

CONSTITUTION AND BY-LAWS  
of  
COPAS-COLORADO  
AMENDED, OCTOBER 3, 2000, JULY 2009 AND NOVEMBER 2009

ARTICLE I-NAME AND OBJECTIVE

Section 1-NAME. The name shall be COPAS-Colorado.

Section 2-OBJECTIVE. COPAS-Colorado (the "Society"), a not-for-profit organization, is dedicated to the following objectives.

1. Study and analyze accounting and other problem areas of the Petroleum Industry.
2. Assist the national COPAS organization in formulating and disseminating Petroleum Industry accounting practices, procedures, and pronouncements.
3. Collaborate with industry associations and institutions.
4. Advance the individual capabilities of its members through programs of educational and professional development
5. Assist educational institutions through contributions for papers, books, speakers, and scholarships.
6. Provide a forum for exchange of information and ideas.
7. Promote the development of improved accounting practices, methods, and procedures.
8. Enhance the recognition of the Petroleum Accounting profession.

Section 3-AFFILIATION. COPAS-Colorado shall be affiliated with the Council of Petroleum Accountants Societies ("COPAS").

Section 4-FISCAL YEAR. The fiscal year shall begin on the first day of July and end on the 30th day of June.

ARTICLE II-MEMBERSHIP

Section 1-ELIGIBILITY. In order to be eligible as a member of this society one must:

Section 1.1-Be actively engaged in petroleum and related energy industry accounting, technological services, education or other associated services unless otherwise approved by the Board of Directors.

Section 1.2-Complete an application showing the following information: position, responsibilities, qualifications, and area of interest.

Section 1.3-Be approved by the Membership Committee, and confirmed by the Board of Directors.

Section 2-LIMITATIONS OF MEMBERSHIP. The Board of Directors is hereby vested with the power to limit the maximum number of members. Applications received in excess of any limit set by the Board shall be considered in the following order:

- A. Members who have reapplied because of a change in employment.
- B. Applicants from companies who do not have at least one member.
- C. Other applications in order of date received.

Section 3-PRIVILEGES OF MEMBERSHIP.

Section 3.1-Each member has one vote.

Section 3.2-Each member is entitled to attend Society sponsored events with payment of any fees determined by the Board of Directors.

Section 3.3-Each member may receive other privileges set out in the Privileges of Membership Statement, as approved by the Board of Directors.

Section 4-TYPES OF MEMBERSHIPS.

Section 4-Regular. An individual who meets all the eligibility requirements as stated in Section 1 of this article. Regular members are entitled to all member privileges.

Section 4.2-Regional. An individual whose normal work place is more than 75 miles from Colfax and Broadway, Denver, CO. Regional members are entitled to all member privileges except they must pay the guest fee rate to attend luncheons and other social or educational functions.

Section 4.3-Life. An individual who is a past President of COPAS-Colorado and is retired from employment. A Life member pays no membership dues and is entitled to all member privileges.

Section 4.4-Complimentary. An individual designed by the Board, whose full-time career is teaching at a college or university. A complimentary member pays no membership dues and is entitled to all member privileges.

Section 4.5-Honorary. An individual designated by the Board of Directors who has contributed significantly to COPAS, either nationally or locally. An Honorary member pays no membership dues and is entitled to all member privileges except voting. Honorary members may not be a member of the Board of Directors.

Section 4.6-Alternate. Membership in the Society does NOT give the right to designate an alternate for attendance at Society meetings and social functions.

Section 4.7-Student. An individual who is a full time student at a college or university located within the State of Colorado, majoring in Accounting, Finance or other degree that would prepare the student for a career in petroleum or related energy industry accounting. The individual cannot be an employee of a

company in the petroleum or related energy industry accounting or associated industries otherwise eligible for Regular membership status. Student members are entitled to all membership privileges except they must pay the guest fee rate to attend luncheons and other social or educational functions.

