

BYLAWS
of
PODS ASSOCIATION, INC.

ARTICLE 1
OFFICES

Section 1.1 *Principal Office.* The principal office and place of business of the PODS Association, Inc. (“Association”), either within or outside of Colorado, shall be designated from time to time by the Association. The Association may have such other offices as the Board of Directors may designate or as the business of the Association may require from time to time.

Section 1.2 *Registered Office.* The registered office of the Association in Colorado may be, but need not be, the same as the principal office. The address of the registered office may be changed to another location in Colorado from time to time by the Board of Directors.

ARTICLE 2
MEMBERS

Section 2.1 *Qualifications; Election; Tenure.*

(a) Member qualifications.

(i) Members include but are not limited to partnerships, associations, corporations, agencies or other subdivisions admitted to membership by the Board. Only one membership will be granted per company.

(ii) Members should be affiliated with the pipeline industry and have an interest in pipeline data and promoting/improving the pipeline industry. Member candidates include pipeline operators, as well as vendors of software, data or services in the pipeline industry, governmental agencies dealing with pipelines, and industry consultants.

(iii) If an applicant is publicly traded on an established securities exchange, it will be considered eligible to become a Member.

(iv) If an applicant is not publicly traded on an established securities exchange, it will be considered eligible to become a Member if no other members of any controlled group, as defined under either Section 1563(a) of the Internal Revenue Code of 1986, as amended (“Code”) or Section 414 of the Code, include such applicant. The members of a controlled group may not join separately by business unit. If one entity in a controlled group has joined the Association as a representative of the controlled group, the members of the controlled group are collectively entitled to one (1) vote, and, if elected, may only be represented by one (1) member of the Board of Directors; however, the Association’s contact with such a Member shall be limited to the member entity, and

the Association shall not have any obligations with respect to any other member of the controlled group.

(b) Members are admitted by the Board of Directors or Executive Director upon application with the Board of Directors or Executive Director, in their sole and absolute discretion. The Association reserves the right to reject membership applications from entities that are not affiliated with or supporting the pipeline industry.

(c) Member status may be terminated in the following ways:

(i) A Member may resign upon submitting written notice to the Executive Director.

(ii) If any Member shall fail to pay dues as more fully explained in Section 2.11, the Board or Executive Director may terminate that Member's membership.

(iii) A non-publicly traded Member shall cease to be a Member when a publicly traded member of a controlled group that includes such non-publicly traded Member applies for Membership.

(iv) The Board of Directors may, by a vote of three-fourths (3/4) of the the Voting Board Members then serving, expel or suspend any Member whose conduct shall have been determined by the Voting Board Members, in their sole and absolute discretion, to be improper, unbecoming or likely to endanger the interest or reputation of the Association or who willfully violates the Bylaws of the Association. No member shall be expelled or suspended without first being notified of the charge or complaint against him or her, and without first being given an opportunity to be heard at a Board of Directors meeting.

(v) Membership status may otherwise be terminated as provided for under rules and regulations adopted by the Board.

(d) The Board of Directors may reinstate a Member upon receipt of the former Member's written request for reinstatement that includes evidence adequate to convince the Board of Directors of the party's intention to prospectively maintain its status as a Member in good standing.

Section 2.2 *Privileges of Membership.* All Members are voting members, as defined under Section 7-121-401(40) of the Colorado Revised Statutes. Each Member whose membership has not been terminated or suspended is entitled to one (1) vote in the Association Board of Directors elections and in other matters put before the membership for a vote. Members shall also have privileges including, but not limited to, the following:

(a) To designate a representative in writing to the Association, subject to change by the Member from time-to-time in its sole and absolute discretion. Such representative shall be a current employee of either the Member or a member of the controlled group that includes the Member. Such representative shall be the Association's primary contact with that Member. The Association shall accept any vote submitted by the Member's designee as the

Member's vote. Additionally, the Association shall consider the presence of such representative as the Member's presence for purposes of obtaining a quorum.

- (b) To attend annual meetings at the PODS User Conference;
- (c) To have employees of the Member, or members of the controlled group that includes the Member, be nominated as members of the Board by the other Members, in their sole and absolute discretion;
- (d) To have employees of the Member, or members of the controlled group that includes the Member, chair working groups and committees, if selected by the Board for such service, in its sole and absolute discretion;
- (e) Legal use of the PODS Pipeline Data Model and access to all new releases and documentation updates;
- (f) Unlimited access to PODS online resources;
- (g) Opportunity to perform an advance review of and submit comments with respect to any new releases following approval by the technical committee and Board of Directors;
- (h) To receive a copy of the most current version of any Association published standard; and
- (i) To vote for the election of members of the Board of Directors. Members shall not have voting rights with respect to Association matters other than the election of members of the Board of Directors, unless referred to the Members by the Board of Directors for a vote, in the sole and absolute discretion of the Board of Directors.
- (j) Following the termination of membership, a Member may continue its use of the version of the PODS model that was released at the time of the termination of that Member's membership. No other benefits of membership shall be retained after the termination of Member status.

