included within the foregoing covenants, or both, will be deemed amended in accordance with Section 24.(a). For purposes of clarification, both parties agree that this provision shall be construed and enforced in accordance with the provisions of Section 15(f) and Indiana Code 23-2-2.7-1(9).

(b) Managerial and Supervisory Employees. You covenant that you will use reasonable efforts to cause all persons who are involved in managerial or supervisory positions in the Restaurant to be trained and instructed to observe your covenants in this Section 15 and Section 16 as if they were personally and individually bound thereby.

(c) Copying; Non-Solicitation. You will not copy or duplicate our System or any aspect thereof, or any of our trade secrets, recipes, methods of operation, processes, formulas, advertising, marketing, designs, trade dress, plans, software, programs, know-how or other proprietary ideas or information nor will you convey, divulge, make available or communicate any such information to any third party or assist others in doing so (except as permitted or required by this Agreement). You covenant that you will not, either during the Term or after it, employ or seek to employ any person who is employed by us, our Affiliates or by any of our franchisees, or otherwise directly or indirectly solicit, entice or induce any such person to leave their employment.

(d) Validity of Marks and Copyrights; Registrations. You will not, either during the Term or any time thereafter, directly or indirectly challenge or contest the validity of, or take any action to jeopardize our rights in or ownership of, any of the Marks or any registration of a Mark or any Copyrighted Work. If you violate this provision, we will be entitled to equitable, monetary and punitive remedies and any other relief that may be available under applicable law, as well as the recovery of all costs, expenses and attorneys' fees incurred by us as a result of such violation.

(e) Reasonableness of Scope and Duration. The covenants and agreements contained herein are, taken as a whole, reasonable with respect to the activities covered and their geographic scope and duration, and you will not raise any issue of the reasonableness of the areas, activities or duration of any such covenants in any proceeding to enforce any such covenants. You acknowledge that you have other skills and resources and that the restrictions contained in this Section 15 will not hinder your activities or ability to make a living either under this Agreement or in general.

(f) Enforceability. We may not be adequately compensated by damages for a breach by you of any of the covenants and agreements contained in this Section, and that we will, in addition to all other remedies, be entitled to injunctive relief and specific performance. The covenants and agreements contained in this Section will be construed as separate covenants and agreements, and if any court or arbitrator makes a final determination that the restraints provided for in any such covenants and agreements are too broad as to the area, activity or time covered, said area, activity or time covered may be reduced to whatever extent the court or arbitrator deems reasonable, and such covenants and agreements may be enforced as to such reduced area, activity or time.

16. Trade Secrets and Confidential Information. You understand that we have disclosed or will disclose to you certain confidential or proprietary information and trade secrets. Except as necessary in connection with the operation of the Restaurant and as approved by us, you may not, during the Term or at any time after the expiration or termination of the Franchise, regardless of the cause of termination, directly or indirectly, use for your own benefit or communicate or divulge to, or use for the benefit of any other person or entity, any trade secrets, confidential information, knowledge or know-how concerning the recipes, food products, advertising, marketing, designs, plans, software, programs or methods of operation of the Restaurant or the System. You will disclose to your employees only such confidential, proprietary or trade secret information as is necessary to operate your business hereunder and then only while this Agreement is in effect. Any and all information, knowledge, or know-how, including drawings, materials, equipment, marketing, recipes, and other data, that we designate as secret or confidential is deemed secret and confidential for purposes of this Agreement. Confidential and proprietary information does not include information that: (i) at the time disclosed to or obtained by you is in the public domain; (ii) after being disclosed or obtained becomes part of the public domain other than through your breach of this agreement; (iii) before disclosure was already in your possession, as evidenced by written records kept in the ordinary course of business or by proof of actual use; (iv) was received by you from a third party (other than our Affiliate) and which the third party had a bona fide right to possess and disclose without breaching any duty, obligation or restriction imposed by agreement, operation of law or otherwise; or (v) is independently developed by you without reference to information disclosed to you by us or our Affiliate. Disclosure of information in compliance with lawful legal process will not constitute a breach of this Agreement, provided, that you give us notice of such process and a reasonable opportunity to oppose the disclosure or seek other protective orders or remedies.

