

Blue Roof Franchisee Association

By-Laws

November, 2019

ARTICLE I
Name and Purpose

Section 1.1: Name.

The name of this organization shall be the Blue Roof Franchisee Association, and shall be referred to in these By-laws as the Association.

Section 1.2: Purposes.

- (a) The purposes of the Association are to represent IHOP franchisees with their franchisor, government or other entities, and to employ the franchisees' collective leverage to improve franchisee profitability, restaurant operations and brand strength.
- (b) In order to accomplish its purposes, the Association will represent and advocate for the best interests of the franchise owners with the franchisor, including using its resources to influence brand strategy from the franchise owners' perspective.
- (c) The Association will respect, aid and empower the franchisor while pursuing initiatives to improve profitability, operations and the financial health and welfare of franchisees.
- (d) The Association will also work to impact government affairs in the best interests of both small and large franchise business owners, and will likely seek to join strategic forces with other groups and organizations in pursuit of this purpose.
- (e) It is also anticipated that the Association will put into place legal representation for the collective franchisee body; address current contract matters including renewals, non-traditional units, DIAPs, remodel scopes, and sales and transfers, among others; assess issues relating to recently enacted federal legislation, and develop a plan for members to respond to such legislation, including a political strategy; engage in independent political representation and Association's initiatives; and create a forum for communication for franchisees, including developing an organized manner for the sharing of best practices to improve operations and profits.

ARTICLE II
MEMBERSHIP

Section 2.1: Members.

All franchisees of the IHOP system are deemed to be members of the Association by virtue of their franchise ownership.

Section 2.2: Dues.

In order to be a member in good standing of the Association, all franchisees must be current in their payment of dues. The amount of dues will be set by the Board, from time to time, but must be paid on a “per-unit” basis (as opposed to a per franchisee basis). Any multi-unit franchisee who has not paid dues sufficient to cover the number of units owned will not be deemed to be a member in good standing.

Section 2.3: Member Rights.

Members who are in good standing may vote, and have other access to member services, as they are made available by the Association.

Section 2.4: Termination of Membership in Good Standing.

Any member of the Association whose annual dues are more than three months past due shall cease being a member in good standing of the Association. Further, any franchisee who ceases to fulfill all of the eligibility requirements set forth in Section 2.1 hereof shall thereby cease to be a member of the Association.

**ARTICLE 3
MEETINGS**

Section 3.1: Annual Meetings.

The membership of the Association shall hold an Annual Meeting during each calendar year. Such meetings can be held electronically or by teleconference.

- (a) The agenda of the Annual Meeting shall consist of a report by the Chair of the state of the Association, presentation of the operating plan for the upcoming year and other such matters as the Chair deems appropriate.
- (b) The members of the Association present at the Annual Meeting shall constitute a quorum for the transaction of business. Binding action may be taken by a majority of those members present and voting.
- (c) The date and time of each Annual Meeting shall be established by the Chair of the Association and announced to the members of the Association at least 60 days prior to the date of the meeting.
- (d) Voting by the members at the Annual Meeting will be on a “one-vote-per-franchisee-of-record” basis, as opposed to “one-vote-per-unit.”

Section 3.2: Special Meetings.

The Chair of the Association may call special meetings of the members of the Association at any other times during the year. The Chair shall give the membership at least 15 days prior written notice of the date, time, place and agenda of any special meeting. Such Meetings may be held electronically or by teleconference.

Section 3.3: Informational Meetings.

During each calendar year, the Association may hold one or more educational meetings open to any members of the Association. Such Meetings may be held electronically or by teleconference.

ARTICLE 4
BOARD OF DIRECTORS

Section 4.1: Power and Functions.

- (a) The Board of Directors (Board) is vested with the powers and duties necessary for the administration of the activities of the Association.
- (b) The Board shall adopt an annual budget. Any expenditure not authorized in that budget shall require Board approval, except as provided in Section 12.2 below. The Board shall not authorize commitments, contracts or expenditures that entail the payment during any fiscal year of more money than the amount that is reasonably projected to be available to the Association.