Section 2.3 *Annual Meetings*. An annual meeting of the Members shall be held each calendar year during the PODS User Conference, on such date and at such time and place as may be designated by the Board of Directors. The annual meeting of the Members shall be for the purpose of advising Members regarding the activities and financial status of the Association. Additionally, Members may submit requests to the Association, and for the transaction of such other business as may come before the meeting. Failure to hold an annual meeting of the Members does not affect the validity of any corporate action. Notice of the annual meeting shall be given to Members pursuant to the procedures set forth in Section 2.8. Such notice must include a description of any matter to be discussed at the meeting.

Section 2.4 *Special Meetings.* Special meetings of the Members may be called by or at the request of the President or upon the written request of one-quarter (1/4) of the Members. Special meetings shall be held at such time and place as may be designated by the Board of Directors. Notice of the special meeting shall be given to Members pursuant to the procedures set forth in Section 2.8. Such notice must state the purpose or purposes of the meeting.

Section 2.5 *Telephonic Meetings.* The Board of Directors may permit any Member to participate in a meeting of the Members through the use of any means of communication by which all Members participating in the meeting can hear each other during the meeting. A Member participating in a meeting in this manner is deemed to be present in person at the meeting.

Section 2.6 *Quorum; Voting; Record Date.*

(a) A quorum at all meetings of the Members shall consist of one-quarter (1/4) of the Members of the Association. The presence of a quorum shall be required for any action of the Members, except as otherwise provided in these Bylaws. If, however, such a quorum shall not be present or represented at any meeting, the Members entitled to vote at such meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. The act of a majority of the Members present at a meeting at which a quorum is present shall be the act of the Members.

(b) For purposes of determining a quorum and for purposes of casting a vote, a Member may be deemed to be present and to vote if the Member grants a signed (electronic signatures are adequate), written proxy to another Member who is present at the meeting. The proxy must direct the recipient to vote on behalf of the Member granting the proxy.

(c) A Member who attends a meeting of the Members is deemed to have agreed to all actions taken at the meeting, unless the Member does one of the following: (i) announces his or her objection to holding the meeting or transacting business at the meeting prior to or at the beginning of the meeting; (ii) votes against or abstains from a vote regarding any specific action at the meeting when it is presented (the dissent or abstention must be included in the minutes). The right of dissent or abstention is not available to a Member who votes in favor of the action taken.

(d) Record date.

(i) For the purpose of determining the Members entitled to notice of a meeting, the Board of Directors may fix a future date as such a record date and if no such record date is fixed, Members at the close of business on the business day preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day preceding the day on which the meeting is held are entitled to notice of the meeting.

(ii) For the purpose of determining the Members entitled to vote at a meeting, the Board of Directors may fix a future date as such a record date and

if no such record date is fixed, Members on the date of the meeting who are otherwise eligible to vote are entitled to vote at the meeting.

(iii) For the purpose of determining the Members entitled to exercise any rights with respect to any other lawful action, the Board of Directors may fix a future date as the record date, and if no such record date is fixed, Members at the close of business on the day on which the Board of Directors adopts the resolution relating thereto, or the sixtieth (60th) day prior to the date of such other action, whichever is later, are entitled to exercise such rights.

(iv) A record date may not be more than seventy (70) days before the meeting or action requiring a determination of Members occurs.

(v) A determination of Members entitled to notice of or to vote at a Member meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new date for determining the right to notice or the right to vote, which it must do if the meeting is adjourned to a date more than one hundred twenty (120) days after the record date for determining Members entitled to notice of the original meeting.

(vi) If a court orders a meeting adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting, it may provide that the original record date for notice or voting continues in effect or it may fix a new record date for notice or voting.

Section 2.7 *Action by written ballot.* Any action that may be taken at any annual, regular or special meeting of the Members may be taken without a meeting of the Association if the Association delivers a written ballot to each Member entitled to vote on such matter which: (a) states each proposed action, (b) provides the Member with an opportunity to vote for or against each proposed action, (c) indicates the number of responses needed to meet the quorum requirements, (d) states the percentage of approvals necessary to approve each matter other than election of directors, (e) states the time by which a ballot must be received by the Association in order to be counted, and (f) is accompanied by written information sufficient to permit each Member casting a ballot to reach an informed decision on the matter. Any such ballot may be received by electronically transmitted facsimile or other form of wire or wireless communication. A ballot may not be revoked once it has been submitted. Action pursuant to his section shall be valid only when the number of votes cast by ballot 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 the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All actions taken hereunder shall have the same effect as an action taken at a meeting of the Members.

