

**BYLAWS  
ASSOCIATION OF LJS FRANCHISEES, INC.**

**Article I  
Name and Location**

Section 1. The name of this organization shall be the ASSOCIATION OF LJS FRANCHISEES, INC. (the Association), a nonprofit corporation incorporated under the laws of the Commonwealth of Kentucky.

Section 2. Offices of the Association shall be located in the Commonwealth of Kentucky and/or in such other locations as the Board of Directors may designate.

**Article II  
Objectives**

The objectives of the Association shall be:

- (1) To preserve and enhance the equity of members in their Long John Silver's franchising businesses.
- (2) To advance the profitability of the entire Long John Silver's franchise network.
- (3) To represent the interests of its members in discussions with the management of Long John Silver's Restaurants, Inc.
- (4) To improve communication between its members and management of Long John Silver's Restaurants, Inc.
- (5) To promote fairness in the franchise relationship between Long John Silver's Restaurants, Inc. and its members.
- (6) To engage in such other activities as may be in the interest of its members, regardless of their impact on their Long John Silver's franchise relationship.

**Article III  
Membership**

Section 1. Qualification: Membership in this Association shall be open to any individual, partnership, trust, firm, or corporation owning a Long John Silver's franchise ("Franchisee"), except for a Franchisee which is owned or controlled in whole or in part by Long John Silver's

Restaurants, Inc., any parent company, subsidiary or corporate affiliate of Long John Silver's Restaurants, Inc., or any of their officers, employees or directors.

Section 2. Removal: Members may be removed for cause from membership by a two-thirds affirmative vote of a quorum of the Board of Directors. For any cause other than non-payment of dues, a vote for removal shall occur only after the member complained against has been advised of the complaint so lodged, and has been given reasonable opportunity for defense; and such member, if removed, may appeal from the decision of the Board to the Annual Business Meeting of the Association, if written notice of intent of appeal is provided to the Board at least ten (10) days prior to the meeting.

Section 3. Reinstatement: A former member desiring a continuous membership record may be reinstated on showing proof of qualification and paying all dues in arrears. If, however, a continuous membership record is not desired, the member may be reinstated upon showing proof of qualification in paying current year's dues.

Section 4: Resignation: Any member may resign by filing a written resignation with the Chairman, but such resignation shall not relieve the member so resigning of the obligation to pay dues or other charges theretofore accrued and unpaid.

#### **Article IV Organization Structure**

To achieve the objectives of the Association, the Board of Directors may, at its discretion, establish organizational units such as boards, councils or divisions to serve the special interests of its members. The Board of Directors shall exercise authority over policies, services, programs, and budgets of all organizational units, including qualification for membership unless these are otherwise stated in these Bylaws.

#### **Article V Dues**

Section 1. Establishment of Dues: Membership dues, admission fees, and such assessments as the Board determines to be necessary, shall be established by the Board of Directors.

Section 2. Delinquency and Cancellation: Any member of the Association who shall be delinquent in dues for a period of sixty (60) days from the time dues become payable shall be notified of such delinquency and suspended from further Association services. If payment of dues is not made within the next succeeding thirty (30) days, the delinquent member shall be dropped from the membership rolls and thereupon forfeit all rights and privileges of membership, unless such suspension, at the request of the member, is waived by affirmative action of the Board of Directors.

Section 3. Refunds: No dues shall be refunded to any member whose membership terminates for any reason.

## **Article VI Meetings of Members and Voting**

Section 1. Annual Business Meeting: The annual business meeting of the Association shall be held at such place and on such dates as shall be determined by the Board of Directors.

Section 2. Special Meetings: Special meetings of the Association may be called by the Board of Directors at any time, or shall be called by the Chairman upon receipt of a written request by fifty percent (50%) of the regular members within thirty (30) days after the filing of such a request with the Chairman. The business to be transacted at any special meeting shall be stated in the notice thereof, and no other business may be considered at that time.

Section 3. Regional Meetings: Regional meetings of the Association may be held at such time and place as shall be approved by the Board of Directors.

Section 4. Notice of Meetings: Written notice of any business meeting of the Association at which official Association business is to be transacted shall be mailed to the last known address of each member not less than ten (10) nor more than forty (40) days before the date of the meeting.

Section 5. Voting: At all business meetings of the Association each member shall have one (1) vote for each Franchise Agreement he owns, provided he is current in dues payments for each such franchise. Each member shall designate an individual who shall be authorized to act for the member in all affairs of the Association. A member may take part in a business meeting and vote in person or by duly executed proxy, pursuant to procedures which have been established by the Board of Directors. Unless otherwise specifically provided by these Bylaws, a majority vote of those members present and voting shall govern.

Section 6. Voting for Directors: Voting for election of Directors pursuant to Article IX, Section 2, shall be as follows:

(a) Owners of LJS restaurants or LJS restaurants where the Long John Silver's concept is the primary brand in the restaurant shall have one vote for each such franchise agreement he owns, and shall elect ten (10) directors to the Association Board of Directors, one of whom shall own five (5) or fewer such restaurants.