17. Insurance.

(a) Types and Extent of Coverage. You must obtain and maintain throughout the Term such insurance coverages with such limits as specified below (or such greater amounts of insurance as may be required by the terms of any lease or mortgage relating to the Premises) under policies issued by carriers rated "B+" or better by A.M. Best Company:

(i) fire, extended coverage, vandalism, malicious mischief and special extended peril insurance at no less than the actual replacement value of the building (if owned), the contents, and improvements of the Restaurant;

(ii) workers' compensation and other insurance required by law;

(iii) commercial general liability insurance on an "occurrence" form covering all operations by or on behalf of you, providing insurance for bodily injury liability, property damage liability and personal injury liability for the limits of liability indicated below and including coverage for:

(A) Premises and Operations Liability; and

(B) Products and Completed Operations Liability.

(iv) fire legal liability, with a minimum coverage limit of \$500,000, unless you own the Premises or have a cross-waiver of subrogation with your landlord.

The limits of liability required for the policies specified in (iii) above are: \$1,000,000 each occurrence (combined single limit for bodily injury and property damage); \$1,000,000 personal injury liability; \$1,000,000 aggregate for products - completed operations; and \$2,000,000 general aggregate. Except with respect to bodily injury and property damage included within the products and completed operations hazards, the aggregate limit must apply separately to each location if you operate at more than one location pursuant to multiple franchise agreements with us. You are also required to maintain an umbrella policy with a minimum of \$1,000,000 of coverage, which must expressly provide coverage above the coverages listed above. These are only the minimum coverages required. We do not represent or warrant that these coverages are adequate. You should consult with your insurance advisors to assure that you obtain all required coverages as well as any additional types of coverages or higher limits that they may recommend.

(b) Other Insurance Requirements. Upon request, you will deliver to us copies of all such policies of insurance and proof of payment therefor. All policies required hereunder must provide that the insurer will endeavor to give us written notice not less than 30 days before the date the coverage is canceled, altered, or permitted to lapse or expire. We may, from time to time, increase the limits of any required policy of insurance.

## 18. Termination.

(a) By Us:

(i) Automatic Termination. You will be in default under this Agreement, and the Franchise and all rights granted to you in this Agreement automatically terminate without notice to you, if: (i) you make a general assignment for the benefit of creditors, or a petition in bankruptcy is filed by you; (ii) such a petition is filed against and not opposed by you; (iii) you are adjudicated as bankrupt or insolvent; (iv) a bill in equity or other proceeding is filed for the appointment of a receiver or other custodian for your business or assets and consented to by you; (v) a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (vi) proceedings for a composition with creditors under any state or federal law are instituted by or against you; (vii) a final judgment against you remains unsatisfied or of record for 30 days or longer (unless an appeal or supersedeas bond is filed); (viii) you are liquidated or dissolved; (ix) any portion of your interest in the Franchise becomes subject to an attachment, garnishment, levy or seizure by any creditor or any other person claiming against or in your rights; (x) execution is levied against your business or property; or (xi)

the real or personal property of your Restaurant is sold after levy thereupon by any sheriff, marshal, or constable.

(ii) Upon Notice. You will be in default and we may, at our option, terminate the Franchise and all rights granted in this Agreement, without affording you any opportunity to cure the default, effective upon the earlier of receipt of notice of termination by you, or five days after mailing of such notice by us, if:

- (A) at any time you cease to operate or otherwise abandon the Restaurant or forfeit the right to do or transact business in the jurisdiction where the Restaurant is located or lose the right to possession of the Premises; provided however, that if any such loss of possession results from the governmental exercise of the power of eminent domain or if, through no fault of yours, the Premises are damaged or destroyed, then you will have 45 days after either such event in which to apply for our approval to relocate or reconstruct the premises of the Restaurant (which approval shall not be unreasonably withheld), provided, that you must either relocate or begin and diligently pursue reconstruction of the Restaurant within 60 days after the event. For the avoidance of doubt, closure of the Restaurant during periods in which the majority of Ball State University's student population is absent from the campus (such as, but not limited to, Christmas break and summer recess) does not constitute ceasing to operate or abandonment of the Restaurant;
- (B) except as otherwise permitted in Sections 14 and 15, any owner of more than a 5% interest in you transfers all or part of such interest or you transfer any interest in the Franchise or a material portion of your assets or the assets of the Restaurant without our prior written consent;
- (C) you, or any person or entity owning more than 5% of you, are (or is) proven to have engaged in fraudulent conduct or are (or is) convicted of, or pleads guilty or no contest to, a felony or a crime involving moral turpitude or any other crime or offense that is reasonably likely to have an adverse effect on the Chain, the Marks or the goodwill associated there- with; provided, that if the act or conviction involves your owner, we will not terminate the Franchise if you notify us promptly after you learn of the event constituting the default and within 15 days of the date of the notice, that either: (A) the person or entity that committed the wrongful act has divested his, her or its entire interest in you; or (B) you obtain our consent for such owner to maintain his, her or its ownership interest;
- (D) an approved transfer is not effected within 9 months of your death or incapacity, or the death, incapacity or dissolution of any owner of an interest in you;