Section 2.8 *Notice.* Notice shall be given to each Member at least ten (10) days prior to the meeting unless notice is sent by ground mail other than first class or registered mail. If notice is sent by ground mail other than by first class or registered mail, notice must be given at least thirty (30), but no more than sixty (60), days prior to the meeting. Notice shall be given in writing by ground mail, electronic mail, electronically transmitted facsimile, or other form of wire or wireless communication. Notice must include the date, time, place and purpose of any

meeting for which notice is required, as well as a description of any matter that a Member intends to raise at the meeting, provided that a Member in good standing requests that the President or Secretary include such matter in the notice at least ten (10) days prior to the date when the Association gives notice of the meeting. If sent by ground mail, such notice shall be deemed received and to be effective on the earlier of (a) five days after such notice is deposited in the mail, properly addressed, with first class postage prepaid; or (b) the date shown on the return receipt, if sent by registered or certified mail return receipt requested, provided that the return receipt is signed by the Member to whom the notice is addressed. If notice is given by electronic mail, electronically transmitted facsimile, or other similar form of wire or wireless communication, such notice shall be deemed to be given and to be effective as of the date and time of machine confirmation of delivery. Notice may be mailed to the last address known to the Association. If a Member has designated in writing one or more reasonable addresses or facsimile numbers for delivery of notice, notice sent by ground mail, electronic mail or electronically transmitted facsimile or other form of wire or wireless communication shall not be deemed to have been given or to be effective unless sent to such addresses or facsimile numbers as the case may be.

Section 2.9 *Waiver of Notice.* A Member may waive notice of a meeting before or after the time and date of the meeting by a writing signed (electronic signatures are adequate) by the Member. Such waiver shall be delivered to the corporate Secretary for filing with the corporate records, but such delivery and filing shall not be conditions to the effectiveness of the waiver. Further, a Member's attendance at or participation in a meeting waives any required notice to the Member of the meeting unless at the beginning of the meeting, or promptly upon the Member's later arrival, the Member objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting.

Section 2.10 *Dues.* The amount of dues shall be established and may be changed by the Board of Directors. The fee schedule will be posted publicly. Each Member is obligated to pay dues to the Association, as established by the Board of Directors, in order to maintain a status of "Member in good standing." If dues are not paid within one (1) year after the due date, then, in the sole and absolute discretion of the Board of Directors or Executive Director: (a) the Member's voting rights may be suspended, (b) the Member may be removed from the register of members, and (c) the Member's other rights, including, but not limited to, the Member's right to participate in committees or on the Board of Directors, may be suspended or terminated. Dues will not be refunded for any reason, including the termination of Membership. Dues will continue to accrue and become payable until the termination of a Member's status as a Member.

ARTICLE 3 BOARD OF DIRECTORS

Section 3.1 *Qualifications; Election; Tenure.*

(a) Members of the Board of Directors of the Association shall be natural persons at least eighteen years of age or older. The directors, who need not be residents of the State of Colorado, shall manage the affairs of the Association. The size of the Board of Directors shall be twelve (12) directors, consisting of nine (9) representatives of Members that

qualify as operators (“Voting Board Members”) and three (3) representatives of Members that are service providers (“Service Provider Board Members”). The Board of Directors may increase and decrease the size of the Board at any meeting for which notice of such proposed action was given. The Board of Directors, in its sole and absolute discretion, may fill any vacancies thereby created either by appointing directors or holding a special election for the Members to elect directors from among candidates nominated by Members in good standing.

(b) All directors, other than those directors appointed by the Board of Directors to fill a vacancy, shall be elected by the Members from among the candidates nominated by Members in good standing.

(i) Each Member in good standing may nominate candidates to serve on the Board of Directors. Additionally, any employee of a Member in good standing may nominate himself or herself to serve on the Board of Directors. In order to be eligible for election as a director, a nominee must consent to his or her nomination, be at least eighteen (18) years old and be a direct employee of a Member at the time of his or her nomination.

(ii) Each election will be supervised by the Secretary in accordance with a schedule and operational guidelines, if any, published to Members in the first quarter of the calendar year immediately preceding such election. The election process will be completed by the end of the first quarter of each calendar year.

(iii) Each Member in good standing is entitled to cast one vote for each director position held by an individual whose term will expire on the last day of March of such calendar year.

(iv) Nominees receiving the greatest number of votes shall win the election for the eligible seats, to the extent that each such nominee qualifies to fill such seats (e.g., a representative of a Member that qualifies as an operator will not be elected to fill a Service Provider Board Member seat simply because he or she received more votes than all of the nominated representatives of service provider Members).

