

BYLAWS  
OF  
NATIONAL OIL SHALE ASSOCIATION  
A COLORADO NONPROFIT CORPORATION

ARTICLE I – NAME, DEFINITION, AND PURPOSE

Section 1 – Name

The name of the association is National Oil Shale Association, a Colorado nonprofit corporation hereinafter referred to as the Association, established to comply with Federal regulations and the Colorado Revised Nonprofit Corporation Act.

Section 2 – Definition

Oil Shale, as used in these Bylaws, is a sedimentary rock found around the world containing organic material (kerogen) that when processed produces hydrocarbon liquids that can be refined to augment the supply of conventional petroleum and transportation fuels.

Section 3 – Purpose

The Association is organized and shall be operated exclusively for the purposes described in section 501(c)(6) of the Internal Revenue Code of 1986, as amended (the “Code”). Subject to the foregoing, the specific purposes and objectives of the Association shall include but not be limited to educating the public, elected officials and other organizations about the facts surrounding oil shale and its potential to meet current and future energy needs of the nation. The Association is not a lobbying organization.

ARTICLE II – ORGANIZATION

Section 1 - The Association shall consist of Sustaining Members, Associate Members, a Board of Directors, hereinafter called the Board, and an Executive Director. The management of the affairs, funds and property of the Association shall be vested in the Board.

ARTICLE III – MEMBERSHIP

Section 1 – Classes of Membership

The membership of the Association shall consist of Sustaining Members and Associate Members. Sustaining Members shall be individuals or organizations. Sustaining Members shall have the right to vote, serve as members of the Board (if an individual), elect Board members and receive certain other benefits determined by the Board. Sustaining Members may be divided into categories of organizational size if approved by the Board. Associate Members shall be individuals or organizations and they are non-voting members. Associate Members shall not be corporations, divisions of corporations, firms,

partnerships, or other such groups in business to make a profit. Associate Members shall not designate alternates, and may not serve as members of the Board.

#### Section 2 – Eligibility

Any person, organization, agency, firm, corporation or division of a corporation interested in oil shale shall be eligible to become a member of the Association, provided such entity shall have demonstrated such responsibility as the Association shall deem reasonable, and also shall agree to encourage the purpose of the Association as set forth in these Bylaws and to abide by the Bylaws and other rules of the Association. Any otherwise eligible firm, organization, corporation or division of a corporation may obtain separate membership, even if affiliated with an existing member, if it agrees to pay the applicable dues, assessments, and initiation fee of a separate member. Suppliers, consultants, and employees of the Association may be members of the Association.

#### Section 3 – Application Procedure

Application for membership in this Association shall be in writing, addressed to the Association at its current mailing address, and signed by the applicant. The application shall consist of a statement of interest in oil shale and expression of desire to join the Association. Upon approval by the Board and the payment of the initiation fee, if applicable, and dues for the current year, the applicant shall become a member. Article VII gives the details on dues and initiation fees.

#### Section 4 – Representation

Each Sustaining Member that is not an individual shall from time to time designate in writing to the Association names of such persons who shall be the representative and the alternate for such Sustaining Member. An Associate Member shall not have an alternate. Representatives and alternates shall be employees of the Sustaining Member.

#### Section 5 – Resignation

A member may resign upon giving three (3) months written notice thereof to the Association prior to the end of any fiscal year and upon payment of all dues owing for such year.

#### Section 6 – Procedure for Suspension and Expulsion

Any membership may be suspended or terminated with or without cause, by a two-thirds vote of the Board. Provided, that notice of the time and place of the meeting of the Board at which a member's suspension or expulsion shall be considered, shall have been mailed by registered mail to the last recorded address of the member at least ten (10) business days before the meeting, and the member shall have the opportunity to appear in person or have his representative present any defense to such action before action is taken thereon. A member that is suspended or terminated shall lose the right to vote.

## Section 7 – Obligations of Suspended or Terminated Members

A member whose membership is suspended or terminated shall remain liable for the payment of all its dues and financial obligations to the Association which have accrued and will accrue through the end of the fiscal year in which suspension or termination becomes effective.