Section 4.2: Composition.

The Board shall be composed of nine directors, two At-Large Representatives, nominated by, elected from, and representing the entire membership and one elected representative from each of seven regions. Each region will be represented by one member. In addition, the Board shall have the power to appoint up to four (4) Ad Hoc non-voting Board members.

Region 1 consists of the franchisees in the states of California, Nevada, and Hawaii;

Region 2 consists of the franchisees located in the states of Washington, Oregon, Arizona, Colorado, Utah, Alaska, New Mexico, Idaho, Montana, Wyoming, and all Provinces of Canada;

Region 3 consists of the franchisees located in the states of Texas, Louisiana, Oklahoma, Kansas, Arkansas;

Region 4 consists of the franchisees located in the states of Nebraska, North Dakota, South Dakota, Missouri, Illinois, Ohio, Indiana, Michigan, Wisconsin, Iowa, Minnesota, Kentucky;

Region 5 consists of the franchisees located in the states of Mississippi, Florida, Georgia, North Carolina, South Carolina, Alabama, Tennessee; and

Region 6 consists of the franchisees located in the states of New York, New Jersey, Massachusetts, Connecticut, New Hampshire, Maine, Rhode Island, and Vermont.

Region 7 consists of the franchisees located in the states of Virginia, West Virginia, Maryland, Delaware, Pennsylvania, and the District of Columbia.

- (a) A franchisee may only represent one region on the Board. In the event that a franchisee has stores in more than one region, the franchisee is required to elect, as part of the election process for Directors, which region or At-Large seat he or she seeks to represent.

Section 4.3: Terms.

- (a) Directors will be elected for a term of two years. Ad Hoc members will also serve for two-year terms.
- (b) If a region has no members in good standing, then they will not be represented on the Board.

Section 4.4: Meetings.

- (a) The Board shall meet no fewer than three times per year, with one such meeting coming as a part of the Annual Meeting announced above in Section 3.1. The Chair shall give the Board advance written notice of the date, time, place and agenda of each meeting. A majority of Directors then holding office shall constitute a quorum for the transaction of business at a Board meeting. Binding action may be taken by a majority of the Board in attendance and voting (or in the case of mail or electronic ballot, by a majority of the Directors voting). No absentee or proxy voting shall be permitted.
- (b) Board meetings may be held by telephone conference call.
- (c) If a meeting or telephone conference call is not feasible, the Chair of the Board may, in lieu of a meeting, cause a matter to be circulated in writing for consideration by the Board (and if appropriate, for a mail or electronic ballot).

- (d) The Chair of the Association may invite a representative of any committee of the Association with an interest in matters within the jurisdiction of the Association to attend Board meetings, either on a regular or on a specific occasion.
- (e) Reasonable out of pocket travel expenses, limited to lodging and transportation costs, incurred by BRFA Director, Ad Hoc and Committee members while attending meetings will be reimbursed by BRFA upon receipt of appropriate documentation of such expenses.

Section 4.5: Voting.

In all references to “Member voting” throughout these By-laws, votes will be on a “one-vote-per-franchisee-of-record” basis, as opposed to “one-vote-per-unit.”

Section 4.6: Removal.

A Director may be removed upon a vote of at least 75% of the remaining Directors.

Section 4.7: Vacancies.

If any Director fails to attend two successive meetings of the Board, then the seat of that Director shall be vacated automatically, unless the Board excuses such absence. Irrespective of the cause of any vacancy, a seat may be filled by appointment of the Chair, so long as the Director appointed is a franchisee meeting the qualifications of these By-laws, who is from the same region associated with the vacancy, with such appointment extending for the remainder of the vacated Director’s term.

ARTICLE 5
RESPONSIBILITIES OF DIRECTORS

Section 5.1: Responsibilities,

Recognizing that "**Leadership is Action, not Position**", a Director has responsibilities and commitments which include attending all Board meetings as well as:

- (b) Attending on time and remaining for the completion of the full agenda.
- (c) Respecting the confidentiality of certain discussions, decisions and information.
- (d) Recognizing that BRFA is not a personal forum, but an obligation to represent.