(c) Each Voting Board Member shall be elected for a two year term beginning on the first day of April of the calendar year in which he or she was elected and ending on the last day of March at the completion of his or her two year term or, if later, upon the qualification and election of his or her successor. Each Service Provider Board Member shall be elected for a one year term beginning on the first day of April of the calendar year in which he or she is elected and ending on the last day of March of the following calendar year or, if later, upon the qualification and election of his or her successor. Directors may be elected for successive terms; however, Service Provider Board Members may serve a maximum of two consecutive one year terms. A minimum of five (5) board members will be elected every year. A decrease in the number of directors or in the term of office does not shorten an incumbent director’s term. The term of a director filling a vacancy expires at the end of the unexpired term that such director is filling.

Section 3.2 *Annual Meeting.* The Board of Directors shall not hold an annual meeting. Association matters, including, but not limited to, electing officers, will be addressed during the Board of Director's regular meetings.

Section 3.3 *Regular Meetings.* The Board of Directors may provide, by resolution, the time and place, either within or outside Colorado, for the holding of regular meetings without other notice.

Section 3.4 *Special Meetings.* Special meetings of the Board of Directors may be called by or at the request of the President or any two or more directors. Special meetings shall be held at such time and place, either within or outside Colorado, as may be designated by the authority calling such meeting.

Section 3.5 *Telephonic Meetings.* The Board of Directors may permit any director (or any member of any committee designated by the Board) to participate in a meeting of the Board of Directors or a committee thereof through the use of any means of communication by which all directors participating in the meeting can hear each other during the meeting. A director participating in a meeting in this manner is deemed to be present in person at the meeting.

Section 3.6 *Quorum; Voting.*

(a) A quorum at all meetings of the Board of Directors shall consist of a majority of the Voting Board Members then holding office. In the event that a quorum is not present in person or by proxy within fifteen (15) minutes after the time when the meeting was scheduled to begin, the meeting shall stand adjourned to a time and place determined by the President.

(b) Except as provided otherwise by the Bylaws, the act of a majority of the Voting Board Members present at a meeting at which a quorum is present shall be the act of the Board of Directors. Service Provider Board Members are not entitled to vote on any matters. A Voting Board Member who attends a meeting of the Board of Directors is deemed to have agreed to all actions taken at the meeting, unless he or she does one of the following: (i) the Voting Board Member objects at the beginning of the meeting, or promptly upon arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken; (ii) the Voting Board Member contemporaneously requests that the director's dissent or abstention as to any specific action taken be entered in the minutes; or (iii) the Voting Board Member causes written notice of the director's dissent or abstention as to any specific action to be received by the presiding officer of the meeting before adjournment, or by the Association promptly after adjournment. The right of dissent or abstention is not available to a Voting Board Member who votes in favor of the action taken.

(c) For purposes of determining a quorum and for purposes of casting a vote, a Voting Board Member will be deemed to be present and to vote if he or she grants a signed (electronic signatures are acceptable) written proxy to another Voting Board Member who is present at a meeting. The proxy must direct the recipient to vote on behalf of the Voting Board Member granting the proxy with respect to the particular proposal described with reasonable

specificity in the proxy and included on the agenda for the meeting at which the proxy will be used.

Section 3.7 *Vacancies.* The Board of Directors, in its sole and absolute discretion, may fill any vacancies by either appointing directors or holding a special election for the Members to elect directors from among candidates nominated by Members in good standing. A director elected to fill a vacancy shall be elected for the unexpired term of such person's predecessor in office and until such person's successor is duly elected and shall have qualified. Only representatives of Members that qualify as operators may fill seats previously held by Voting Board Members and only representatives of Members that qualify as service providers may fill seats previously held by Service Provider Board Members.

Section 3.8 *Committees and Working Groups.*

(a) The Board of Directors may establish, by a resolution adopted by a majority of the Voting Board Members then in office, one or more committees, working groups, advisory boards, auxiliaries or other bodies of any kind, each of which shall have and may exercise such authority in the management of the Association as shall be provided in such resolution. No such committee shall have the power or authority to: authorize distributions; elect, appoint or remove any director; amend, restate, alter, or repeal the Articles of Incorporation; amend, alter, or repeal these or any other Bylaws of the Association; approve a plan of merger; approve a sale, lease, exchange, or other disposition of all or substantially all of the property of the Association, other than in the usual and regular course of business; or take any other action prohibited by law. Association committees and working groups shall include, but are not limited to, the Technical Committee which shall provide oversight and maintenance of the technical standard as a whole.

(b) Each committee of the Board of Directors shall keep regular minutes of its actions and shall report its actions at the meeting of the Board next following such actions.

(c) The Association's Standing Committees, as of the date of the adoption of these Bylaws, include:

- (i) Technical Committee
- (ii) Governance Committee
- (iii) Compensation Committee
- (iv) Audit Committee

Section 3.9 *Resignation.* A director may resign at any time by giving written notice of resignation to the Secretary or Executive Director. The resignation is effective when the notice is received by the Association unless the notice specifies a later effective date. A director who resigns may deliver a statement to that effect to the Colorado Secretary of State. Any director

who ceases to be a direct employee of a Member shall be deemed to have resigned from being a director as of the date of the termination of his or her employment.