## ARTICLE IV – BOARD OF DIRECTORS

### Section 1 – Composition

The number of Board members shall be from three to five (not including the Immediate Past Chairman, as described below), as determined by the Sustaining Members from time to time. Board members shall be elected by the Sustaining Members. Each Board member so elected shall hold office until such Board member's term expires and thereafter until such Board member's successor shall have been elected and qualified, or until such Board member's earlier death, resignation or removal. Each Board member must be a Sustaining Member (in the case of a Sustaining Member who is an individual), or a representative or alternate of a Sustaining Member (in the case of a Sustaining Member that is an organization). The Board shall choose a Chairman who shall also be Chairman of the Association. The Immediate Past Chairman of the Association shall be a member of the Board, ex officio, and without voting power. A person who is no longer a Sustaining Member or a representative or alternate of a Sustaining Member shall cease to be a Board member. Even though otherwise eligible as a member of the Association, the Executive Director cannot be a member of the Board.

### Section 2 – Term

Board members shall be elected to serve a term of two years. At the initial election of Board members, two such members will be elected for terms of one year to provide for rotation on the Board. Board members may be elected to successive terms.

### Section 3 – Meetings of the Board

Meetings of the Board, whether regular or special, shall be held at such time and place, as shall from time to time be determined by the Board. Regular meetings may be held without notice to the general membership or the public.

### Section 4 – Quorum

At all meetings of the Board, a majority of the Board members shall be necessary and sufficient to constitute a quorum for the transaction of business; and, except where otherwise specified by these Bylaws, the acts of a majority of the Board members present at a meeting at which a quorum is present shall be the acts of the Board.

#### Section 5 – Special Meetings

Special meetings of the Board may be called by the Chairman on five (5) days' notice to each Board member, given personally or by mail, electronic mail, facsimile or any other written communication. Special meetings shall be called by the Chairman on like written request of two or more Board members.

#### Section 6 – Vacancy

Any vacancy in the Board membership shall be filled by election by the Sustaining Members using written ballot procedures if necessary. The Chairman may temporarily appoint a Board member to fill a remaining term or until a new Board member is elected.

#### Section 7 – Removal

Any member of the Board may be removed from office with or without cause, at any annual or special meeting of the Sustaining Members, upon the vote in favor of such removal cast by at least two-thirds of all Sustaining Members, provided that the notice of such meeting shall contain a statement that such removal has been proposed and will be acted upon thereat.

#### Section 8 – Duties of Chairman

The Chairman shall preside at all meetings of the members and of the Board; he shall call meetings of the members and of the Board; he shall appoint all special committees, subject to the approval of the Board, except when otherwise herein or by resolution provided. He shall be the Chief Executive Officer of the Association and shall see that all orders and resolutions of the Board are carried into effect.

#### Section 9 – Special Committees

The Board may establish such additional committees not prescribed by the Bylaws as the Board shall determine; all such committees shall act under the direction and continue to exist at the pleasure of the Board, and shall perform such duties and have such powers as may be assigned to such committees by the Board.

#### Section 10 – Selection of Executive Director

The Board shall choose a person of professional status and significant stature in oil shale to be Executive Director of the Association and arrange to compensate such person to conduct the affairs of the Association and pursue its purpose. The Board shall review, approve and enter into a contract with the Executive Director enumerating compensation, term, liability, conflict of interest, insurance, allowable expenses and other relevant provisions. To the extent reasonably feasible, the Board shall obtain data on the compensation of officers holding similar positions of authority within comparable organizations, shall set the Executive Director's compensation based on such data and an evaluation of the Executive Director's performance and experience as related to the requirements of the position, and shall document the basis for the determination, including the comparison data used, the requirements of the position, and the evaluation of the Executive Director's performance and experience.

#### Section 11 – Authorization to sign for the Association

The Board shall determine who shall be authorized on the Association's behalf to sign checks, endorsements, receipts, releases, deeds, contracts, agreements, and other instruments.

## ARTICLE V – EXECUTIVE DIRECTOR

### Section 1 – Powers

Subject to provisions of the Colorado Revised Nonprofit Corporation Act and the non-profit nature of this Association, it is hereby expressly declared that the Executive Director, acting under direction of the Board, shall have the following powers:

- a. To purchase or otherwise acquire for this Association, subject to the provisions of Article VII, Section 1, any real or personal property, rights or privileges at such price or consideration, and on such terms and conditions as they may see fit, for the furtherance of the objects and purpose of the Association.
- b. To appoint, and at his discretion remove or suspend, such subordinate officers, including a Secretary/Treasurer, agents or employees, permanently or temporarily, as he thinks fit; and to determine their duties; and to fix and from time to time change their compensation, if any; and to require security in such amounts as he thinks fit.