- (e) Reporting to his or her constituency the results of each Board meeting at meetings to be conducted within their respective Regions without delay.
- (f) Submitting allowable expenses promptly for reimbursement incurred while attending Board meetings, meetings of committees of which he or she is an active member, and open Members meetings.
- (g) Serving on at least one available Committee.

Section 5.2: Conduct of Board Meetings

- (a) As a rule, the agenda for a meeting will be complete and reports from the committees will require a considerable dedication of time for presentation and full discussion.
- (b) The Chair will issue an agenda to all Directors at least one week in advance of any Board meeting. All Committee chairpersons will present in writing to the Chair at least two weeks in advance of any Board meeting those items to be included on the agenda. Other items may be added to the agenda after this date with the consent of the Chair.
- (c) All Directors are encouraged to submit to the Chair at least two weeks in advance of any Board meeting, any other topics to be included on the agenda which have been raised by their constituents.
- (d) A summary of any formal presentation to be made at a Board meeting will be distributed to all Directors at the time of said formal presentation or, if possible, in advance of any such presentation.
- (e) Any Member who is not an elected Director, and who desires to attend or make a presentation to the Board may make a written request to the Chair to attend or have such presentation included on the agenda. Such requests must include the reason for attending or the subject matter of his presentation. The Chair, in his or her sole discretion, will decide whether or not to allow such attendance at presentation, and will inform the requesting Member and the Directors of his or her decision in a timely manner.
- (f) The Chair may request the attendance at BRFA Board meetings of certain IHOP officers or other employees. This request will be made via the office of the President of IHOP.

ARTICLE 6
OFFICERS

Section 6.1: Defined.

The officers of the Association shall consist of Chairman, Vice-Chair, Secretary and Treasurer.

Section 6.2: Powers and Functions.

- (a) The Chair. The Chair shall preside at all meetings of the Association and of the Board. The Chair shall appoint the committee chairs and members of the Association's committees and boards, in accordance with the policies adopted from time to time by the Board. The Chair may appoint a Program Chair, Publication Chair, Operations Chair, Legal Chair, Marketing Chair, Menu Chair, Development Chair, Technology Chair, and Government Affairs Chair. All such appointments are subject to confirmation by the Board. Additionally, all such Chairs should be current members of the Board of Directors.
- (b) Vice-Chair. The Vice-Chair shall aid the Chair in the performance of the Chair's responsibilities, in the manner and to the extent that the Chair may request. The Vice-Chair shall be responsible to report to the Board on the performance of any and all committees established by the Board. All Committee Chairs will report directly to the Vice-Chair. The Vice-Chair shall report directly to the Chair. The Vice-Chair shall preside at meetings of the Association and the Board in the absence of the Chair. The Vice-Chair shall preside over Nominations as prescribed in Section 8.1 of these bylaws.
- (c) Secretary. The Secretary of the Association shall be responsible for taking and maintaining the minutes of all Board meetings, the maintenance of all historical records, and will otherwise execute duties assigned to him or her by the Chair, as the Chair may request. The Secretary shall preside at meetings of the Association and the Board in the absence of the Chair and Vice-Chair. The Secretary shall serve as either Membership Chair or Co-Chair.
- (d) Treasurer. The Treasurer shall be responsible for creating and recommending the Annual Budget required by these By-laws to the Board. Additionally, the Treasurer shall be charged with maintaining the financial books and records of the Association, as well as promptly paying all approved expenditures in a timely and expedient manner. The Treasurer shall also execute any other such duties as the Chair may request. The Treasurer shall preside over the Budget & Finance committee as prescribed in Section 10.3 of these bylaws.

Section 6.3: Election and Term.

The Board of Directors will nominate and elect the association Officers annually, at the first Board of Directors meeting following completion of the general election of the Board.

ARTICLE 7
EXECUTIVE COMMITTEE

Section 7.1: Defined.

