



Great Western Franchisee Association
An Association of Burger King® Franchisees

Corporate Bylaws of the Great Western Franchisee Association

As amended through January 5, 2004
As amended through November 1, 2009

CORPORATE BYLAWS
OF
GREAT WESTERN FRANCHISEE ASSOCIATION, INC.
(GWFA)
Revised 11/02/09 Proposed

INDEX

	Page
ARTICLE I BUSINESS OFFICES	1
Section 1. Principal Executive Office	1
Section 2. Other Offices	1
Section 3. Purpose	1
ARTICLE II MEMBERS	1
Section 1. Classes of Membership and Rights	1
Section 2. Voting Member	1
Section 3. Associate Member	1
Section 4. Qualification for Membership	1
Section 5. Admission	2
Section 6. Application Fee	2
Section 7. Number of Members	2
Section 8. Non-liability of Members	2
Section 9. Transferability of Membership	2
Section 10. Termination of Membership	2
Section 11. Disciplinary Action	3
ARTICLE III MEETING OF MEMBERS	
Section 1. Time of Annual Meetings	4
Section 2. Call of Special Meetings	4
Section 3. Time and Manner of Giving Notice of Annual & Special Meetings	4
Section 4. Business to be Conducted; Contents of Notice	4
Section 5. Proxies	5
Section 6. Quorum	5
Section 7. Membership Action by Written Ballot In Lieu of Meeting	5
Section 8. Voting Procedure	6
Section 9. Membership Votes	6
Section 10. Record Dates and Closing of Stock Books	7
Section 11. Attendance at Meetings	7
Section 12. Voting for Election of Directors	8

GWFA CORPORATE BYLAWS

INDEX (continued)

	Page
ARTICLE IV BOARD OF DIRECTORS	8
Section 1. Powers	8
Section 2. Number, Tenure and Qualifications	8
Section 3. Regular Meetings	8
Section 4. Special Meetings; Call and Notice	8
Section 5. Place of Special Meetings	9
Section 6. Participation by Telephone	9
Section 7. Quorum	9
Section 8. Action at Meeting	9
Section 9. Action by Written Consent Without Meeting	9
Section 10. Removal	9
Section 11. Resignations	
Section 12. Vacancies	10
Section 13. Compensation	10
Section 14. Committees; Limitations on Powers	10
ARTICLE V OFFICERS	10
Section 1. Titles and Term	10
Section 2. Inability to Act	10
Section 3. Removal	11
Section 4. Vacancies	11
Section 5. President	11
Section 6. Vice Presidents	11
Section 7. Secretary	11
Section 8. Treasurer	11
Section 9. Assistant Officers	12
Section 10. Limitations	12
Section 11. Salaries	12
Section 12. Officers Holding More than One Office	12
ARTICLE VI BOOKS AND RECORDS	12
Section 1. Record Keeping	12
Section 2. Annual Report	12
Section 3. Inspection of Books of Account and Minutes	13
Section 4. Inspection of Membership List	13
Section 5. Inspection by Directors	13

GWFA CORPORATE BYLAWS
INDEX (continued)

	Page
ARTICLE VII MISCELLANEOUS	13
Section 1. Certificates	13
Section 2. Indemnification; Advance of Litigation Expenses; Insurance	13
Section 3. Amendments	14
Certificate of Adoption of Bylaws	15

BYLAWS OF

GREAT WESTERN FRANCHISEE ASSOCIATION, INC.

ARTICLE I. BUSINESS OFFICES AND PURPOSE

Section 1. Principal Executive Office. The principal office of the association shall be located at 1131 Foothill St., Redwood City, California, 94061, or other location as determined by the Board of Directors.

Section 2. Other Offices. The association may also have offices at such other places as the Board of Directors may from time to time designate, or as the business of the association may require.

Section 3. Purpose. The purpose of the Great Western Franchise Association, Inc. is to provide a common interest organization for Burger King franchisees, creating a forum for discussion, analysis and advocacy for such franchise owners.

ARTICLE II. MEMBERS

Section 1. Classes of Membership and Rights. The association shall have two classes of Members: Voting Members and Associate Members, as hereinafter defined.