(b) Owners of LJS restaurants in units where the LJS restaurant is the subordinate brand shall elect one director to the Association Board of Directors, and shall have one vote for each such unit owned.

Section 7. Voting by Mail: Proposals to be offered by members for a mail vote shall first be approved by the Board of Directors unless the proposal is endorsed by fifty percent (50%) of the

regular members in which case Board approval shall not be necessary. On any mail vote, a majority of those voting shall determine the action.

Section 8. **Quorum:** At an annual business or special meeting of the members, a quorum shall consist of no less than fifty percent (50%) of the regular members. All actions taken by said members shall be implemented by the Board of Directors.

Section 9. **Cancellation of Meetings:** The Board of Directors may cancel any annual business meeting for cause.

## **Article VII Officers**

Section 1. **Elected Officers:** The elected officers of the Association shall be a Chairman, a Vice Chairman, a Secretary, and a Treasurer, and such others as the Board of Directors shall designate. All officers shall be elected by the Board of Directors of the Association and serve until their successors have been duly elected and have assumed office.

Section 2. **Qualifications for Office:** Any regular member in good standing shall be eligible for nomination and election to any elective office of the Association.

Section 3. **Term of Office:** Each elected officer shall take office immediately upon installation and shall serve for a term of one (1) year or until his successor is duly elected and qualified.

Section 4. **Vacancies-Removal:** Vacancies in any elective office may be filled for the balance of the term thereof by the Chairman, with the concurrence of a majority of the Board of Directors.

## **Article VIII Duties of Officers**

Section 1. **Chairman:** The Chairman shall be the highest elected officer of the Association and shall serve as chairman of the Board of Directors.

At the annual business meeting of the Association and at such other times as deemed proper, the Chairman shall communicate to the members such matters and make such suggestions as may tend to promote the welfare and increase the usefulness of the Association. The Chairman shall perform such other duties as are necessarily incident to his office or as may be prescribed by the Board of Directors.

Section 2. **Vice Chairman:** There shall be a Vice Chairman who shall be responsible for such duties as are individually assigned to him by the Chairman. The Vice Chairman shall preside at meetings of the Board of Directors and the Association in the absence of the Chairman.

Section 3. Secretary: The Secretary shall attend all meetings of the Board of Directors and of the members and shall record all votes and the proceedings of all meetings in a book to be kept for such purposes. The Secretary also shall perform like duties for the Executive Committee or other committees, if required by any such committee. The Secretary shall give (or cause to be given) notice of all meetings of the members and all special meetings of the Board of Directors and shall perform such other duties as from time to time may be prescribed by the Board of Directors or the President. The Secretary shall have custody of the seal of the Association, shall have authority to affix the same to any instrument requiring it, and to attest the seal by his or her signature. The Board of Directors may give general authority to officers other than the Secretary to affix the seal of the Association and to attest the affixing thereof by his or her signature.

Section 4. Treasurer: The Treasurer shall have the custody of the Association's funds, securities, other similar valuable effects, and evidences of indebtedness, shall keep books belonging to the Association, and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as from time to time may be ordered by the Board of Directors and shall render to the Chairman and the Board of Directors, at regular meetings of the Board or whenever any of them may so require, an account of all transactions and of the financial condition of the Association.

## **Article IX Board of Directors**

Section 1. Authority and Responsibility: The governing body of the Association shall be the Board of Directors. The Board of Directors shall have supervision, control and direction of the affairs of the Association, its committees and publications; shall determine its policies or changes therein; shall actively pursue its objectives and supervise the disbursement of its funds. The Board may adopt such rules and regulations for the conduct of its business as it shall deem advisable, and may in the execution of the powers granted to it, delegate certain of its authority and responsibility to an Executive Committee, and to such staff or firms as the Board of Directors may retain to execute its policies.

Section 2. Membership: The Board of Directors shall consist of eleven (11) directors elected from the membership, which may include the officers of the Association as named in Article VII. Ten (10) Directors shall be elected by the owners designated in Article IV, Section 6.(a) at least one of whom shall represent franchisees who own five or fewer restaurants. One Director shall be elected by the owners designated in Article IV, Section 6.(b).

Section 3. Term of Office and Manner of Election: Except for the initial Directors, Directors shall serve for a term of two (2) years or until their successors have been elected and assume office.

Section 4. Quorum of the Board: At any meeting of the Board of Directors, a majority of the voting members of the Board shall constitute a quorum for the transaction of the business of the

Association, and any such business thus transacted shall be valid providing it is affirmatively passed upon by a majority of those present and voting.