#### Section 5-RESIGNATION AND EXPULSION.

Section 5.1-Any member may resign from the Society at any time; however, there will be no refund of dues.

Section 5.2-The nonpayment of dues within the prescribed time, as set out in Article IV shall automatically forfeit the membership of any individual.

Section 5.3-Any member adjudged by the Board of Directors to have violated the Constitution and By-Laws of the Society, or who, in the opinion of the Board of Directors by unanimous vote, shall be guilty of conduct rendering the individual unfit to continue membership, shall be expelled. Any member so expelled shall receive a refund of the unexpired portion of dues.

Section 6-TRANSFERS. In the event that a member of this Society changes employment, it shall be permissible for another employee of the member's old firm, meeting the requirements for membership, to take over the membership with the payment of a transfer fee to be established by the Board of directors. In the instance where another employee assumes the membership, the member whose employment has changed must reapply to the Society.

Section 7-CHANGE IN VOCATION. If a Regular Member ceases to be actively engaged in petroleum and related energy industry accounting or other associated services as set out in Section 1.1 of this Article, due to a change in vocation, the member ceases to qualify for membership in the Society. There shall be no refund of dues.

### ARTICLE III-VISITORS

Section 1-GUESTS. Any member shall be entitled to have guests at Society sponsored functions. The Board of Directors shall establish fees to be charged to guests. The Board of Directors is vested with the power to limit guests as the need arises due to space limitation in order to first accommodate the membership. Guest fees shall be paid in advance at the time the member makes the guest reservation.

Section 2-SPEAKERS. The Society shall pay the meal expense of all nonmember speakers. The Society may pay speaker fees or reimburse speakers for expenses connected directly with the speaking assignment as approved by the Board of Directors.

### ARTICLE IV-DUES

Section 1-DUES. Dues of all membership categories as specified in Article II, Section 3, shall be determined by the Board of Directors on an annual basis. Any member joining before the end of the fiscal year shall pay dues in accordance with the Society's Membership Cutoff Date Policy.

Section 2-NONPAYMENT OF DUES. The membership of any individual who fails to pay dues by a date specified by the Board of Directors may be terminated.

Section 3-REFUSAL TO ACCEPT DUES. The Board of Directors may refuse to accept the dues of any member who is guilty of conduct described in Article II, Section 5.3.

## ARTICLE V-MEETINGS

Section 1-MONTHLY MEETINGS. Regular monthly meetings of the Society shall normally be held on the first Tuesday of each month, at a place designated by the Board of Directors. The Board of Directors has the power to change or cancel the date of any meeting when, in its judgment, such change or cancellation will be in the best interest of the Society.

Section 2-RECESS. There will be no regular meetings during June, July, and August, unless considered necessary and in the best interest of the Society as determined by the Board of Directors.

Section 3-SPECIAL MEETINGS. A special meeting of the Society may be held at any time and place on call or notice by the Board of Directors which it may give on its own initiative or upon the written request of at least ten (10) Regular Members.

Section 4-ANNUAL MEETING. The annual meeting of the Society for the election of Directors and transaction of any other business related to its affairs, shall be held at the regular April meeting each year, or at another regular meeting designated by the Board of Directors.

Section 5-MEETING NOTICE. Meeting notices will meet the following requirements.

Section 5.1-Regular or Annual - A notice of each meeting stating the time and place of such meeting, shall be mailed to each member not less than four (4) days prior to the meeting date. Failure or defect in notice shall not invalidate the meeting.

Section 5.2-Special - A notice stating the purpose, time, and date of the meeting will be mailed to each member at least ten (10) days prior to the date set for the meeting.

Section 6-ORDER OF BUSINESS. The order of business at all meetings of the Society, the Board of Directors, the Executive Committee, and all other committees, shall be prescribed by the presiding officer. If objection is made, a majority vote of members attending the meeting may change the order of business. Robert's Rules of Order shall govern all meetings of the Society, the Board of Directors, the Executive Committee, and all other committees, on any point not covered by this Constitution and By-Laws.