Section 2. Voting Member. Every Voting Member must be a Burger King® franchisee or his duly authorized representative, actively operating a Burger King restaurant or restaurants, listed on the Burger King franchise documents or an equity partner in the franchise entity, recognized by Burger King Corporation and operating either as a sole proprietorship, a partnership, a corporation, a limited liability company, a limited liability partnership, a trust, or any combination thereof, and the spouses of the individuals listed above.

Section 3. Associate Member. Associate Members must hold senior leadership positions in their respective franchise groups (i.e, Director of Operations) and be actively involved in the day to day operations of their restaurants. Associate Members do not hold voting rights in the Association, unless given a proxy by a Voting Member as provided in Article III, Section X.

Section 4. Qualification of Membership.

- (a) Member. In order for an individual to become and remain a Voting Member or an Associate Member, he or she must operate a Burger King Restaurant within the following geographic boundaries: The state of Alaska to Washington, Oregon, south to the Tulare/Kern/Los Angeles County Line; east to include a line just south of Tonopah, Nevada to the northern Nevada line through northern Nevada, Utah, Idaho, Montana, extending east to Rock Springs, Wyoming.
- (b) Membership will be granted and maintained ONLY to individuals that DO NOT have Burger King restaurant interests in any form and in any venue with Burger King Corporation, the Franchisor. Any such ownership will be deemed a conflict of interest with the GWFA and shall be DISQUALIFYING to the prospective or existing member. This does not apply to members that own stock in Burger King Corporation or who are party to leases with Burger King Corp.

Section 5. Admission. Qualified applicants shall be considered for membership upon satisfactorily completing the following:

- (a) Submission of a written application to the Board of Directors
- (b) Payment of the first annual dues in full or payment of prorated portion thereof.

Upon receipt of (a) and (b) above, and a favorable vote by a majority of the Board of Directors, the applicant will become a Member.

Section 6. Application Fee.

- (a) No fee shall be charged for applying to become a Member of the association.
- (b) The annual dues payable to the association by Members shall be in such amount as may be determined from time to time by resolution of the Board of Directors. The first annual dues shall be payable and submitted in full with the application for membership. Future annual dues shall be due and payable on the first day of January of each year. Annual dues of new Members will be due from the first day of the month in which such new Member is admitted and prorated for the remainder of the current fiscal year of the association.
- (c) Dues cannot be raised by more than fifteen percent (15%) versus the previous year without a majority vote of approval by the Financial Voting Membership

Section 7. Number of Members. There is no limit on the number of Members the association may admit.

Section 8. Non-liability of Members. No Member of this association shall be personally liable for the debts, liabilities or obligations of the association.

Section 9. Transferability of Membership. Membership in the association is nontransferable and non-assignable.

Section 10. Termination of Membership.

- (a) By Resignation, Death, or Franchise Termination. The status of any person as a Member of the association shall automatically terminate (i) on its written request for such termination delivered to the President or Secretary of the association personally or by United States mail (such termination will occur when the request is delivered personally or deposited in the United States mail); or (ii) on a Member's death (in the case of an individual); or (iii) at such time as a Member ceases to hold a franchise agreement with Burger King Corporation. Termination under this section shall not relieve the Member from any financial obligations accrued and unpaid at the time of termination.

- (b) By Nonpayment of Dues and Assessments. The status of any Member which fails to pay its dues and/or any assessments properly approved by a 66.7% majority of the Associations' Financial Voting Members when such payments become due will be terminated within 60 days thereafter, provided the Member was given written notice of the amount and due date of such dues delivered to it personally or by United States mail within ten (10) days before the date that such dues were due and payable and the notice and hearing requirements of Section 10 are also met. In the event such written notice is not given as herein required, then such status shall terminate for nonpayment of dues only if they are not fully paid after such written notice is eventually given and delivered to the Member in person or deposited in the United States mail, postage prepaid, and sent to the Member at its address as it appears on the books of the association.
- (c) Rights of Termination. All rights of a Member in the association and in its property of the Association shall cease on termination of such member status as herein provided.
- (d) Good Standing. Membership will be terminated for any Member or Entity which can no longer satisfy the requirements of membership as outlined in Article II, Section 4, "Qualification of Membership".