Section 3.10 *Removal.* Any member of the Board of Directors may be removed, with or without cause, by a majority of the Voting Board Members then in office.

Section 3.11 *Action Without a Meeting.* Any action required by law to be taken at a meeting of the Board of Directors, or any committee thereof, or any other action which may be taken at a meeting of directors, or any committee thereof, may be taken without a meeting if notice is transmitted in writing to each Voting Board Member, or each member of any committee of the Board of Directors, and each such Voting Board Member, or member of any committee of the Board of Directors, by the time stated in the notice, (a) does not demand that action not be taken without a meeting, other than a demand that is revoked, and (b) either: (i) votes for such action, (b) votes against such action, (c) abstains from voting or (d) fails to respond or vote. Action is taken only if the affirmative votes for such action equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the Voting Board Members then in office were present and voted. The action shall be effective only if there are writings which describe the action that are signed (electronic signatures are adequate) by Voting Board Members, and such writings are received by the Association and filed with the minutes. Any such writings may be received by electronically transmitted facsimile or other form of wire or wireless communication providing the Association with a complete copy of the document including a copy of the signature. Actions taken shall be effective when the last writing necessary to effect the action is received by the Association unless the writings set forth a different date. Any director who has signed a writing may revoke it by a writing signed, dated and stating the prior vote is revoked. However, such writing must be received by the Association before the last writing necessary to effect the action is received. All such actions shall have the same effect as action taken at a meeting.

Section 3.12 *Notice.* Notice of the date, time, place and purpose of any special meeting or any other meeting for which notice is required shall be given to each director at least two days prior to the meeting. Notice may be given orally in person or by telephone or may be given in writing by ground mail, electronic mail, electronically transmitted facsimile, or other form of wire or wireless communication. If sent by ground mail, such notice shall be deemed received and to be effective on the earlier of (a) five days after such notice is deposited in the United States mail, properly addressed, with first class postage prepaid; or (b) the date shown on the return receipt, if sent by registered or certified mail return receipt requested, provided that the return receipt is signed by the director to whom the notice is addressed. If notice is given orally in person or by telephone it is effective when communicated. If notice is given by electronic mail, electronically transmitted facsimile, or other similar form of wire or wireless communication, such notice shall be deemed to be given and to be effective as of the date and time of machine confirmation of delivery. Notice may be mailed to the last address known to the Association. If a director has designated in writing one or more reasonable addresses or facsimile numbers for delivery of notice, notice sent by ground mail, electronic mail or electronically transmitted facsimile or other form of wire or wireless communication shall not be deemed to have been given or to be effective unless sent to such addresses or facsimile numbers as the case may be.

Section 3.13 *Waiver of Notice.* A director may waive notice of a meeting before or after the time and date of the meeting by a writing signed (electronic signatures are adequate) by the director. Such waiver shall be delivered to the Secretary for filing with the Association records, but such delivery and filing shall not be conditions to the effectiveness of the waiver. Further, a director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless at the beginning of the meeting, or promptly upon the director's later arrival, the director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting.

Section 3.14 *Standard of Conduct for Directors.* Each director shall perform his or her duties as a director, including without limitation his or her duties as a member of any committee of the Board, in good faith, in a manner the director reasonably believes to be in the best interests of the Association, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In the performance of his or her duties a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by the persons designated below. However, a director shall not be considered to be acting in good faith if the director has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A director shall not be liable to the Association or its members for any action the director takes or omits to take as a director if, in connection with such action or omission, the director performs such duties in compliance with this Section.

The designated persons on whom a director is entitled to rely are: (a) one or more officers or employees of the Association whom the director reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, a public accountant, or other person as to matters which the director reasonably believes to be within such person's professional or expert competence; or (c) a committee of the Board of Directors on which the director does not serve if the director reasonably believes the committee merits confidence.

Section 3.15 *Conflicts of Interest.* In the event of a conflict of interest or a potential conflict of interest, the Board of Directors shall comply with Conflict of Interest Policy attached as Appendix A to these Bylaws.

Section 3.16 *Compensation.* Members of the Board of Directors may receive reasonable compensation and expense reimbursement, as outlined in the Compensation Policy.