- (E) you make any intentional, unauthorized disclosure or divulgence of the contents of any Manual or other confidential information provided to you by us which results in harm to us;
- (F) you are repeatedly notified of being in default of any of the terms or requirements of this Agreement within any 12-month period, whether or not such defaults are timely cured after notice;
- (G) you fail to materially comply with any of your covenants set forth in Sections 15 or 16, fail to maintain the insurance coverages under Section 17, or make any material misrepresentation to us or breach any warranty or representation made to us, whether in this Agreement or otherwise;
- (H) you knowingly or intentionally maintain false books or records or submit any false record, statement or report to us;
- (I) you, by act or omission, materially impair the value of, or the goodwill associated with, the Chain, any of the Marks or the System;
- (J) an imminent threat or danger to public health or safety results from the construction, maintenance, or operation of the Restaurant; or
- (K) you fail to close the Restaurant within 24 hours of being required to do so pursuant to Section 18.(c)(v) below.

(iii) Upon Notice and Failure to Cure. In addition to those defaults provided for under subsections (a) or (b) above, you will be in default hereunder for any failure to maintain or comply with any of the terms, covenants, specifications, standards, procedures or requirements imposed by this Agreement or in any Manual, policy or procedure statement or other written document provided by us, or to carry out the terms of this Agreement in good faith. Except as provided under subsections (a) or (b) above, we will provide you with written notice and 15 days to cure or, if a default cannot reasonably be cured within 15 days, to begin within that time substantial and continuing action to cure such default and to provide us with evidence of such actions. If the defaults specified in such notice are not cured within the 15-day period, or if substantial and continuing action to cure has not been initiated, we may, at our option, terminate the Franchise effective on the earlier of the date of receipt by you of notice of termination or 5 days after the mailing of such notice by us. Such defaults include the occurrence of any of the following events:

- (A) you fail to construct, remodel, or commence operating the Restaurant in accordance with this Agreement;
- (B) you fail, refuse, or neglect to promptly pay any monies owing to us, our Affiliates or the Marketing Fund or a Cooperative when due, or to submit the financial or other information required under this Agreement;

- (C) any person or entity owning 5% or less of you transfers such interest in violation of this Agreement; provided, however, that your right to cure such a default will be conditioned upon you immediately notifying us of the improper transfer and taking all actions necessary to either: (A) obtain our approval thereof; or (B) if approval is not desired or the transfer or transferee is not approved by us, to re-acquire the interest so transferred;
- (D) you misuse or make any unauthorized use of the Marks;
- (E) you, by act or omission in connection with the operation of the Restaurant, permit a continuing violation of any applicable law, ordinance, rule, or regulation of a governmental body (and, in the case of any law, ordinance, rule or regulation for public health or safety, we have the right to reduce the cure period to 72 hours and require you to close the Restaurant until the cure is effected); or
- (F) you commit a material breach of the lease for the Premises or suffer or permit the existence of any condition that could result in your default or material breach of such lease.

(b) By you:

(i) We will be in default and you may, at your option, terminate this Agreement, without affording us any opportunity to cure the default, effective upon our receipt of your notice of termination, if:

- (A) there is any change in the menu that we require and which would result in your being in breach of any agreement to which you are a party;
- (B) our actions tarnish the image of Papa John's in a manner that makes operation of a Papa John's inappropriate or undesirable in a university setting;
- (C) we are repeatedly notified of being in default of any of the terms or requirements of this Agreement within any 12-month period, whether or not such defaults are timely cured after notice; or
- (D) any of our corporate management officials engage in any conduct or take any action which: (i) is prejudicial to your best interests; (ii) you determine in good faith would reflect negatively upon you; or (iii) is contrary to your mission of diversity and inclusiveness.