Also, members of the GWFA who own and operate Burger King restaurants in areas outside the GWFA must maintain a "good standing" status in the regional associations for those areas. Failure to maintain such status in those associations will put their membership in the GWFA at risk.

- (e) Reinstatement. Any Member which is terminated as provided in this Section, other than by death, may be readmitted as a Member by paying all past due obligations meeting the requirements and complying with the provisions applicable to the admission of new Members and such other requirements as may be established by the Board of Directors.

Section 11. Disciplinary Action. The Board of Directors, in its sole and absolute discretion, may take disciplinary action against a Member for violation of any provision of these bylaws or the rules and regulations of the association (including failure to timely pay dues). Discipline may include, but is not limited to, monetary penalties, suspension of a Member's rights as a Member of the association, expulsion from the association, or other appropriate discipline, provided that the disciplinary action is taken in good faith and in a fair and reasonable manner and that the following procedures for notice and hearing are utilized:

- (a) The Board gives written notice of the proposed disciplinary action and the reasons therefore to the subject Member not less than fifteen (15) days prior to the date on which the disciplinary sanctions are to be imposed.
- (b) The subject Member shall have an opportunity to present written and oral testimony and argument, and any other relevant evidence to the Board in its defense, no less than five (5) days before the effective date of the disciplinary action. The subject Member may request such a hearing by delivering a written notice to the President of the association or to any two directors not less than

ten (10) days before the effective date of the disciplinary action. Upon receiving such a request, the President or the directors shall promptly call a special meeting of the Board to be held not less than five (5) days before the effective date of the disciplinary action. At such meeting the Board shall hear and decide whether or not the disciplinary action should be imposed.

- (c) Any notices required by this Section may be given in person or by first-class or registered mail sent to the address of the Member as shown on the association's records.

No member of this association shall be suspended or expelled for any reason, other than any reason specified in Section 10, except by a two-thirds (66.7%) vote of the Financial Voting Members.

ARTICLE III. MEETING OF MEMBERS

Section 1. Time of Annual Meetings. The annual meeting of the Members of the association shall be held each year on the first Tuesday of September, or as soon thereafter as is practicable, or such other times that may be set by the Secretary with appropriate notifications, but in no event shall the annual meeting be held more than fifteen (15) months after the last annual meeting.

Section 2. Call of Special Meetings. A special meeting of the Members may be called, with appropriate notice, at any time, by the President, a majority of the Board of Directors, or by not less than twenty-five percent (25%) of the Voting Members or Proxy Holder(s). Such meeting may be called for any purpose whatsoever. Such meeting must be held within the geography of the GWFA as described in Article II, Section 3 of the by-laws.

Section 3. Time and Manner of Giving Notice of Annual and Special Meetings. Written notice of all annual and special meetings of the Members of the association shall be given to each Member who on the record date for notice of meeting is entitled to vote thereat, by first-class United States mail postage, addressed to the Member at his address appearing on the books of the association or given by the Member to the association for the purpose of notice prepaid, or by e-mail to e-mail addresses submitted by the Member to the association for the purpose of notice. Notice of any such meeting of Members shall be sent to each Member not less than ten (10) nor more than sixty (60) days before the meeting. Notice of any adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment is taken, unless a meeting is adjourned for more than forty-five (45) days or if after the adjournment a new record date is fixed for the adjourned meeting.

Section 4. Business to be Conducted; Contents of Notice. At each annual meeting of the Members, commencing with the first annual meeting, at least three (3) of the twelve (12) directors shall be elected to hold office for two (2) years and until their respective successors are elected, and such other business shall be transacted as may properly come before the meeting.

The notice of an annual or special meeting of the Members shall state (i) the place, date and hour of the meeting, (ii) if directors are to be elected, and (iii) such other matters, if any, as may be

expressly required by statute, including action on a contract or other transaction with an interested director, amendment of the articles of incorporation, reorganization or voluntary dissolution of the corporation, or distribution in dissolution other than in accordance with the rights of outstanding preferred shares, if any. The notice of an annual meeting shall also state those other matters, if any, which the Board of Directors, at the time of the mailing of the notice, intends to present for action by the shareholders. The notice of a special meeting shall state the general nature of the business to be transacted whether or not included in any of the foregoing categories, and no other business may be transacted.