ARTICLE 4 OFFICERS

Section 4.1 *General.* The officers of the Association shall be a President, Vice President, Secretary, Treasurer and, if appointed and hired by the Board of Directors, an Executive Director. Any individual may not hold more than one office. The Board of Directors may appoint such other officers as it may deem advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as set forth in these Bylaws or as from time to time may be determined by the Board of Directors. Except as expressly prescribed by these Bylaws, the Board of Directors, or the officer or officers

authorized by the Board, shall from time determine the procedure for the appointment of officers, their authority and duties, provided that the Board of Directors may change the authority and duties of any officer who is not appointed by the Board. All officers, other than the Executive Director, shall be members of the Board of Directors.

Section 4.2 *Powers and Duties.* The officers of the Association shall exercise and perform the respective powers, duties, and functions as are stated below and as may be assigned to them by the Board of Directors.

(a) The President shall preside at all meetings of the Board. The President shall be the chief executive officer of the Association and shall, subject to the general direction and control of the Board of Directors, have the general supervision, direction, and control over the business and affairs of the Association and its officers, agents, and employees. The President may sign, with the Secretary or any Assistant Secretary or any other proper officer of the Association designated by the Board of Directors, any deeds, leases, mortgages, deeds of trust, or other documents of conveyance or encumbrance of any real property owned by the Association. He or she shall also perform all duties incident to the office of President and such other duties as may be assigned by the Board of Directors from time to time.

(b) The Vice President shall assist the President and shall perform such duties as may be assigned to him or her by the President or by the Board of Directors. In the absence of the President, the Vice President shall have the powers and perform the duties of the President.

(c) The Executive Director, if any, shall, subject to the direction and supervision of the President and the Board of Directors, be the chief operating officer of the Association with general responsibility for all day-to-day operations of the Association; propose, prepare and present to the President and the Board of Directors specific programs and activities that will further the Association's purposes; direct and supervise the implementation of the programs and activities approved by the President or the Board of Directors; and perform all other duties and responsibilities as from time to time may be assigned to the Executive Director by the President or the Board of Directors. The Executive Director shall be selected and hired by the Board of Directors as an Association employee.

(d) The Secretary shall keep accurate minutes of the proceedings of the members and of the Board of Directors and of any committees of the Board of Directors; shall ensure that all notices are duly given in accordance with the provisions of these Bylaws; shall be custodian of the records and of the seal of the Association and shall attest the affixing of the seal of the Association when authorized by the Board of Directors; and shall perform such additional duties as are incident to such office and as may be assigned to such person by the Board of Directors or the President. Assistant Secretaries, if any, shall have the same duties and powers subject to the supervision of the Secretary.

(e) The Treasurer shall be the chief financial officer of the Association; shall have the charge and custody of and be responsible for all funds and securities of the Association; shall deposit such funds in the name of the Association in such depositories as shall be designated by the Board of Directors; shall keep accurate books of account and records of financial transactions and the condition of the Association and shall submit such reports thereof

as the Board of Directors may from time to time require, subject to section 6.4; and in general, perform all duties incident to such office and such other duties as may from time to time be assigned to such person by the President or by the Board of Directors. The Treasurer shall make an annual financial report to the Association at the annual meeting of the Board of Directors. With the approval of the Board of Directors, the Treasurer shall be authorized to engage any firm of certified public accountants to assist in the performance of any of the duties incident to the Treasurer's office. Assistant Treasurers, if any, shall have the same duties and powers subject to the supervision of the Treasurer.

Section 4.3 *Selection and Terms of Offices.* All officers of the Association shall be elected by the Voting Board Members every year after the Board of Director's election, but no later than May 15 of each calendar year. Each officer shall be elected for a one year term that ends on the first to occur of his or her death, resignation, removal from office or the qualification and election of his or her successor. Officers may be elected for successive terms; however, the President and Vice President may serve a maximum of three (3) consecutive one year terms.

Section 4.4 *Resignation and Removal.* An officer may resign at any time by giving written notice of resignation to the Secretary or Executive Director. The resignation is effective when the notice is received by the Association unless the notice specifies a later effective date. Any officer or agent elected may be removed at any time, with or without cause, by the Board of Directors or by an officer or officers authorized by the Board to do so. An officer who resigns or is removed or whose appointment has expired may deliver a statement to that effect to the Colorado Secretary of State. Such removal does not affect the contract rights, if any, of the Association or of the person so removed. The appointment of an officer or agent shall not in itself create contract rights.

Section 4.5 *Vacancies.* A vacancy in any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the officer's term. If an officer resigns and the resignation is made effective at a later date, the Board of Directors may permit the officer to remain in office until the effective date and may fill the pending vacancy before the effective date if the Board of Directors provided that the successor shall not take office until the effective date. In the alternative, the Board of Directors may remove the officer at any time before the effective date and fill the resulting vacancy.

Section 4.6 *Compensation.* Officers may receive reasonable compensation and expense reimbursement as outlined in the Compensation Policy.

Section 4.7 *Standards of Conduct.* Officers shall observe the standards of conduct that apply to the Board of Directors.