### Section 2 – Responsibility for Records and Management

The Secretary/Treasurer shall keep the minutes of all meetings of the Association and Board, mail out all notices for meetings of the Association or the Board, and perform such other duties as may be required by the Bylaws, the Chairman, the Executive Director, or the Board. The Secretary/ Treasurer shall also cause to be received and kept in deposit the funds of the Association, in such bank or banks, as may be designated by the Board, and shall cause to be paid therewith obligations of the Association authorized from time to time by the Executive Director. The Executive Director shall cause to be prepared and submitted at each annual meeting of the Association and at such other time as the Board may require, a report showing aggregate receipts and itemized disbursements of all funds of the Association.

### Section 3 – Duties

Subject to the authority of the Board and the Chairman, the Executive Director shall be the chief administrative officer of the Association, in general charge of its headquarters, its operating staff, and all activities of the Association. He shall be a person who is qualified to serve as a trade association manager and shall be, ex officio, a member without voting power of all committees and shall attend meetings of the membership and the Board. He shall have authority to acquire services or select and employ such assistants and clerical staff as he requires within the limits of the budgets approved. He shall have custody of all corporate and other records, statistics, and documents of the Association. He shall acquire, maintain, and distribute educational material to achieve the purpose of the Association. He shall recommend for Board approval the selection of a CPA, Attorney and Auditor. He shall assure that tax returns are filed annually, audits are conducted on a frequency determined by the Board and all other reports required by controlling agencies of government are filed in a timely manner. The

Secretary/Treasurer duties may be temporarily performed by the Executive Director if approved by the Board.

#### Section 4 – Public Statements

The Executive Director shall assure that the content of every public statement relating to the policies of the Association, or any of its committees or other bodies, is approved by the Board, or by resolution, duly adopted, of the Sustaining Members. He may seek telephone approval of a majority of the Board for public statements that require fast turnaround, for example responses to newspaper articles and requests for information from legitimate sources. If he is unable to secure such approval in a timely manner he shall be authorized to use his discretion based upon the Association's adopted policies to provide the information.

### ARTICLE VI – MEMBERSHIP MEETINGS

#### Section 1 – Place of Meetings

Every meeting of the members shall be held at the office of the Association or at such other place or places as shall be determined from time to time by the Board. Attendance may be in person, or by conference call if approved by the Chairman. A formal process for the use of written proxies may also be approved by the Chairman.

#### Section 2 – Annual Meeting

A meeting of the members shall be held each year on such date and at such time and place as the Board shall fix at least sixty (60) days prior to said date. Sustaining Members shall elect Board members who shall assume duties at the time of their election and shall transact such other business as may properly come before the meeting. Voting may, but need not be, by ballot; provided, however, the voting shall be by ballot if so requested by any Sustaining Member present and entitled to vote at the meeting.

#### Section 3 – Special Meetings

Special meetings of the Sustaining Members or of the general membership may be called by the Chairman at any time, and shall be called by the Chairman upon written request of not less than twenty-five percent of the Sustaining Members of the Association. The purpose of any special meeting shall be stated in the notice of the meeting, and no business other than that specified in the notice of the meeting shall be transacted.

#### Section 4 – Notice of Meeting

Notice of the time, place and purpose of every meeting of the members shall be provided to each member. Notice of the annual meeting shall be provided by regular or electronic mail, facsimile or by personal delivery at least 45 days prior to the meeting. The Board shall determine the period of notice to be given for special meetings, but the same shall in no event be less than twenty-four (24) hours.

#### Section 5 – Quorum

A majority of the Sustaining Members shall constitute a quorum for the transaction of business at any meeting of the members. If less than a quorum is present at a meeting, a majority of the Sustaining Members present may adjourn the meeting from time to time without further notice other than an announcement at the meeting, until a quorum shall be present.

#### Section 6 – Vote

The vote of a majority of the Sustaining Members present, in person or by proxy, shall be the act of the Sustaining Members, unless otherwise required by the Colorado Revised Nonprofit Corporation Act, the articles of incorporation or these Bylaws. Each Sustaining Member shall be entitled to one vote and shall have the right to delegate such power by proxy in writing. No employee of the Association may act as a proxy unless they are also a Sustaining Member of the Association. A proxy may be revoked by a Sustaining Member at any time prior to its exercise.