The Executive Committee will consist of the officers of the Association.

Section 7.2: Powers and Functions.

The Executive Committee will be empowered to make decisions regarding daily operations of the Association and the Board, and to communicate on behalf of the Association. Accordingly, the Executive Committee will meet in person or via conference call on at least a monthly basis. The Executive Committee shall keep minutes of all such meetings, and such minutes shall be available to any members of the Board of Directors upon request.

ARTICLE 8
NOMINATION AND ELECTIONS OF DIRECTORS

Section 8.1: Nominations Chairman.

The Nominations Chairman shall solicit, recruit and receive nomination for members of the Board of Directors. The Nominations Chairman shall be the Vice-Chair. The Nominations Chairman shall determine that each nominee is eligible for candidacy, agrees to be nominated, and agrees to serve if elected. The Nominating Chairman shall then review all nominations, and submit a slate of nominees to the membership for voting.

Section 8.2: Director Candidacy Eligibility.

To be eligible to run for a position on the board, a candidate must:

- (a) Be an Association member in good standing who has timely paid dues to the Corporation or any owner, shareholder, partner, member, officer , director or authorized associate of a member which has timely paid dues to the Corporation;

- (b) Be nominated by any one Association member who is in good standing as of Nov 1st of that year, and who has franchises in the same region as the nominee. A franchisee may nominate himself. At-Large Representatives may be nominated by any member in good standing.

Section 8.3: Timing of Nominations of Directors.

Call for nominations shall open November 1st and shall close Nov. 15. Nominations by mail must be postmarked no later than Nov. 15th. The Nominations Chairman shall ensure that each nominee for each seat is an eligible qualified member. By Nov. 22nd, the Nominations Chairman shall report the identity of the slate of candidates to the Chair and shall promptly announce the

names of the slate of candidates in a publication available or notice sent to all Association members.

Section 8.4: Elections Chairman.

The Elections Chairman shall be the same as the Nominations Chairman, shall administer the annual Association elections and shall ensure that each Association member who is in good standing is given a fair and reasonable opportunity to vote. The Elections Chairman shall determine that each voter is eligible to vote, and shall be responsible for tabulating the votes and announcing the election results.

Section 8.5: Voter Eligibility.

All Association members who are in good standing as of Nov. 1st of that year shall be eligible to vote in those elections.

Section 8.6: Timing of Board Elections.

The elections shall open Dec. 1st and close Dec. 15th.

Section 8.7: Election of Directors.

Each Association member shall vote for Directors via electronic mail. The voting tabulation for the Board shall be as follows:

- (a) By Dec. 18th, the Elections Chairman or its designee shall tabulate the votes, and promptly report the election results to the Chair. The Chair shall, on or before Dec. 31st of each year announce the results in a publication available or notice sent to all Association members.
- (b) For every region and At-Large seat, the candidate with the majority vote shall be elected. In the case of a tie, a winner will be chosen by a runoff ballot.

ARTICLE 9
NOMINATION AND ELECTION OF OFFICERS

Section 9.1: Officer Eligibility.

To be eligible to run for an officer position within the Board, a Director must:

- (1) Serve as a Director at least six months immediately preceding the elections before being eligible for Chair; and
- (2) Be nominated by her or himself or one other board member in good standing.

Section 9.2: Election of Officers.

Election of the Association Officers shall be held at the first Board of Director's meeting or conference call following completion of the general election of the Board.

Section 9.3: Procedure for Election of Officers.

Election of Association officers shall be managed as follows:

- (a) The order of electing officers is as follows:

1. Chair;
2. Vice-Chair;
3. Secretary;
4. Treasurer.

- (b) The first officer position shall be announced and all candidates shall submit their name and may provide a bio or campaign speech to voting members of the Board. Speeches are limited to three minutes in length. The vote will be taken. The officer candidate with the highest number of votes wins that officer position. If there was a tie for the highest number of votes between two or more candidates, then a runoff election shall be held. The candidate receiving the highest number of votes in the runoff election shall be announced the winner.