In the event of your early termination as described above, you shall not be responsible for any further royalty payments or any termination or other financial penalties whatsoever.

19. Obligations upon Termination or Expiration. Upon transfer, termination or expiration of the Franchise, all rights granted to you under this Agreement terminate, and you have the following obligations with respect to the Restaurant franchised under this Agreement:

(a) You must immediately cease to operate the business franchised under this Agreement, and must not thereafter, directly or indirectly, represent to the public or hold yourself out as a Papa John's franchisee with respect to such business.

(b) You must immediately and permanently cease to use, in any manner whatsoever, all confidential information, website, methods, procedures and techniques used by or associated with the System, and the proprietary Marks "Papa John's," "Papa John's Pizza," and all other Marks and distinctive forms, slogans, signs, symbols, logos and devices associated with the Papa John's Chain, including in any website or domain name.

(c) You must promptly return to us (or, if approved by us, to your transferee) any property held or used by you that is owned by us and cease to use, and either destroy or convey to us (or, if approved by us, to your transferee), all signs, advertising materials, displays, stationery, forms and any other materials that bear or display the Marks.

(d) You must take such actions as may be necessary to cancel any assumed name or similar registration that contains the mark "Papa John's" or "Papa John's Pizza" or any other Mark, and you furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of the Franchise.

(e) You must promptly pay all sums owed to us and our Affiliates, and if the Franchise is terminated for any reason other than as a result of a material breach of this Agreement by us that is not cured within 30 days or such longer period as may be necessary after written notice thereof from you, such sums include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by us as a result of the default and the termination, which obligation will give rise to and remain, until paid in full, a lien in favor of us against any and all of the personal property, furnishings, equipment, signs, fixtures and inventory owned by you and located on the Premises on the date the Franchise terminated and we have the right to set off against and deduct any amounts owed to you by us or any of our Affiliates any or all sums owed to us or our Affiliates that remain unpaid 30 days after termination or expiration of this Agreement.

(f) You must pay to us all damages, costs and expenses, including reasonable attorneys' fees, incurred by us subsequent to the transfer, termination or expiration of the Franchise in obtaining injunctive or other relief for the enforcement of any term, covenant or provision of this Agreement.

(g) You must promptly deliver to us (or, if approved by us, to your transferee) all Manuals, policy and procedure statements, instructions, and other materials related to operating the Restaurant, including brochures, charts and any other materials provided by us and all copies

thereof, and neither retain nor convey to another (other than an approved transferee) any copy or record of any of the foregoing and, in the case of expiration or termination of the Franchise, you must allow us to remove the Designated Software as described in Section 10.(c)(iv)(E).

(h) You must also comply with the other covenants contained in this Agreement that expressly or necessarily by their terms, survive the expiration, termination or transfer of this Agreement, including, but not limited to, the covenants not to disclose trade secrets or confidential information contained in Sections 15 and 16.

20. Independent Contractor; Indemnification.

(a) Independent Contractor. This Agreement creates only a contractual relationship between the parties subject to normal rules of contract law. This Agreement does not create a fiduciary relationship between us and you and you are and will remain an independent contractor. Nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. You will hold yourself out to the public as an independent contractor, separate and apart from us. You will not make any contract, agreement, warranty or representation on our behalf without our prior written consent, and you agree that you will not incur any debt or other obligation in our name. This Agreement will not be deemed to confer any rights or benefits to any person or entity not expressly named herein.

(b) Business Management. You acknowledge that: (i) we will have no responsibility for the day-to-day operations of the Restaurant or the management of your business, including ensuring the safety and security of your customers or employees; (ii) you independently control the operation of your business and the results of your operations will depend almost exclusively on your business acumen and promotional and managerial efforts; and (iii) we have no responsibility for or control or supervision of your employment practices.