#### Section 7 – Waiver of Notice

Notwithstanding the provisions of any of the foregoing sections, any meetings of the members of the Association may be held at any time and any place and any lawful action may be taken there if the aforementioned advance notice thereof be waived in writing, email or facsimile by two-thirds of the Sustaining Members.

#### Section 8 – Written Ballots

Whenever, in the judgment of the Chairman or of the Executive Director, any question shall arise which is determined should be put to a vote of the Sustaining Members or of the Board, and it is deemed inexpedient to call a special meeting for such purpose, the question shall be submitted by electronic or regular mail or facsimile. The question shall be decided by the majority of the votes (from those entitled to vote on the question) except where another number is required by these Bylaws, received within one (1) week after the date of providing such question; provided that, in the case of a vote of the Sustaining Members, at least a majority of the Sustaining Members entitled to vote on the question have voted; provided further that, in the case of a vote of the Board, at least a majority of the Board members have voted.

#### Section 9 – Nominations – for Board Members

At least sixty (60) days before the date of the annual meeting, each Sustaining Member shall send to the Board in writing signed by the Sustaining Member's representative or alternate, the name of individuals it proposes for nomination as members of the Board. The Executive Director shall consolidate nominations into a report which shall be communicated to the Sustaining Members at least thirty (30) days before the date of the annual meeting.

## ARTICLE VII – FINANCES

### Section 1 – Budget

The Executive Director shall prepare and recommend to the Board, no later than thirty (30) days prior to the annual meeting of the Association, a budget covering the anticipated receipts and expenses of the Association for the next fiscal year. The Board may approve or amend such budget. The budget shall become effective upon approval by a majority of the Sustaining Members.

### Section 2 – Dues and Assessments

Proposals for the annual dues and assessments rates shall be prepared by the Executive Director and submitted to the Board. The Board may accept or amend such proposals. Dues and assessment proposals as approved by the Board shall be presented to the annual meeting of the members for approval by a majority of the Sustaining Members. The annual dues of members, payable in advance, shall be levied upon them at such rate as shall be approved by a majority of the Sustaining Members at the annual meeting of the members, or at a special meeting if deemed necessary by the Chairman. In addition, any assessment upon the members shall be approved by the Sustaining Members at the annual meeting of the members. Dues may be assessed Sustaining Members based upon organizational size if approved by the Board. Special assessments for projects approved by the Board during the fiscal year that are over and above the assessments approved at the annual meeting may be voluntarily funded by one or more of the Sustaining Members or Associate Members. The adoption of these Bylaws and acceptance of initiation fees, annual dues, or assessments shall not be construed as creating a mutual fund, partnership, or joint venture.

### Section 3 – Fiscal Year

The fiscal year of the Association shall correspond to the calendar year.

### Section 4 – Audit

An audit of the accounts of the Association shall be made following the close of the fiscal year, or in a period of years not to exceed three (3) years if approved by the Board and not in violation of any applicable regulations, by a certified public accountant that shall be selected by the Board.

### Section 5 – Initiation Fee

Each new Sustaining Member of the Association shall pay an initiation fee as determined and fixed from time to time by the Board. Associate Members shall not be required to pay an initiation fee, unless the Board deems it appropriate.

## ARTICLE VIII – PROCEDURE AND RULE

### Section 1 – Procedure

At all meetings, including meetings of the Board, Roberts' Rules of Order shall govern.

### Section 2 – Rules

The Board may adopt such rules in pursuance of these Bylaws as it shall from time to time determine.

### Section 3 – Disputes

In case of any dispute as to the construction of these Bylaws, the matter may be referred by any interested party of the Board, and its decision as to the proper construction thereof shall be final and conclusive.

## ARTICLE IX - DISSOLUTION

The Association may be dissolved at any meeting called for that purpose upon the vote of two-thirds of all the Sustaining Members. Upon dissolution of the Association, all of the Association's assets remaining after payment of or provision for all of its liabilities shall be paid over or transferred to and among one or more exempt organizations described in section 501(c) of the Code. The organizations to receive such property, and their respective shares and interests, shall be determined by the Board.

## ARTICLE X – AMENDMENTS

These Bylaws may be amended, added to or repealed at any annual, regular, or special meeting of the Sustaining Members by the vote of not less than two-thirds of the total Sustaining Members, providing that notice of the substance of any proposed amendment shall be contained in the notice of call of the meeting.