Section 7-VOTING. At each meeting of the Society, each member present and eligible to vote, as stipulated in Article 2, Sections 3 and 4, shall be entitled to one vote. All actions brought before the membership shall be subject to a majority vote of members present and eligible, except the approval of two-thirds (2/3) of the members present are required for the matters set forth in Article VI, Sections 2 and 10, and Article XIII, Section 2. There shall be no voting by proxy. Voting by mail may be authorized by the Board of Directors.

## ARTICLE VI-BOARD OF DIRECTORS

Section 1-NUMBER OF DIRECTORS. The Board of Directors of the Society (the "Board") shall consist of nine (9) Members, who shall be elected by the voting members.

Section 1.1-These members have agreed to attend regularly scheduled Board meetings for the conduct of Society business and accept responsibility for carrying out duties assigned by the President or the Board.

Section 2-TERMS OF OFFICE. The terms of office shall be three years beginning July 1 of the year elected. At each annual meeting three directors, to fill the expiring terms, shall be elected by a majority vote of the members present and voting. The nominees for these positions shall be selected by the Nominating Committee (see Article X, Section 2).

Section 3-VACANCIES AND REPLACEMENTS. If any Director is unable to complete his/her term, the unexpired portion shall be filled by a nominee elected by a majority vote of the members of the Board at a regularly scheduled Board meeting. If, for any reason, the required number of Directors are not elected at the annual meeting, they may be elected at any Society meeting called for this purpose by the Board. If membership in the Society of any member who has been elected a Director for any reason terminates, his/her office as Director automatically becomes vacant.

Section 4-MEETINGS AND QUORUM. The Board shall meet at least quarterly at such time and place as it may elect. At such meetings five (5) voting Directors present in person shall constitute a quorum. At all meetings of the Board, the President of the Society, if present, shall act as Chair. Notices of Board meetings shall be mailed by the Secretary or as the Board may otherwise direct, but no defect in notice nor failure to give such notice shall invalidate the meeting or any actions taken as long as a quorum is present.

Section 5-RE-ELECTION OF DIRECTORS. Directors shall be eligible to succeed themselves for one additional three--year term. A retiring Director who is also the retiring President shall remain an ex-official member of the Board for a period of one (1) year, but shall not be a voting member of the Board.

Section 6-COMPANY REPRESENTATION ON BOARD. A company may have not more than two directors. The nominating committee is responsible for assuring that no company shall have a nominee(s) that, if elected, would cause that company to have more than two (2) directors. However, a director who relocates to a different company shall be entitled to complete his/her term even though such relocation causes the Board to temporarily have more than two directors from a company. For the purpose of this section, all companies in a consolidated group shall be considered as (1) company.

Section 7-REMOVAL OF DIRECTORS. Any Director may be removed for not fulfilling his/her responsibilities as a Board member, as determined by the Board, by a two-thirds (2/3) vote of the Board of Directors at any regularly scheduled Board meeting. Upon such removal, the office shall be filled for the unexpired term in accordance with Article VI, Section 3.

Section 8-DUTIES AND RESPONSIBILITIES. The duties of the Board shall be to act on all proposals under the jurisdiction of the Board, and properly conduct the business of the Society. The

Board shall have full power to rule on any business except those powers delegated to the Society as a whole, and contained elsewhere in these By-Laws. It shall be the duty of the Board to approve the annual budget or any revision thereof, and to approve all disbursements of Society funds.

Section 9-LIAISON(S). The President shall appoint a liaison(s) from the members of the Board to monitor the activities of the various COPAS Standing Committees as provided under Article X, Section 6, and report those activities to the Board at its scheduled meetings.