Section 5. Proxies. Voting Members may empower other Voting Members or Associate Members with a voting proxy. A voting proxy must be delivered in writing to the Association President, Vice President, or Secretary prior to any given vote for the proxy to be in effect. A written request must establish the date at which the voting power is to be revoked, or may state that the proxy remains in effect indefinitely until revoked. Proxies may be sent by U.S. Mail, fax or e-mail.

Section 6. Quorum. The presence at General Membership Meetings, in person or by proxy, representing thirty-five percent (35%) of the Members entitled to vote at any meeting constitutes a quorum for the transaction of business. The Members present at a meeting duly called or held at which a quorum is initially present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members entitled to vote to leave less than a quorum, but any action taken (other than adjournment) must be approved by at least a majority of the Members required to constitute a quorum.

In the absence of a quorum, any meeting of Members may be adjourned from time to time by the vote of a majority of the Members represented at the meeting, but no other business may be transacted, unless a quorum was initially present, as provided above in this Section.

The presence at Board of Directors' meetings, in person or by proxy, representing fifty percent (50%) of the Board members constitutes a quorum for the transaction of business. The Board Members present at a meeting duly called or held at which a quorum is initially present may continue to do business until adjournment, notwithstanding the withdrawal of enough Board Members to leave less than a quorum, but any action taken (other than adjournment) must be approved by at least a majority of the Board Members required to constitute a quorum.

Section 7. Membership Action by Written Ballot in Lieu of Meeting. Any action which may be taken at any meeting of Members may be taken without a meeting if the association distributes a written ballot (as defined and provided in this Article III, Section 9(b)2 below) to every member entitled to vote on the matter. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposals, and provide a reasonable time within which to return the ballot to the association.

Approval by written ballot shall be valid only when the number of votes cast by ballot within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Ballots shall be solicited in a manner consistent with the notice requirements of Section 4. All such solicitations shall indicate the number of responses needed to meet the quorum requirement and shall state the percentage of approvals necessary to pass the measure submitted. The solicitation must specify a reasonable time by which the ballot must be received in order to be counted.

Directors may not be elected by written ballot in lieu of meeting.

Any written ballot may be revoked by a writing received by the association prior to, but not after, the time that written ballots of the number of Members required to authorize the proposed action have been filed with the Secretary.

Section 8. Voting Procedure. The voting at all meetings of Members, including the voting for directors, need not be by written ballot, unless voting by written ballot is demanded by any member at the meeting before the voting begins. Upon such demand, the voting shall be by written ballot, and each ballot shall state the name of the Member voting. If such ballot be cast by a proxy, it shall also state the name of such proxy.

Every Member having the right to vote shall be entitled to vote in person, or by proxy appointed in a writing subscribed by such Member. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy, or unless the writing states that it is irrevocable and is held by a person specified in Section 705(e) of the California Corporations Code, in which event it is irrevocable for the period specified in said writing.

Section 9. Membership Votes. - Each Voting Member shall be entitled to vote as follows:

(a) **Non-Financial Votes:** Votes of a non-financial nature, such as votes for new directors, general Association policy, or direction for NFA/RSI representatives shall be tabulated based on one vote per Voting Member or Proxy Holder. Married couples shall constitute one vote and do not get an extra vote. All valid Association votes carry by majority (50% plus 1) of the voting power participating in the vote, unless otherwise dictated in these by-laws. Basically, if your name is on the current roster and you are in at attendance at a General Membership meeting, you or your proxy have one vote on all non-financial matters. At the discretion of the President, or presiding officer, non-financial votes can be executed by a “show of hands.”

(b) **Financial Votes:** Votes that shall cause a per restaurant assessment of \$100 or more, or a commitment to the Association of \$10,000 or more shall be tabulated based on one vote per restaurant represented in the Association. Restaurant counts will be based on the then current restaurant count as indicated on the Master Financial Voting Member List on the GWFA website. All valid Association votes carry by majority (66.7%) of the voting power participating in the vote, unless otherwise dictated in these by-laws. Association expenses in excess of \$10,000 or more and associated with the conducting of an Association meeting (i.e., hotel fees, catering, etc.) are exempt. Such expenses are part of the normal operations of the Association and are incurred at the discretion of the Board of Directors.