- (c) Unsuccessful candidates may choose to run for subsequent officer positions. The election process shall remain the same as above for each subsequent election.

Section 9.4: Term.

The term of an officer shall begin upon his or her election and end the following year upon the election of new Association officers.

ARTICLE 10
COMMITTEES

Section 10.1: Establishment of Committees.

The Board shall establish and dissolve committees as necessary to perform the Board's business and that of the Association as a whole. Following the formation of any new committee, the

Chair shall appoint members of the Board to serve on the committee, along with other members of the Association who express an interest in the committee and who are in good standing. The Chair shall review the purpose and goals of each committee at least annually, and determine whether a Board vote should be taken to dissolve a committee, in the event that the committee is no longer necessary or viable.

Section 10.2: Committee Memberships.

A committee shall be comprised of at least one Director, and may otherwise be populated by appointment of the Chair, with Association members in good standing.

Section 10.3: Committee Chairs.

All committees must be under the leadership of a Committee Chair. Only Directors may be Committee Chairs, and Committee Chairs shall be appointed by the Chair, with the consent of the Board. As prescribed in Section 6.2 of these bylaws, the Treasurer shall head the Budget and Finance Committee and the Secretary will Chair or Co-Chair the Membership Committee. The Board must approve any and all expenditure of funds by any committee, not already authorized in the budget.

**ARTICLE 11
AMENDMENTS**

These By-laws may be amended by approval of ninety percent (90%) of the voting directors then in office.

**ARTICLE 12
ADMINISTRATIVE MATTERS**

Section 12.1: Fiscal Year.

The fiscal year of the Association shall be from January 1 to December 31st.

Section 12.2: Compensation.

No salary of compensation for services shall be paid to any officer, Director, or any member of any committee, division, or board. The Board, or the Chair and the Treasurer, may authorize reimbursement of reasonable and documented expenses incurred on behalf of the Association.

Section 12.3: Indemnification.

- (a) The Association shall indemnify, to the fullest extent provided by law, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or

in the right of BRFA, by reason of the fact that he or she is or was a BRFA Director, or an officer, agent, director, or Committee or subcommittee member of BRFA (each an "Indemnified Person").

- (b) The indemnification referred to in various sections of this Article shall be deemed to be in addition to and not in lieu of any other rights to which Indemnified Persons may be entitled under any statute, rule of law or equity, agreement, vote of the BRFA Board or otherwise.

Section 12.4: Insurance or Other Financial Arrangements.

BRFA may, in the discretion of the Board, purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a BRFA Director or an officer, agent, director or Committee or subcommittee member of BRFA or is or was serving at BRFA's request as the director, employee, officer, committee member or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him or her and incurred by him or her acting in any such capacity or arising out of his or her status as such. Such insurance or financial arrangements may be made whether or not BRFA would have the power to indemnify such person against such liability under the provisions of this Article. Other financial arrangements may include: the creation of a trust fund, the establishment of a program of self-insurance, the granting of a security interest or lien on any assets of BRFA, or the establishment of a letter of credit, guaranty or surety.

Section 12.5: Parliamentary Authority.

Meetings will be conducted pursuant to the then-current edition of Robert's Rules of Order, with the Chair or his or her appointee presiding, to the extent that Robert's Rules of Order are not inconsistent with these By-laws. In the event of any such conflict, the By-laws shall prevail.

**ARTICLE 13
DISSOLUTION**

The Association may be dissolved by a 75% vote of the Board of Directors.

**ARTICLE 14
TRANSITIONAL PROVISIONS**

Section 14.1: Powers and Authorities.

The initial board shall consist of the members of the formation committee, who shall have all powers and authorities vested in the Board by these By-laws through the first election of the Board of Directors, which in no event shall be later than December 2011. The term limit provision will begin to accrue with the Board of Directors seated in 2012.

Section 14.2: At-Large Representatives In 2014, the four Board members elected in the 2012 election, whose regions currently have two representatives, will move to At-Large Directors until their terms expire.