ARTICLE 5 INDEMNIFICATION

The Association shall indemnify to the maximum extent permitted by law any person who is or was a director or officer of the Association against any claim, liability or expense arising against or incurred by such person made party to a proceeding because he or she is or was a director or officer of the Association or because he or she is or was serving another entity as a

director or officer, partner, trustee, employee, fiduciary or agent at the Association's request. The Association shall further have the authority to the maximum extent permitted by law to purchase and maintain insurance providing such indemnification.

ARTICLE 6 CONTRACTS, LOAN, AND DEPOSITS

Section 6.1 *Contracts.* The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 6.2 *Loans.* No loans shall be contracted for on behalf of the Association and no evidence of indebtedness shall be issued in the name of the Association unless authorized by a resolution of the Board of Directors. Such authority may be general if confined to a specific dollar limit determined from time to time by resolution of the Board of Directors and shall otherwise be confined to specific instances. No loan shall be made to any officer, director or Member of the Association.

Section 6.3 *Checks, Drafts, and Notes.* All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. No officer or agent may sign a check that is payable to such officer or agent or a member of his or her immediate family. In the absence of a resolution of the Board of Directors, amounts of ten thousand dollars (\$10,000) or less may be withdrawn from the Association's bank account by the President or the Treasurer without countersignature. Withdrawals in excess of ten thousand dollars (\$10,000) will require the signatures of two officers.

Section 6.4 *Financial Reports*

(a) The Treasurer will provide quarterly reports to the Board of Directors regarding membership income and expenses authorized by the Board of Directors. The Association is a volunteer organization with the majority of the work being performed by the in-kind contribution of Member time. For purposes of simplification, only the names of the Members will be used to report the in-kind time contributions of their representatives.

Section 6.5 *Deposits.* All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, financial institutions, or other custodians as the Board of Directors may select.

Section 6.6 *Investment Managers.* The Board of Directors shall have the authority to designate any bank, trust company, brokerage firm, or investment advisor to manage the assets and investment of the assets of the Association.

Section 6.7 *Fiscal Year.* The fiscal year of the Association shall be the calendar year.

**ARTICLE 7
AMENDMENTS**

These Bylaws may be altered, amended or repealed at any regular meeting of the Board of Directors, or at a special meeting called for that purpose, by a two-thirds (2/3) majority of the Voting Members of the Board of Directors constituting a quorum at such special meeting.

**ARTICLE 8
MISCELLANEOUS**

Section 8.1 *Corporate Documents.* The Association shall comply with Records Retention Policy attached as Appendix B to these Bylaws.

Section 8.2 *Seal.* The Board of Directors may adopt a corporate seal, which may be circular inform and shall contain the name of the Association and the words, “Seal” and “Colorado.”

Section 8.3 *Definitions.* Except as otherwise specifically provided in these Bylaws, all terms used in these Bylaws shall have the same definition as in the Colorado Revised Nonprofit Corporation Act.

The above Bylaws were approved and adopted by the Board of Directors on the ninth day of January, 2014.

Paul Herrmann, Director

Elizabeth Ziemer, Director

Kenneth Greer, Director

Tim Willms, Director

Chris Vana, Director

Jeff Allen, Director

Lucas Hutmacher, Director

Mike King, Director

JW Lucas, Director

Joanne Sykes, Director

Dominic Palazzolo, Director

Ron Brush, Director

Being all of the Directors of PODS Association, Inc.,
a Colorado nonprofit corporation

APPENDIX A

PODS ASSOCIATION, INC.

CONFLICT OF INTEREST POLICY

ARTICLE 1 PURPOSE

The Board of Directors acknowledges that conflicts of interest may occasionally arise and that neither the elimination from the Board of all persons who might potentially have any such conflict nor the avoidance of all transactions involving a conflict of interest would necessarily serve the best interests of the Association. Nonetheless, each member of the Board of Directors is encouraged to avoid undisclosed conflicts of interest and to refrain from influencing the Board's action on a matter in which such director is financially interested. It is therefore the policy of the Association to avoid the participation of any director in the Board of Directors' consideration of a matter which poses a conflict of interest for that director.

The purpose of this conflict of interest policy is to protect the interests of the PODS Association, Inc. (the "**Association**") when the Board of Directors is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

ARTICLE 2 DEFINITIONS

Section 2.1 *Interested Person*. Interested Person means any director, principal officer, or member of a committee with powers delegated by the Board of Directors who has a direct or indirect Financial Interest.

Section 2.2 *Financial Interest*. Financial Interest means any of the following interests or arrangements, either direct or indirect (through business, investment, or family):

(a) An ownership or investment interest in any entity with which the Association has a transaction or arrangement;

(b) A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement; or

(c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A Financial Interest is not necessarily a conflict of interest. A person who has a Financial Interest may have a conflict of interest only if the Board of Directors decides under Section 3.2 of this policy that a conflict of interest exists.