1. All Financial Votes will be conducted by written ballots only.
2. Written ballots to be provided to Voting Members or their proxies by the Administrative Assistant and/or GWFA Secretary via mail, fax and/or email, or by means of the GWFA website (www.gwfa.com) as determined by the Board of Directors.
3. Financial Voting Members list to be maintained on the www.gwfa.com website by the then current GWFA Secretary.

In anticipation of a vote at any Association meeting, the Secretary or designated individual shall have on hand the current Association Voting Roster. The Voting Roster shall list all eligible voting members, including valid proxies, as well as the restaurant counts necessary to tabulate votes for a Financial Vote.

Section 10. Record Dates and Closing of Stock Books. The Board of Directors may fix a time in the future as a record date for the determination of the Members entitled to notice of and to vote at any meeting of Members or entitled to receive payment of any dividend or distribution, or any allotment of rights, or to exercise rights in respect to any other lawful action. The record date so fixed shall not be more than sixty (60) nor less than ten (10) days prior to the date of the meeting or event for the purposes of which it is fixed. When a record date is so fixed, then, subject to the provisions of the California Corporations Code, only Members of record at the close of business on that date are entitled to notice of and to vote at the meeting or to receive the dividend, distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the association after the record date.

If no record date is so fixed, then the record date:

- (a) for determining Members entitled to notice of or to vote at a meeting of Members shall be at the close of business on the business day next preceding the day notice is given or, if notice is waived or not given, at the close of business on the business day next preceding the day on which the meeting is held.
- (b) for determining Members entitled to cast written ballots without a meeting, when no prior action by the Board of Directors has been taken, shall be the day on which the first written ballot is given; and
- (c) for determining Members for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto, or the 60 days prior to the date of such other action, whichever is later.

A determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting. The Board of Directors shall fix a new record date if the

meeting is adjourned for more than forty-five (45) days.

Section 11. Attendance at Meetings. The health and vitality of the Association is dependent upon regular attendance at Association meetings by its Members. However, an authorized agent or representative of a Member may attend meetings and can serve on committees of the Association. Such participation, however, can take place only after a written request has been made to and granted by the President of the Association. An agent or representative shall have no authority to vote on behalf of a member, except by appropriate proxy, or be eligible to serve on the board.

Section 12. Voting for Election of Directors.

- a) The candidates receiving the highest number of votes shall be elected. If two or more candidates receive the same number of votes, the candidate who has served most recently as a director shall remove his or her name as a candidate until there is one candidate remaining. If none of the candidates receiving the same number of votes have served as directors, the candidate actively operating the oldest franchise shall serve as director.
- b) Members may also elect alternate directors ("Alternate Directors") to fill a vacancy in the Board of Directors, other than one created by removal, until a successor is elected at an annual or special meeting of the Members.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. Powers. The business and affairs of the association shall be managed and all corporate powers shall be exercised by, or under the direction of, the Board of Directors, subject to any limitations in the articles of incorporation or these bylaws and subject to any provision of the California Corporations Code requiring shareholder authorization or approval for a particular action. The Board of Directors may delegate the management of the day-to-day operation of the business of the association to a management company or other person provided that the business and affairs of the association shall be managed, and all corporate powers shall be exercised, under the ultimate direction of the Board of Directors.

Section 2. Number, Tenure and Qualifications. The authorized number of directors of the association shall be not less than six (6) and not more than twelve (12), the exact number of directors to be fixed within such specified limits by the Board of Directors or by the Members.

Directors shall hold office immediately after election. Their term will continue for a period of two (2) years following the first December 31st after their election and until their respective successors are elected. During the period between any given election and the first December 31st, the authorized number of directors, as stated above, does not apply. If an annual meeting is not held, or if the directors are not elected thereat to replace the directors whose terms have expired, said directors may be elected at any special meeting of Members held for that purpose. Directors must also be Voting Members.