Section 5. Meetings of the Board: A regular meeting of the Board of Directors shall be held not less than once during each year at such time and at such place as the Board may prescribe. Notice of all such meetings shall be given both to the Directors and members of the Association not less than thirty (30) days before the meeting is held. Special meetings of the Board may be called by the Chairman or at the request of any three (3) directors, by notice mailed, delivered, sent via facsimile or telegraphed to each member of the Board of Directors not less than seventy two (72) hours before the meeting is held. Absent a vote of the majority of the Board to the contrary, all members of the Association shall be notified of special meeting at the same time as the Directors.

Section 6. Voting: Voting rights of a director may be delegated to another director or to an executive designee in the director's franchised organization, by duly executed proxy pursuant to procedures established by the Board of Directors. Meetings may be conducted by telephone. Ten (10) days notice shall be required for any special meeting other than a telephone meeting. However, a quorum attending any such meeting may, by a vote of a majority of those present, vote to waive the notice requirement.

Section 7. Voting by Mail: Action taken by a mail vote of the members of the Board of Directors shall be a valid action of the Board and shall be reported at the next regular meeting of such Board.

Section 8. Absence: Any elected officer or director who shall have been absent from two (2) consecutive regular meetings of the Board of Directors during a single year may be expelled from his seat on the Board of Directors for cause, and the vacancy shall be filled as provided by these Bylaws.

Section 9. Vacancies and Removal: Any vacancy occurring on the Board of Directors between annual meetings shall be filled by the Board of Directors upon recommendation of the Chairman. A director so elected to fill a vacancy shall serve until the next annual meeting, at which time the membership shall vote to select a director to fill the vacancy of the predecessor for the remainder of his unexpired term. The Board of Directors shall remove any Director for cause by an affirmative two-thirds vote of the Board present at any regular or special meeting.

Section 10. Compensation: Directors and elected officers shall not receive any compensation for their services. The Board of Directors may agree to compensate officers, members of an Executive Committee, or others, to defray expenses they incur in carrying on the affairs of the Association.

Section 11. Indemnification: Every director, officer, employee of the Association and such others as specified from time to time by the Board of Directors, shall be indemnified by the Association against all expenses and liabilities including attorneys' fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be made a party or in which they may become involved by reason of being or having been a director, officer or

employee of the Association, or any settlement of such an action, whether the person is a director, officer or employee at the time such expenses are incurred, except in such cases in which the director, officer or employee is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which the indemnified may be entitled.

## **Article X Special and Standing Committees**

The Board may appoint committees of the Board as it deems appropriate. The Chairman shall monitor actions of the committees and counsels of the Association and shall recommend to the Board of Directors on a regular basis the creation, dissolution and consolidation of these groups.

## **Article XI Finance**

Section 1. Fiscal Year: The fiscal year of the Association shall be prescribed by the Budget Committee with the approval of the Board of Directors.

Section 2. Bonds: Trust or surety bonds may be furnished for the Chairman, Treasurer and such other employees or officers of the Association as the Board may direct. The amount of such bonds shall be determined by the Board and the cost shall be paid by the Association.

Section 3. Budget: The Board shall adopt an annual operating budget covering all activities of the Association. Within sixty (60) days following completion of the annual audit or review, the Treasurer shall furnish the membership with a financial report for the fiscal year just concluded.

Section 4. Audit: Unless the Board waives this requirement by a majority vote, the accounts of the Association shall be audited or reviewed not less than annually by a certified public accountant who shall be recommended by the Chairman with the approval of the Board, and who shall provide a report to the Board of Directors.

## **Article XII Dissolution**

The Association shall use its funds only to accomplish the objectives and purposes specified in these Bylaws, and no part of said funds shall inure, or be distributed to the members of the Association. Upon dissolution of the Association, any funds remaining shall be distributed to members in good standing based upon an allocation which reflects their respective monetary contributions to the Association.

**Article XIII  
Rules of Order**

The rules contained in the current edition of ROBERTS RULES OF ORDER shall govern in the conduct of meetings of the Association in all cases to which they are applicable and in which they are not inconsistent with the Bylaws and any special rules the Association may adopt.

**Article XIV  
Amendments**

Section 1. Proposals: Proposals to amend or repeal these Bylaws may be set forth by the Board of Directors on its own initiative or upon petition by twenty percent (20%) of the members. The Board of Directors shall present all such proposals to the members with or without endorsement.

Section 2. Approval: Proposals to amend or repeal these Bylaws shall be approved by: an affirmative vote of a majority of the regular members present and voting at any annual business meeting or any special meeting of the Association duly called, provided written notice of the proposed changes have been sent to the members thirty (30) days before such a meeting or by a majority vote of the regular members voting by a thirty (30) day mail ballot.

**Article XV  
Arbitration**

Each member agrees, as a condition to membership in the Association, that any legal dispute any such member has with the Association, or any officer, director or employee of the Association, shall be resolved by binding arbitration, conducted in accordance with the commercial rules of arbitration of the American Arbitration Association, and that such arbitration will be the exclusive final remedy for resolving any such claim(s). Arbitration hereunder, shall be conducted in Lexington, Kentucky.

AMENDED AND RESTATED  
MAY 1, 2010