Section 10-RESTRICTED POWER TO ASSUME LIABILITIES. The Board shall not have the power to assume any liability on behalf of the Society for an amount in excess of the unrestricted funds in the hands of the Treasurer at the time such liability is incurred, unless expressly authorized by two-thirds (2/3) vote of all voting members present and eligible to vote at an annual meeting or at a special meeting of the Society called for that purpose.

#### ARTICLE VII-OFFICERS

Section 1-OFFICERS. The officers of the Society shall be President, Vice-President, Secretary, and Treasurer, all of whom shall be members of the Board.

Section 2-ELECTION. The officers of the Society shall be elected by majority vote of the Directors elected to serve during the ensuing fiscal year, present and voting at the first Board meeting subsequent to the annual meeting of the Society. Officer terms shall be one (1) fiscal year. Officers shall be eligible for re-election.

Section 3-VACANCIES AND REPLACEMENTS. In the event of a vacancy in the office of President, the Vice-President shall assume the office of President. Vacancy in any office other than the President shall be filled for the unexpired term by a majority vote of the Directors present and voting.

Section 4-REMOVAL OF OFFICER. Any Officer may be removed for not fulfilling his/her responsibilities as outlined in Article IX, by a two-thirds (2/3) vote of the Board at any regularly scheduled meeting of the Board. The office of the removed Officer shall be filled for the unexpired term by a nominee receiving a majority vote of the Directors, subject to the provisions of Section 3 of this article.

#### ARTICLE VIII-EXECUTIVE COMMITTEE

Section 1-MEMBERS. Immediately after the annual election of officers in each year, the President of the Society shall designate two (2) members of the Board; and these two Directors, together with the President as Chair, shall constitute an Executive Committee which shall have the right to exercise, in its sole discretion, any and all powers of the Board in the interim between meetings of the Board. One member shall be appointed Secretary of the Executive Committee. Under no circumstances shall a single company be represented by more than one member on the Executive Committee.

Section 2-QUORUM. At any meeting, regular or special, of the Executive Committee, two (2) members present shall constitute a quorum for all purposes.

Section 3-REPORT OF ACTION TAKEN. At each meeting of the Board, the Executive Committee shall report all action taken by it since the last meeting of the Board, and the actions of the Executive Committee shall be binding on the Society only if approved by a majority vote of the Board.

Section 4-CHANGE IN MEMBERSHIP. The members of the Executive Committee may be changed by the President when at anytime, in the President's discretion, such change is desirable for the best interest of the Society; provided, however, that the Executive Committee shall always consist of two (2) Directors and the President as Chair.

#### ARTICLE IX-DUTIES OF OFFICERS

Section 1-PRESIDENT. The President shall preside at all meetings of the Society, the Board, and the Executive Committee. The President, with the advice and counsel of the Board, shall appoint all committee chairs not specifically provided in these Bylaws, and coordinate all the activities of the Society.

Section 2-VICE-PRESIDENT. The Vice-President shall assist the President in the performance of his/her duties, preside at meetings where the President is absent and would normally preside, enforce the Bylaws, and serve as parliamentarian of the Board and the Society. The Vice-President may be given other powers and duties by the Board.

Section 3-SECRETARY. The Secretary shall keep a record of all Board of Directors and the Society Annual meetings. The Secretary shall maintain all corporate records.

Section 4-TREASURER. The Treasurer shall be responsible for preparation of the annual budget, receive and disburse all funds, prepare a report of cash receipts, disbursements, and balances in all Society accounts for each Board meeting. The Treasurer shall also be responsible for the management of the Society's Funds under the direction of the Board. The Treasurer shall be responsible for the timely filing of all tax and corporate reports of the Society, following a review by the Chair or designee of the Tax Committee.

Section 5-EXAMINATION OF RECORDS. The Executive Committee will appoint two (2) independent non-Board Society members to examine the cash receipts and disbursement records, and the account balances for the Society's preceding fiscal year. The members will report their findings to the general membership at the first meeting of the Society each year.