Section 3. Regular Meetings. A regular organizational meeting of the Board of Directors shall be held annually and at the same place as the annual meeting of Members, or via

conference call shortly following such annual meeting. The Board of Directors may provide for other regular meetings from time to time by resolution.

Section 4. Special Meetings; Call and Notice. Special meetings of the Board of Directors may be called at any time by the President or any Vice President, or the Secretary or any two (2) directors. Written notice of the time and place of all special meetings of the Board of Directors shall be delivered personally or by telephone or *e-mail* to each director at least forty-eight (48) hours before the meeting, or sent to each director by first-class mail, postage prepaid, at least four (4) days before the meeting. Notice of any meeting of the Board of Directors need not be given to any director who waives notice in accordance with Section 9 of the Article IV, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the Board of Directors.

Section 5. Place of Special Meetings. Special meetings of the Board of Directors may be held at any place within the geography of the association as defined in Article II, Section 3 of the bylaws, or via conference call, or if not stated in the notice, at the principal executive office of the association or any place designated by a resolution duly adopted by the Board of Directors.

Section 6. Participation by Telephone. Members of the Board of Directors may participate in a meeting through the use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another.

Section 7. Quorum. A quorum at all meetings of the Board of Directors shall be a majority of the authorized number of directors. In the absence of a quorum, a majority of the directors present may adjourn any meeting to another time and place. If a meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of adjournment.

Section 8. Action at Meeting. Every act or decision done or made by a majority of the directors present at a meeting or conference call, duly held at which a quorum is present is the act of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting. Motions may be voted upon by ballot via e-mail so long as the number of votes cast by ballot within the time specified equals or exceeds the quorum required.

Section 9. Action by Written Consent without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board of Directors individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

Section 10 Removal. The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by an order of court or who has been convicted of a felony.

The entire Board of Directors or any individual director may be removed from office without cause by the affirmative vote of two-thirds (66.7%) of a quorum.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

A director may not be removed, prior to the expiration of his term of office, except by court order or as provided in this Section.

Section 11 Resignations. Any director may resign effective upon giving written notice to the Chairman of the Board, the President, the Secretary, or the Board of Directors of the association unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

Section 12 Vacancies. Except for a vacancy created by the removal of a director (which removal shall include, for the purposes of this Section, the declaration of a vacancy in accordance with the first paragraph of Section 11 of this Article IV), all vacancies in the Board of Directors, whether caused by resignation, death, or otherwise, may be filled by vote of a majority of the remaining directors, and each director so elected shall hold office until his successor is elected at an annual or special meeting of Members. Vacancies created by the removal of a director may be filled only by approval of the Members. The Members may elect a director at any time to fill any vacancy not filled by the directors.

Section 13 Compensation. The Board of Directors shall serve without compensation except that expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors.

Section 14 Committees; Limitations on Powers. The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, designate an executive committee or one or more other committees, each consisting of two (2) or more directors, to serve at the pleasure of the Board of Directors. The appointment of members or alternate members of a committee shall require the vote of a majority of the authorized number of directors. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have all the authority of the Board of Directors in the management of the business and affairs of the association, except with respect to (a) the approval of any action which also requires action by the Members, (b) the filling of vacancies on the Board of Directors or any committee, (c) the adoption, amendment or repeal of bylaws, (d) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable, (e) the appointment of other committees of the Board of Directors or the Members thereof, (f) the expenditure of corporate funds to support a nominee for director after there are more people nominated than can be elected, and (g) the approval of any self-dealing transaction with respect to any assets held in charitable trust, except as provided in Corporations Code Section 5233(d)(3).

ARTICLE V. OFFICERS

Section 1. Titles and Term. The officers of the association shall be a President, Vice President, a Secretary, and a Treasurer. In addition, the Board of Directors may appoint such other

officers as the directors may deem expedient for the proper conduct of the activities of the association. Officers must also be Members. All officers shall be chosen by the Board of Directors and serve at the pleasure of the Board of Directors, subject to a two term limitation , and subject to the rights, if any, of an officer under any contract of employment. Any officer may resign at any time upon written notice to the association without prejudice to the rights, if any, of the association under any contract to which the officer is a party.