(c) Indemnification. We will not be liable by reason of any act or omission by you in your operation of the Restaurant or for any claim, cause of action or judgment arising therefrom against you or us. We will hold harmless, defend and indemnify you and your trustees, officers, directors, agents, and employees from and against any and all losses, expenses, judgments, claims, costs (including reasonable attorney fees) and damages arising out of or in connection with any claim or cause of action in which you are or become a named defendant, and that arises, directly or indirectly, out of our act or omission or the act or omission of an approved supplier. You will hold harmless, defend and indemnify us and our Affiliates, and our and their respective shareholders, officers, directors, agents, and employees, from and against any and all losses, expenses, judgments, claims, costs (including reasonable attorney fees) and damages arising out of or in connection with any claim finally determined to have resulted directly from your act or omission..

21. Your Representations. You hereby acknowledge and represent that:

(a) All information submitted to us by you or those owning an interest in you, including all applications, financial statements and other documents and information, is true and cor-

rect in all material respects and does not omit any material statement or item of fact necessary to make the statements made therein not false or misleading.

(b) We have not represented to you that: (i) you will earn, can earn, or are likely to earn a gross or net profit; (ii) we have knowledge of the relevant market; or (iii) the market demand will enable you to earn a profit from the Franchise.

(c) You have read and understood this Agreement and the disclosure document entitled "Papa John's Franchise Disclosure Document" (the "Disclosure Document") required by the Federal Trade Commission and/or the state in which the Restaurant will be located. You understand that we make no representation or warranty regarding your relevant market or the profitability of business operations under the System. You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations made by us, or by any of our Affiliates or our or their officers, directors, shareholders, employees or agents, that are contrary to or inconsistent with the terms of this Agreement or with the statements made in the Disclosure Document that we furnished to you in connection with the offer and sale of Papa John's franchises.

(d) You accept the terms, conditions and covenants contained in this Agreement as being reasonable and necessary to maintain our standards of quality, service and uniformity and in order to protect and preserve the goodwill of the Marks. You acknowledge that other franchisees of ours have been or will be granted franchises at different times and in different situations. You further acknowledge that the provisions of the franchise agreements pursuant to which such franchises were granted may vary materially from those contained in this Agreement and that your obligation arising hereunder may differ substantially from other franchisees.

(e) You recognize that the System may evolve and change over time and that the Franchise involves an investment of substantial risk and its success is dependent primarily upon your business acumen and your efforts and other factors beyond our control. You have conducted an independent investigation of the Franchise and have had ample time and opportunity to consult with independent professional advisors (lawyers, accountants, etc.), and have not received or relied upon any express or implied guarantee as to potential volumes, revenues, profits or success of the business venture contemplated by the Franchise.

(f) Neither you nor any shareholder, member or other holder of any ownership interest in you is subject to or has entered into any other agreement, promise, representation, warranty, covenant, court order or other legal or equitable obligation that conflicts with this Agreement or prohibits or limits your entering into this Agreement or your ability to perform your obligations under this Agreement.

## 22. ENFORCEMENT.

(a) ARBITRATION. INTENTIONALLY OMITTED.

(b) GOVERNING LAW. ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE

STATE OF INDIANA, WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES.

(c) Costs, Expenses and Attorneys' Fees. Except as provided in Sections 15.(d), 19 and 20, each party must pay its own costs, expenses and attorneys' fees in any arbitration, claim, suit or proceeding arising out of this Agreement or the franchise relationship of the parties.

23. Notices. All notices, requests, demands and other communications required or permitted to be given or made under this Agreement must be in writing and be given: (i) by personal delivery; or (ii) provided such notice, request, demand or communication is actually received by the party to which it is addressed in the ordinary course of delivery, by deposit in the United States mail, postage prepaid; or (iii) by registered or certified mail, return receipt requested, postage prepaid, or by delivery to a nationally-recognized overnight courier service; in each case addressed as follows, or to such other person or entity as either party may designate by notice to the other in accordance herewith:

Us:                    If by Mail:  
                              P.O. Box 99900  
                              Louisville, Kentucky 40269-0900  
                              ATTN: General Counsel

                              If by Courier or Personal Delivery:  
                              2002 Papa John's Boulevard  
                              Louisville, Kentucky 40299-2367  
                              ATTN: General Counsel

You:                    Ball State University  
                              Attn: Associate Vice President for Business Affairs  
                              2000 W. University Ave., AD 208  
                              Muncie, Indiana 47306

Except as otherwise provided herein, a notice will be deemed to have been given on the date of personal delivery to a party or actual receipt by regular mail, two business days after deposit with a nationally recognized courier service, or three business days after deposit in the United States mail, registered or certified mail, return receipt requested.