Section 6-GENERAL. The membership roll, the books of account and all records and documents related to the Society shall be open at all times to inspection by any Officer or the Society and shall be subject to examination at the discretion of the Board at any reasonable time.

#### ARTICLE X-COMMITTEES

Section 1-APPOINTMENT OF MEMBERS. The President shall appoint a Chair of each committee listed below except the Nominating Committee, for which the President shall appoint three (3) voting members of the Society.

Section 2-NOMINATING COMMITTEE. The Nominating Committee shall consist of three (3)

Society members, none of whom are present members of the Board. The Nominating Committee shall select three (3) qualified Society members who have expressed a willingness to serve, to be nominated for election to the Board at the Annual Meeting of the Society. In addition, the Nominating Committee shall perform such other duties as requested by the President.

Section 3-PROGRAM COMMITTEE. It shall be the responsibility of the Program Committee to secure Society meeting speakers, and to make arrangements for the regular meetings of the Society.

Section 4-MEMBERSHIP COMMITTEE. The Membership Committee shall solicit new members, analyze their qualifications, and submit their applications to the Chair of this committee. The Chair of the Membership Committee will present applications of new members to the Board for confirmation. The Membership Committee will invoice members for dues in accordance with Article II, Section 4.

Section 5-SOCIAL COMMITTEE. This committee shall plan and conduct a program of social activities to promote fellowship among the Society members, as well as Society relations with other accounting organizations.

Section 6-COPAS STANDING COMMITTEES.

Section 6.1-There shall be Standing Committees within the Society which will generally parallel the Standing Committees of COPAS. In the event COPAS activates additional Standing Committees, the Society will review the objective of the new committee and recommend or not recommend to the membership the adoption of a Standing Committee in the same area of interest.

Section 6.2-The Standing Committees provided for in Section 6.1 of this Article shall be charged with the responsibility to act as the researching and reporting group of the Society in their respective committee's area of interest. This shall include research and surveys of industry problems, written opinions on current topics, dissemination of information on significant developments in their area of interest, the review of studies, proposals, and reports submitted by other Societies or the national COPAS organization, and for such activities as may be undertaken by the Society or requested by the Board. The specific objectives, duties and organization of each Standing Committee, or revision thereof, shall be defined by such committee and by approval by the Board.

Section 6.3-Each Standing Committee provided for in Section 6.1 of this Article shall be charged with the responsibility of reporting in a timely manner to the Board on their activities, and submitting recommendations for voting on COPAS matters to the Board. This reporting shall be carried out by the Chair of the committee or, in his/her absence, by the Board liaison as provided in Article VI, Section 9.

Section 6.4-The Chairs of Standing Committees provided for in Section 6.1 of this Article shall be the Society representative on the COPAS Standing Committee of the same area of interest. If a chair is unable to attend a called COPAS Standing committee meeting, it shall be his/her responsibility to appoint an alternate representative from the membership of the committee who will attend the meeting. The Board shall appoint representatives to COPAS Standing Committees not



paralleled within the Society.

Section 7-SPECIAL COMMITTEES. Committees may be appointed for special projects, which may be of more than one year's duration. Special committees shall report from time to time to the Board. The entire membership of the committee, including the Chair, is eligible for reappointment. Whenever a Special Committee has achieved its purpose, it shall be dissolved by the President.

Section 8-COPAS REPRESENTATIVE.

Section 8.1-The Society has one representative to COPAS. This representative is responsible for attending regular COPAS meetings, representing the Society, and informing the Society of COPAS activities. The Society representative will vote on voting items brought before COPAS at the direction of the Board. If voting items are brought before COPAS that have not been reviewed by the Board, the Society representative may vote at his/her discretion.

Section 8.2-The COPAS representative shall be the Society President or an appointee by the Board.

Section 8.3-The President may appoint any Society member to represent the Society at special meetings that COPAS may call for a specific purpose.

Section 8.4-Travel and reasonable expenses for the above activities shall be reimbursable by the Society according to the Travel Reimbursement Policy as approved by the Board.