## ARTICLE XI – OFFICES

### Section 1 – Principal Office

The principal office of the National Oil Shale Association shall be located at 8 Gamba Drive, Glenwood Springs, CO 81601. The Association may have such other offices, as the Board or Executive Director may designate, as the business of the Association may require from time to time. The Association may also use a post office box for receipt of business mail.

## Section 2 – Registered Office

The registered office of the Association, required by the Colorado Revised Nonprofit Corporation Act to be maintained in the State of Colorado, may be, but need not be, identical with the principal office in the State of Colorado, and the address of the registered office may be changed from time to time by the Board.

## ARTICLE XII – FIDUCIARY MATTERS

### Section 1 - Indemnification

The Association shall indemnify and advance expenses to each Board member, officer, employee and volunteer of the Association to the fullest extent permissible under the laws of the State of Colorado, and may in its discretion purchase insurance insuring its obligations hereunder or otherwise protecting the persons intended to be protected by this Section 1. The Association shall have the right, but shall not be obligated, to indemnify and advance expenses to any agent of the Association not otherwise covered by this Section 1 to the fullest extent permissible under the laws of the State of Colorado.

If any provision of the Colorado Revised Nonprofit Corporation Act or these Bylaws dealing with indemnification shall be invalidated by any court on any ground, then the Association shall nevertheless indemnify each party otherwise entitled to indemnification hereunder to the fullest extent permitted by law or any applicable provision of the Colorado Revised Nonprofit Corporation Act or these Bylaws that shall not have been invalidated. Notwithstanding any other provision of these Bylaws, the Association shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with the qualification of the corporation as an organization described in section 501(c)(6) of the Code.

### Section 2 - General Standards of Conduct for Officers and Directors

Each director shall discharge his or her duties as a director, and each officer with discretionary authority shall discharge the officer's duties under that authority (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the officer or director reasonably believes to be in the best interests of the Association.

In discharging duties, an officer or director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the Association whom the officer or director reasonably believes to be reliable and competent in the matters presented; or (ii) legal counsel, a public accountant or another person as to matters the officer or director reasonably believes are within such person's professional or expert competence. An officer or director is not acting in good faith if the officer or director has knowledge concerning the matter in question that makes reliance otherwise permitted by this Section 2 unwarranted.

An officer or director shall not be liable as such to the Association or its members for any action taken or omitted to be taken as an officer or director, as the case may be, if, in connection with such action or omission, the officer or director performed the duties of the position in compliance with this Section 2.

A director, regardless of title, shall not be deemed to be a “trustee” within the meaning given that term by trust law with respect to the Association or with respect to any property held or administered by the Association including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

### Section 3 - Liability of Director for Unlawful Distributions

A director who votes for or assents to a distribution made in violation of the Colorado Revised Nonprofit Corporation Act or the articles of incorporation of the Association shall be personally liable to the Association for the amount of the distribution that exceeds what could have been distributed without violating the Colorado Revised Nonprofit Corporation Act or the articles of incorporation if it is established that the director did not perform the director’s duties in compliance with the general standards of conduct for directors set forth in Section 2.

A director who is liable under the preceding paragraph for an unlawful distribution is entitled to contribution: (i) from every other director who could be liable under the preceding paragraph for the unlawful distribution; and (ii) from each person who accepted the distribution knowing the distribution was made in violation of the Colorado Revised Nonprofit Corporation Act or the articles of incorporation, to the extent the distribution to that person exceeds what could have been distributed to that person without violating the Colorado Revised Nonprofit Corporation Act or the articles of incorporation.

### Section 4 - Loans to Officers and Directors Prohibited

No loans shall be made by the Association to any of its officers or directors. Any officer or director who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

## ARTICLE XIII – NONDISCRIMINATION

The Executive Director, Chairman, directors, Association staff and persons served by this Association shall be selected entirely on a nondiscriminatory basis with respect to age, sex, race, religion, national origin and sexual orientation.

**NATIONAL OIL SHALE ASSOCIATION**

**BYLAWS CERTIFICATE**

The undersigned certifies that she is the Secretary of National Oil Shale Association, a Colorado nonprofit corporation, and that, as such, the undersigned is authorized to execute this certificate on behalf of said corporation, and further certifies that attached hereto is a complete and correct copy of the presently effective bylaws of said corporation.

Dated to be effective: \_\_\_\_\_, 2008.

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Anne Smith  
Secretary