24. Miscellaneous.

(a) Tolling; Severability. During any period in which any covenant in Section 15 or 16 is being breached by you, including any period in which we or you are seeking arbitral or judicial enforcement, interpretation or modification of any such covenant, and all appeals thereof, the Restricted Period will toll and be suspended. You will be bound to the maximum extent permitted by law that is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from the striking of any

provision hereof by a court or arbitrator, or that a court or arbitrator holds to be unenforceable in a final decision to which we are a party, or that may result from reducing the scope of any provision to the extent required to comply with a court order, arbitral award or decision or with any applicable state or federal law, whether currently in effect or subsequently enacted.

(b) Construction. All references herein to the masculine, neuter or singular must be construed to include the masculine, feminine, neuter or plural, as the case may require. All acknowledgements, warranties, representations, covenants, agreements and obligations herein made or undertaken by you will be deemed jointly and severally undertaken by all those executing this Agreement as you. All uses of the words “include”, “includes” and “including” mean “including but not limited to” or “including without limitation.”

(c) Entire Agreement. This Agreement, the documents incorporated herein by reference and the Exhibits attached hereto, constitute the entire agreement between the parties, and all prior understandings or agreements concerning the subject matter hereof are canceled and superseded by this Agreement, provided, nothing in this Agreement is intended to disclaim any representations made in the Franchise Disclosure Document that we furnished to you in connection with the offer and sale of Papa John's franchises. The Exhibits to this Agreement are incorporated herein by reference and made a part hereof as if set out in full herein.

(d) Affiliate. As used in this Agreement, the term "Affiliate" means any person or entity that is owned or controlled by us or that owns or controls us or is under common control with us, directly or through one or more intermediaries.

(e) Amendments. Except for those permitted to be made unilaterally by us, no supplement, amendment or variation of the terms of this Agreement will be valid unless made in writing and signed by the parties hereto.

(f) Waivers. No failure by us to exercise any right given to us hereunder or to insist upon strict compliance by you with any obligation, agreement or undertaking hereunder, and no custom or practice of the parties at variance with the terms hereof, constitutes a waiver of our right to demand full and exact compliance by you with the terms hereof. Waiver by us of any particular default by you does not affect or impair our rights with respect to any subsequent default of the same or of a different nature, nor will any delay or omission by us to exercise any right arising from such default affect or impair our rights as to such default or any subsequent default.

(g) Counterparts. This Agreement may be executed in several counterparts, each of which will be deemed an original, and all of which together constitute one and the same instrument.

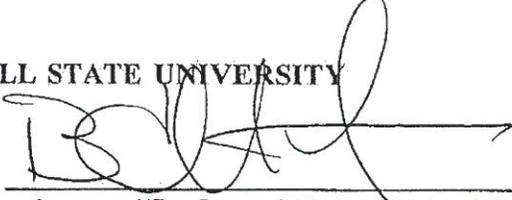
(h) Headings. The headings used in this Agreement are for convenience only, and the paragraphs will be interpreted as if such headings were omitted.

(i) Time of Essence. You acknowledge that time is of the essence with regard to your obligations hereunder and that all of your obligations are material to us and this Agreement.

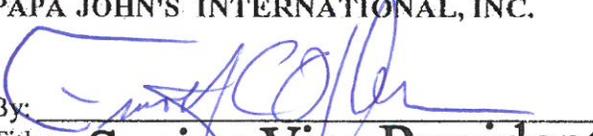
(j) Effective Date. This Agreement is effective only upon execution by an authorized representative of Papa John's and delivery to you. The date that we set forth below is the Effective Date of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

**BALL STATE UNIVERSITY**

By:   
Title: Assoc. VP, Bus. Affairs & Asst. Treas.

**PAPA JOHN'S INTERNATIONAL, INC.**

By:   
Title: Senior Vice President†  
Effective Date: \_\_\_\_\_

PAPA JOHN'S  
NON-TRADITIONAL FRANCHISE AGREEMENT

EXHIBIT A

EQUIPMENT LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 201\_\_, between PAPA JOHNS USA, INC., a corporation organized under the laws of the Commonwealth of Kentucky (“PJUSA”), and \_\_\_\_\_, a \_\_\_\_\_ (“Lessee”).