## ARTICLE XI-GENERAL PROVISIONS

Section 1-NOTICES. Any notice to members of the Society or to any Director or Officer, shall be deemed sufficiently given if mailed to the last post office address furnished by the member to the Society.

Section 2-PRESIDENT ABSENT. If a quorum exists at any meeting of the Society, the Board, or the Executive Committee and the President is absent and no one authorized to perform his/her duties is present, or if the Secretary is absent and no one authorized to perform his/her duties is present, then a Chair or a Secretary pro tem or both (as the case may require), may be elected by the majority vote of the voting members present and voting.

Section 3-CONTRACTS. Any contract or similar undertaking that may be made by or for the Society shall be made in such manner as the Board or the Executive Committee may, in any given case or from time to time prescribe. No contracts or similar undertakings or obligations shall be binding upon the Society or any of its members unless authorized by the voting members of the Society, the Board, or the Executive Committee.

Section 4-CONFIDENTIALITY. In keeping with the objectives of the Society as set out in Article I, confidential matters of either a financial or operating nature of any company shall not be discussed at any meeting of the Board, Officers, Executive Committee, or the Society at large.

Section 5-FINANCIAL BENEFITS. This is a not-for-profit Society whereby no financial

benefits shall inure to any member as such. No member is entitled to salary, wages or other form of direct compensation for services performed for the Society.

Section 6-STATUS OF THE SOCIETY. This Society shall at all times remain not-for-profit, non-political, non-sectarian, and non-discriminatory. At no time shall the Society be involved in political activities or engaged in attempts to influence legislation.

Section 7-EDUCATION FUND. The Society shall create a special restricted fund within the Treasury for educational purposes (the "Education Fund"). The fund is restricted in that the principal deposits generated either by contribution from members, members' companies or by the Society shall remain intact, unless otherwise specified by the donor. Only the proceeds earned from the investment of the funds shall be used for educational purposes as recommended by the Society's Education Committee and approved by the Board. In the event of dissolution of the Society any funds in the Education Fund shall be disposed of at the discretion of the Board in accordance with Article XII.

Section 8-INDEMNIFICATION. The Society shall indemnify Officers, Directors, and any other member acting on behalf of the Society at the direction of the Board, against any and all claims arising from such act. The Society shall maintain a liability insurance policy for such indemnification.

#### ARTICLE XII-DISSOLUTION

Section 1-DISSOLUTION. In the event of the dissolution of the Society and liquidation of its affairs, any money or other assets remaining after the payment of all obligations shall be distributed to the Accounting Department(s) of a University(ies) or College(s) located within the State of Colorado as a gift to be used to award scholarships to worthy accounting students of their selection. The decision and determination of the Board as to the University(ies) or College(s) to receive the gift(s) shall be final.

#### ARTICLE XIII-AMENDMENTS

Section 1-AMENDMENTS. Amendments to the Constitution and Bylaws of the Society may be proposed at any time by any five (5) voting members in good standing; or by any five (5) voting members in good standing requesting any Director of the Society to draft amendments to carry out specific changes. Any proposed amendment shall be drafted and then submitted by the Secretary to voting members of the Society by mail. After twenty (20) days have been allowed for comments and/or revisions, the proposed amendment will be submitted for approval at the next regular meeting of the Society.

Section 2-APPROVAL NEEDED. Any proposed amendment to the Constitution and By-Laws which, within thirty (30) days of the date of its submission to the voting members, receives the approval of two-thirds (2/3) of the eligible voting members present at a meeting called for that purpose, shall immediately become a part of the Constitution and By-Laws of the Society, and the members shall be so notified. Eligible voting members are those as shown in the records of the Society at the time the proposed amendment is submitted. Any proposed amendment which does not receive the approval of two-thirds (2/3) of the eligible voting members as here and before required, within the period of thirty (30) days, shall be defeated and members shall be so notified.