

**ITEM 16**  
**RESTRICTIONS ON WHAT THE LICENSEE MAY SELL**

You may sell only those food and beverage products that LJS designates in the Reference System Manual and meet the standards contained in the Reference System. There are no limitations on LJS's right to modify the product standards and the approved menu. If you want to sell any food products or beverages not authorized in the Reference System, you must first request LJS's approval, which LJS may grant or deny in its sole discretion. You do not have the right to sell products or services under the Long John Silver's name anywhere except the location specified in the Master License Agreement. There are no restrictions on the customers you may serve.

You may not sell alcoholic beverages at or from your Express Unit, except as designated under the Reference System and the Master License Agreement.

LJS may, under certain limited circumstances, authorize the sale of approved menu products for special or short term programs or authorize the introductory sale of newly-approved menu products, either on a short term or permanent basis. LJS may deny your participation in these special, short term or introductory offers of menu items if you are not in compliance with your Master License Agreement or if you do not agree to comply with the conditions of the program or offer.

**ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**  
**NONTRADITIONAL LOCATIONS**

**Master License Agreement Provisions**

This table lists certain important provisions of the Master License Agreement. You should read these provisions in the Master License Agreement attached to this offering circular.

<b>PROVISION</b>	<b>SECTION IN AGREEMENT</b>	<b>SUMMARY</b>
a. Term of the franchise	Section 1.12	Generally 5 years with no right or option to renew. See Note 1.
b. Renewal or extension of the term	None	See Note 1
c. Requirements for you to renew or extend	N/A	See Note 1

PROVISION	SECTION IN AGREEMENT	SUMMARY
d. Termination by you	None	
e. Termination by LJS without cause	None	Not applicable.
f. Termination by LJS with cause	Section 15	LJS can terminate if you default.
g. "Cause" defined - defaults which can be cured	Section 15.1	You have 10 days to cure defaults arising from non-payment of fees and 30 days to cure any other defaults not listed in h., below.
h. "Cause" defined - defaults which cannot be cured	Section 15.2	Non-curable defaults: repeated defaults even if cured, abandonment, trademark misuse, unapproved transfers, assignment for the benefit of creditors, disclosure of confidential information, misrepresentation/submission of false reports, creation of health risks, termination of lease or other material agreement by third party. LJS may charge a cure fee of \$1,000.
i. Your obligations on termination	Section 16	You must promptly pay to LJS and subsidiaries all sums owed to them. You must immediately cease to use and from then on shall not use any proprietary information or other trade secrets. You must (i) remove from the franchised premises all signs, emblems and displays identifying it as being associated with LJS and (ii) cease to use and return to LJS all copies of the Reference System.
j. Assignment of contract by LJS	None	No restrictions on LJS's right to assign.
k. "Transfer" by you – definition	Sections 1.13 and 12	Includes transfer of Master License Agreement assets or ownership in business entity.
l. LJS' approval of transfer by licensee	Section 12	LJS has the absolute right to approve all transfers. LJS may charge a fee for an amount determined by it.
m. Conditions for LJS' approval of transfer	Section 12	LJS has absolute right to approve all transfer fees may be charged by LJS
n. LJS' right of first refusal to acquire your business	None	
o. LJS' option to purchase your business	None	
p. Your death or disability	None	
q. Non-competition covenants during the term of the Master License Agreement	Sections 2.3 and 19.2	You may not sell non-LJS fish or seafood products from the Express Unit, and you may not sell any non-LJS fish or seafood products from any location you own or control. You may not seek to employ persons who have been in a managerial position with LJS during the prior 6 months. You may not transfer your Express Unit assets or your Master License Agreement to a competitor of LJS.
r. Non-competition covenants after the franchise is terminated or expires	None	
s. Modification of the agreement	Section 18.7	No amendment, change or variance from the Master License Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing.

PROVISION	SECTION IN AGREEMENT	SUMMARY
t. Integration/merger clause	Section 18.7	Master License Agreement and listed additional agreements, if any, constitute entire agreement of the parties
u. Dispute resolution by arbitration or mediation	None	
v. Choice of forum	Section 17.1	Litigation to be brought in Kentucky (subject to state law—see state specific addenda to Master License Agreement and offering circular).
w. Choice of law	Section 17.1	Kentucky law applies (subject to state law—see state specific addenda to Master License Agreement and offering circular).  The foregoing Choice of Law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by the General Business Law of the State of New York, Article 33.

**Note 1** LJS may in certain circumstances and upon request agree to a term of up to 10 years upon payment of an increased initial license fee equal to \$5,000.00 plus an additional \$1,000.00 for each year that the agreed-upon term is increased beyond five (5) years.