RECITALS:

A. PJUSA has agreed to purchase and lease to Lessee certain Middleby-Marshall pizza ovens and restaurant equipment as more fully described in Section 1.

B. Lessee desires to lease such equipment from PJUSA and PJUSA has agreed to do so, upon the terms and conditions of this Lease.

NOW THEREFORE, PJUSA and Lessee hereby agree as follows:

1. Lease of Equipment; Upgrade Option. PJUSA hereby leases to Lessee and Lessee hereby rents from PJUSA, the restaurant equipment (the “Equipment”) identified on the Equipment Schedule attached hereto.

2. Term. The term of this Lease commences on the date hereof and continues until the last day of the 36<sup>th</sup> full month after the date that the Restaurant (as defined in Section 3.a) opens for business (the “Initial Term”).

3. Rental Charges/Purchase Option.

a. Consideration. The consideration for the leasing of the Equipment to Lessee during the Term is the commitment of Lessee to open and continuously operate Papa John’s pizza restaurant #\_\_\_\_\_, located at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the “Restaurant”) under a Franchise Agreement with Papa John’s International, Inc. (“PJI”), parent of PJUSA. So long as Lessee meets the lease contingency set forth below and remains in full compliance with the terms of the Franchise Agreement, no monthly or annual payments shall be due for the use of the Equipment.

b. Purchase Option. If Lessee is in good standing with PJI at the end of the Term and the Restaurant is still open and operating pursuant to Franchise Agreement, Lessee may purchase the Equipment by paying \$50 to PJUSA within 45 days of the expiration of the

Term. If Lessee fails to meet any of the above criteria during the Term or after, the right of possession of the Equipment shall automatically revert to PJUSA.

c. Lease Contingency. This Lease is contingent upon the Restaurant being open for business on or before December 28, 2014. If the Restaurant is not open for business on or before such date, PJUSA may revoke this Lease and, at PJUSA's option, require Lessee to either: (i) purchase the Equipment; or (ii) purchase a designated portion of the Equipment and enter a Lease for the remainder of the Equipment; or (iii) return the Equipment to PJUSA. The Restaurant must be open to the public and operating during normal business hours on normal business days to be "open for business" for purposes of this Lease. A promotional, token or "soft" opening of a Restaurant followed by closure for 48 hours or more does not constitute open for business.

4. Delivery and Freight Costs; Installation. Lessee shall pay all costs of (a) transportation and freight charges for delivery of the Equipment to Lessee's designated location; and (b) providing a suitable site for installation of the Equipment and actual installation of the Equipment at Lessee's site, including without limitation: rigging; structural alteration; rental of installation tools or equipment; necessary electrical power; and HVAC equipment and installations.

5. Return of Equipment. Except for Equipment purchased by Lessee pursuant to this Agreement or otherwise agreed by PJUSA, within 10 days of termination or expiration of this Lease, Lessee shall, and its own cost and expense, prepare the Equipment for shipping and deliver the Equipment to PJUSA or its designated agent. In the event Lessee fails or refuses to do so, Lessee shall allow PJUSA or its agents access to the premises where the Equipment is located to take immediate possession. The Equipment shall be returned to PJUSA in substantially the same condition as received by Lessee, ordinary wear and tear excepted. Upon receipt of the Equipment, PJUSA will perform diagnostic testing to determine whether the Equipment is in good condition and working order reasonably suited for its normal use and operation. If the Equipment fails such diagnostic testing, Lessee shall pay to PJUSA a maintenance fee equal to the cost to PJUSA of returning the Equipment to good condition and working order.

6. Ownership; Location; Use. The Equipment shall at all times be and remain the sole and exclusive property of PJUSA. Lessee shall have no right or property interest in the Equipment except for the right to possess and use the Equipment as provided in this Lease. The Equipment is and shall remain personal property even if installed in or attached to real property. Lessee shall at all times keep the Equipment free and clear from all claims, levies, liens and encumbrances. The Equipment shall be used solely for operation of the Restaurant and not for any other commercial, personal, family or household purposes. Lessee shall not make any alterations to the Equipment without the prior written consent of PJUSA.