Section 2. Inability to Act. In the absence or inability to act of any officer of the association and of any person authorized to act in his place, the Board of Directors may, from time to time, delegate the powers or duties of such officer to any person it selects.

Section 3. Removal. Any officer chosen by the Board of Directors may be removed at any time, with or without cause, by the unanimous written consent of the directors then in office or the affirmative vote of a majority of the directors present at any meeting lawfully held at which a quorum is present.

Section 4. Vacancies. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term, if any.

Section 5 President. The President shall be the general manager and chief executive office of the association, subject to the control of the Board of Directors. As such, he shall preside at all meetings of Members; shall, preside at all meetings of the Board of Directors; shall have general supervision of the affairs of the association; shall make reports to the Board of Directors and Members; and shall perform all such other duties as are incident to such office or are properly required by the Board of Directors.

Section 6 Vice Presidents. In the absence of the President, or in the event of such officer's death, disability or refusal to act, the Vice President, if such office is filled by the Board of Directors, or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their selection, or in the absence of any such designation, then in the chronological order of their selection, shall perform the duties of President, and when so acting, shall have all powers of, and be subject to all restrictions upon, the President. Each Vice President shall also have such other powers and discharge such other duties as may be assigned from time to time by the Board of Directors.

Section 7 Secretary. The Secretary shall see that notices for all meetings are given in accordance with the provisions of these bylaws and as required by law, shall keep minutes of all meetings, shall have charge of the seal, if any, and the corporate books, and shall make such reports and perform such other duties as are incident to such office, or are properly required by the Board of Directors. In addition, the Secretary shall act as the inspector of election at any meeting of Members or adjournment thereof. The Secretary's duties as an inspector of election shall be as prescribed by Section 7614 of the California Corporations Code (or any successor statute thereto).

Section 8 Treasurer. The Treasurer shall have responsibility for custody of all moneys, securities and other assets of the association and shall keep or provide for the keeping of regular books of account. Such officer shall be responsible for disbursement of the funds of the association in payment of the just demands against the association, or as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Board of Directors, from time to time, as may be required of such officer, an account of all transactions as

Treasurer and of the financial condition of the association. Treasurer shall also have primary responsibility for financial planning for the association, for monitoring the implementation and progress of the financial plans of the association, and for reporting thereon to the Board of Directors and the President. Such officer shall perform all duties incident to such office or which are properly required by the Board of Directors. In the case of disbursements, only the Treasurer, President and the Vice President have signing authority on Association bank accounts. Expenditures of more than \$5,000 require dual signatures.

Section 9 Assistant Officers. Assistant officers, in the order designated at the time of their selection, or in the absence of any such designation, in the chronological order of their selection, shall, in the absence or disability of the officers to whom they are assistants, or in the event of such officers' refusal to act, perform the duties of such officers, and when so acting, shall have all the powers of, and be subject to all restrictions upon, such officers. Each assistant officer shall also exercise such powers and discharge such duties as may be assigned from time to time by the Board of Directors.

Section 10 Limitations. No Board Member or Representative of the Association, i.e., NFA representative may bind the Association or its individual Members to a financial commitment to the National Franchise Association without the approval of the Members through the process of a Financial Vote as described herein.

Section 11. Salaries. The officers of the association shall serve without compensation.

Section 12. Officers Holding More than One Office. Any two or more offices may be held by the same person.

ARTICLE VI. BOOKS AND RECORDS

Section 1. Record keeping. The association shall keep in written form at its principal office, or at such other place as the Board of Directors may order, (1) adequate and correct books and records of account, (2) minutes of the proceedings of the Members, Board of Directors and committees of the Board, and (3) a record of the Members, listing names and addresses and the voting rights held by each.

Section 2. Annual Report. The association shall notify each Member yearly of the Member's right to receive a financial report. Upon written request of a Member the Board shall promptly cause the most recent annual report to be sent to the requesting Member. An annual report shall be prepared not later than 120 days after the close of the association's fiscal year. Such report shall contain in appropriate detail the following:

- (a) A balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year.
- (b) A statement of the place where the names and addresses of the current Members are located.
- (c) Any information required by Corporations Code Section 8322.