These states have statutes which may supersede the Master License Agreement in your relationship with us including the areas of termination of your Master License Agreement:

ARKANSAS [Title 4, Chapter 72, Sections 4-72-201 through 4-72-210];  
CALIFORNIA [Bus. & Prof. Code Section 20000-20043];  
CONNECTICUT [Gen. Stat. Section 42-133e through 42-133h et. seq.];  
DELAWARE [Title 6, Ch. 25, Sections 2551 through 2556];  
HAWAII [Rev. Stat. Section 482E-1, Section 482E-6];  
ILLINOIS [815 ILCS 705/1-44];  
INDIANA [Senate Bill 405 and Stat. Sections 23-2-2.5];  
IOWA [Code Sections 523H.1-523H.17];  
MICHIGAN [Stat. Section 445.1527 (M.S.A. 19.854(27))];  
MINNESOTA [Stat. Section 80C.14];  
MISSISSIPPI [Code Section 75-24-51 through 75-24-63];  
MISSOURI [Stat. Section 407.400 through 407.410, 407.413 and 407.420];  
NEBRASKA [Rev. Stat. Section 87-401];  
NEW JERSEY [Stat. Section 56:10-1 through 56:10-12];  
NEW YORK [Gen. Bus. Law, Art. 33]  
RHODE ISLAND [§19-28.1-14]  
SOUTH DAKOTA [Codified Laws Section 37-5A-51];  
VIRGINIA [Code 13.1-564],  
WASHINGTON [Code Section 19.100.180];  
WISCONSIN [Stat. Sections 135.01 through 135.07].

These and other states may have court decisions which may supersede the Master License Agreement in your relationship with us including the areas of termination of your Master License Agreement.

## ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

### LJS Support Services Agreement

This table lists certain important provisions of the LJS Support Services Agreement. You should read these provisions in the LJS Support Services Agreement attached to this Offering Circular.

Provision	Section in Agreement	Summary
a. Term of the agreement	3	Until the first January 1 date following the effective date of the Agreement
b. Renewal or extension of the term	3	Annual automatic renewal unless terminated
c. Requirements for you to renew or extend	None	None
d. Termination by you	3.1	You may terminate the Agreement upon 90 days prior written notice to LJS
e. Termination by LJS without cause	3.2	LJS elects to discontinue the service systemwide; LJS may cease service six months after written notice
f. Termination by LJS with cause	2.2, 3.3 and 4.3	LJS may terminate the Agreement upon 10 days prior written notice if you use the service unreasonably or for locations not described in the Agreement, or within 30 of written notice if you fail to make payments as required, or if you default on payment of fees under maintenance contracts or change the terms of the maintenance without LJS approval
g. "Cause" defined-defaults which can be cured	None	None
h. "Cause" defined -defaults which cannot be cured	None	None
i. Your obligations on termination/nonrenewal	8.2	You are responsible to pay LJS for all services performed prior to the date of termination.
j. Assignment of contract by LJS	9.6	LJS may assign to commonly owned affiliates
k. "Transfer" by you	9.6	You may not assign without the written consent of LJS , which consent shall not be unreasonably withheld
l. LJS's approval of transfer by you	None	None
m. Condition for LJS's approval of transfer	None	None
n. LJS's right of first refusal to acquire your business	None	None
o. LJS's option to purchase your business	None	None
p. Your death or disability	None	None
q. Non-competition covenants during the term of the license	None	None
r. Non-competition covenants after the license is terminated or expires	None	None
s. Modification of the Agreement	9.5	May be amended only by written instrument signed by you and LJS
t. Integration/merger clause	9.5	Agreement, together with any Addenda, if any, constitutes entire agreement of the parties.
u. Dispute resolution by arbitration or mediation	9.2	The parties agree to resolve any dispute arising out of this Agreement, through binding confidential arbitration conducted in Louisville, Kentucky, in accordance with the Commercial Arbitration rules of the American Arbitration Association
v. Choice of forum	None	None

Provision	Section in Agreement	Summary
w. Choice of law	9.2	KY law applies (subject to state law - see state specific addenda to Franchise Agreement and Offering Circular). The foregoing Choice of Law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by the General Business Law of the State of New York, Article 33.

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

LJS does not use any public figure to promote its franchises.

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

LJS does not furnish or authorize its salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of any LJS Restaurant. Actual results may vary from unit to unit and LJS cannot estimate the results of any particular LJS Restaurant.

LJS does make earnings claims as to certain configurations of LJS co-branded restaurants. Those claims are contained in a separate offering circular. Please note that the claims made by LJS with respect to LJS co-branded restaurants relate solely and are unique to those restaurant formats, and that you should not infer from those claims any level of performance from the LJS Restaurants described in this offering circular.