ARTICLE 3 PROCEDURES

Section 3.1 *Duty to Disclose.* In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the Board of Directors regarding the proposed transaction or arrangement.

Section 3.2 *Determining Whether a Conflict of Interest Exists.* After disclosure of the Financial Interest and all material facts, and after any discussion with the interested person, the Interested Person shall leave the Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. The remaining members of the Board of Directors shall decide if a conflict of interest exists.

Section 3.3 *Procedures for Addressing the Conflict of Interest.* After the Board of Directors determines that there is a conflict of interest, the Board of Directors shall comply with the following procedures.

(a) The Interested Person may make a presentation at the Board of Directors meeting regarding the conflict of interest, but after the presentation, the Interested Person shall leave the meeting. After the Interested Person leaves the meeting, the remaining members of the Board of Directors will discuss and vote on the transaction or arrangement involving the conflict of interest.

(b) The individual presiding at the Board of Directors meeting shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the Board of Directors shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances that would not produce a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest, for the Association's benefit, and whether it is fair and reasonable. In conformity with the above determination the Board of Directors shall make its decision regarding the transaction or arrangement.

Section 3.4 *Violations of the Conflicts of Interest Policy.*

(a) If the Board of Directors has reasonable cause to believe that an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform such Interested

Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.

(b) If the Board of Directors determines the Interested Person has failed to disclose an actual or possible conflict of interest, after hearing the Interested Person's response and performing a further investigation as warranted by the circumstances, it shall take appropriate disciplinary and corrective action.

ARTICLE 4 RECORDS OF PROCEEDINGS

The minutes of the Board of Directors meeting shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present and the Board of Directors' decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to such transaction or arrangement, the content of the discussion, any proposed alternatives to the proposed transaction or arrangement and records of any votes taken in connection with the proceedings.

ARTICLE 5 STATEMENTS OF UNDERSTANDING

Each director, officer and committee member shall sign a statement upon the adoption of this conflict of interest policy or, if later, his or her appointment to such position. The statement shall affirm that he or she:

(a) Has received a copy of this conflicts of interest policy;

(b) Has read and understands the policy;

(c) Has agreed to comply with the policy; and

(d) Understands the Association is a nonprofit organization, and it must engage primarily in activities which accomplish one or more of its purposes.

**ARTICLE 6
PERIODIC REVIEWS**

To ensure the Association operates in a manner consistent with purposes and does not engage in activities that could jeopardize its nonprofit status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include a review of whether partnerships, joint ventures, and arrangements with management organizations conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further purposes and do not result in inurement or impermissible private benefit.

**ARTICLE 7
USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews, as provided for in Article VI, the Association may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.

APPENDIX B

PODS ASSOCIATION, INC.

RECORDS RETENTION POLICY

<u>Type of Record</u>	<u>Retention Period (years)</u>	<u>Type of Record</u>	<u>Retention Period (years)</u>
<u>ACCOUNTING</u>		<u>CORPORATE RECORDS</u>	
Auditor's reports	Permanent	Articles of Incorporation	Permanent
Bank deposit slips	7	Bylaws	Permanent
Bank statements & reconciliations	7	Contracts & agreements	Permanent
Budgets	7	(government, construction, partnership, employment etc)	
Member Dues Information	7	IRS determination letter (if applied for)	Permanent
Canceled checks		Legal correspondence	Permanent
General/payroll	3	Minutes	Permanent
Taxes (payroll related)	7	Sales tax exemption (city and state)	Permanent
Taxes (income)	Permanent	Personal property tax exemption	Permanent
Cash disbursements journal	Permanent	Membership forms	3
Cash projections	7		
Cash receipts journal	Permanent	<u>INSURANCE</u>	
Contracts - purchase & sales	7+	Group disability records	7
Depreciation schedules	Permanent	Insurance policies	Permanent
Employee/director expense reports	7	Safety records	7
Employee payroll records	7	Settled insurance claims	7
Financial statements			
Annual	Permanent	<u>PERSONNEL</u>	
Interim	3	Employment applications	7
General journal	Permanent	Personnel files (terminated)	7
General ledger	Permanent	Timecards and time reports	7
Invoices	7		
Purchases	7+	<u>TAXES</u>	
Payroll journal	7	990 tax returns	Permanent
Petty cash vouchers	7	Payroll tax returns	Permanent
Subsidiary ledgers	7		

Note: Unless otherwise noted, all retention periods begin with filing the tax return to which the document applies. If the statute of limitations concerning a tax year is extended, retention should be extended accordingly.

Note: All documents will be retained in either paper or electronic form, as determined by the Executive Director in his or her sole and absolute discretion or, if none, the Board of Directors.

+ Retention periods begin after termination, expiration, disposal, etc.