The report shall be accompanied by an report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the association that such statements were prepared without audit from the books and records of the association.

Section 3. Inspection of Books of Account and Minutes. The books of account and minutes of meetings of the Members, of the Board, and of committees shall be made available for inspection by any Member of the association upon the written demand of the Member at any reasonable time and for a purpose reasonably related to the Member's interest as a Member, at the office of the association or at such other place as the Board shall prescribe.

Section 4. Inspection of Membership List. Subject to Corporations Code Section 8331 and 8332, and unless the association provides a reasonable alternative, a Member may do either or both of the following for a purpose reasonably related to such person's interest as a Member:

- (a) Inspect and copy the record of all the Member's names, addresses, and voting rights, at reasonable times, upon five (5) business days' prior written demand upon the association which demand shall state the purpose for which the inspection rights are requested; or
- (b) Obtain from the Secretary of the association, upon written demand and tender of a reasonable charge, a list of the names, addresses and voting rights of those Members entitled to vote for the election of directors, as of the most recent record date for which it has been compiled or as of a date specified by the Member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled.

Section 5. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of the association of every kind and to inspect the physical properties of the association.

ARTICLE VII. MISCELLANEOUS

Section 1. Certificates. Every Member shall be entitled to a membership certificate signed in the name of the association by the President, and the Secretary. Each membership certificate shall have printed on its face that (1) the association is a nonprofit mutual benefit corporation which may not make distributions to its members except upon dissolution, and (2) membership in the association is nontransferable and non-assignable and a copy of these restrictions is on file with the Secretary and is open for inspection by a Member on the same basis as the records of the corporation. If any membership certificate shall become lost, stolen, mutilated, or destroyed, a new certificate may be issued therefore on such terms and subject to such conditions as the Board of Directors may determine.

Section 2. Indemnification; Advance of Litigation Expenses; Insurance. The association shall, with the approval of the Board, and to the maximum extent permitted by law, indemnify each of its agents against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection, with all threatened, pending or completed actions or proceedings, including civil, criminal, administrative, arbitration and investigative actions and proceedings, including any appeal therein, which arise by reason of the fact that any such person is or was an agent of the association. For purposes of this Section, an "agent" of the association includes, without limitation, any person who is or was a director, officer, employee or other agent of the association, or who is or was serving at the request of the association as a director, officer, employee, trustee, partner (general or limited), or agent of another domestic or foreign corporation, partnership, joint venture, trust or other enterprise.

The association shall, to the maximum extent permitted by law, advance to each of its agents expenses incurred in defending any proceeding of the type referred to in the first sentence of this Section, prior to the final disposition of such proceeding, upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Section.

The association shall have the power to purchase and maintain insurance on behalf of any "agent" against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the association would be permitted by law to indemnify the agent against such liability.

Section 3 Amendments. Because bylaw changes could affect a franchisee financially, the bylaws may be adopted, amended or repealed only by a vote of a 66.7% majority of the Association's Financial Voting Members. Each Financial Voting Member shall be entitled to one vote per Burger King® restaurant in the Association. Votes on changing the bylaws must be done by written ballot as provided in Article III, Sections 7 & 9 of the bylaws.

Whenever an amendment or new bylaw is adopted, the text of such amended or new bylaw shall be entered in the minute book copy of the bylaws with the original bylaws, in the appropriate place, with a notation as to the manner and effective date of such amendment or adoption. If any bylaw is repealed the fact of such repeal, including a notation as to the manner and effective date of such repeal, shall be entered at appropriate place in the minute book copy of the bylaws.



CERTIFICATE OF ADOPTION OF BYLAWS

I, the undersigned, as duly elected Secretary of the GREAT WESTERN FRANCHISEE ASSOCIATION, a California Corporation, do hereby certify that the foregoing Bylaws were approved by a majority of the 2009 Board of Directors and adopted by a majority, as outlined in the Bylaws, of the Financial Voting Members of the Association as the Bylaws of said Corporation as of: **November 1st, 2009.**

IN WITNESS THEREOF, we have hereunto subscribed our names:

Dick Brening, Secretary

Signed: *R.A. Brening, Jr* .