7. Repairs and Maintenance. Lessee shall, at its own cost and expense, maintain the Equipment in good working order and make any and all repairs necessary to maintain the Equipment in good working order during the Term. Lessee shall have the ovens cleaned per the manufacturer's recommendations, but in no event less than twice yearly. Lessee shall provide

copies of cleaning invoices to PJUSA immediately upon request. All service calls will be placed to the Middleby-Marshall WOW Call Center [(847) 429-7852] for troubleshooting, and necessary, the Call Center will dispatch their authorized service agent for any repairs.

8. Risk of Loss; Insurance; Indemnification. Lessee shall assume and bear the risk of loss or damage to the Equipment from the time the Equipment is delivered to Lessee's designated location until returned to PJUSA. Throughout Lessee's possession of the Equipment, Lessee shall keep the Equipment insured against all risks of loss in an amount not less than the replacement cost of the Equipment. Lessee shall also carry general commercial liability insurance covering the Equipment and Lessee's use thereof. Lessee shall indemnify and defend PJUSA, together with its affiliates and their respective officers, directors, agents, employees and shareholders against, and hold each and all of them harmless from, all claims, liabilities, costs, damages and expenses arising from or related to Lessee's possession, use or operation of the Equipment, including without limitation, claims for damage to property or injury to persons. Lessee indemnification obligations hereunder shall survive the expiration or termination of this Lease.

9. Condition of Equipment. PJUSA warrants only that the Equipment, when delivered to Lessee's possession, will be free of all liens and encumbrances other than this Lease. **THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES AND PJUSA EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** Lessee agrees to look solely to the manufacturer for any warranty that may be offered. Lessee shall be responsible for reviewing and understanding the limited warranty offered by Middleby-Marshall and making any claims under such warranty directly with such manufacturer in accordance with its warranty policies. Under no circumstances shall PJUSA be responsible or liable to Lessee or any other party for lost profits, or consequential or incidental damages, even if advised of the possibility thereof, and Lessee hereby waives any claim against PJUSA for any such losses or damages. Lessee shall be responsible for obtaining and maintaining any and all necessary or appropriate governmental approvals or permits for the installation and use of the Equipment, including ventilation.

10. Assignment; Sublease. Lessee shall have no right to assign this Lease or to sublease the Equipment without the prior written consent of PJUSA.

11. Default. Lessee shall be in default under this Lease if:

- a. Lessee is declared in default of the Franchise Agreement or the lease for the Restaurant premises;
- b. Any action is brought against Lessee causing the Equipment to be taken or encumbered;

c. Lessee dissolves or abandons its business, Lessee ceases to do business as a going concern, Lessee becomes insolvent, files a petition in bankruptcy, has a petition in bankruptcy filed against it which Lessee does not oppose, Lessee is adjudicated bankrupt or insolvent, Lessee makes an assignment for the benefit of creditors, or Lessee consents to the appointment of a receiver or trustee for all or any material portion of its assets;

d. Lessee fails to comply with any material term or provision of this Lease or to perform or fully discharge any of its duties or obligations hereunder.

12. PJUSA Remedies. In the event of default by Lessee, PJUSA shall be entitled to the following remedies, which shall be cumulative and not exclusive of any other remedies to which PJUSA may be entitled under applicable law, PJUSA or its designated agents or representatives may enter Lessee's site and repossess the Equipment or sue for a court ordered repossession and Lessee shall pay all costs and charges incurred by PJUSA in connection therewith, including without limitation, costs or charges incurred by PJUSA to recover the Equipment and return it to allocation chosen by PJUSA.

13. Currency; Taxes. All payments due to PJUSA hereunder shall be made in U.S. Dollars, and at PJUSA's election shall be paid by check, in immediately available funds, or via electronic funds transfer initiated by PJUSA, all without setoff or withholding by Lessee. Applicable sales or use tax will be billed to lessee as required by law.

14. Governing Law. This Lease shall be governed by and construed in accordance with, the laws of the State of Indiana, excluding its conflict of laws principles.

15. Entire Agreement. This Lease constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes and prior written or contemporaneous oral agreement with respect thereto.

IN WITNESS WHEREOF, PJUSA and Lessee have executed this Lease as of the date first set forth above.

PAPA JOHN'S USA, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

LESSEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

EQUIPMENT SCHEDULE

\_\_\_\_\_ Double Stack of Middleby-Marshall WOW Ovens, Model No. \_\_\_\_\_  
Serial No. \_\_\_\_\_ Serial No. \_\_\_\_\_