

OKLAHOMA PIPELINE AWARENESS LIAISON (OPAL)

BYLAWS

ARTICLE I – NAME

The name of this not-for-profit corporation is: Oklahoma Pipeline Awareness Liaison, Inc. (“OPAL”).

ARTICLE II – ORGANIZATION

OPAL shall be a voluntary, non-profit, corporation composed of its members as described below.

ARTICLE III – PURPOSE

The purpose of OPAL is to establish a working liaison between pipeline companies in Oklahoma through enhanced response information and on-going communications. OPAL also focuses on providing Oklahoma emergency responders with the reference information they need to protect our state’s critical assets and the safety of the communities they serve. OPAL introduces emergency responders and other stakeholders to the basics of pipeline safety and emergency response. OPAL encourages the use of the state one-call underground damage prevention program.

The mission statement for OKPERI Association is to: “Advance the ability of Oklahoma emergency responders and pipeline operators to manage pipeline emergencies through improved training, cooperation, and communication.”

Disclaimer: OPAL’s primary focus remains to be awareness to specific stakeholders and the OKPERI program is focused at training emergency responders. OPAL is and will remain the primary association responsible to provide regulatory compliant programs for its members within the association. OPAL reserves the right to separate from the OKPERI program, for due cause, with a majority vote of its membership and OKPERI reserves the right to separate from OPAL, for due cause, with a majority vote of its membership.

ARTICLE IV – MEMBERSHIP

- (a) The membership of OPAL shall consist of two categories:
 - (i). General Member; and
 - (ii). Associate Member.
- (b) Qualifications for each category of membership shall be:
 - (i). General Member: A partnership, corporation, association, cooperative, company or other entity, with natural gas or petroleum liquid pipeline operations in Oklahoma.

- (ii) Associate Member: A municipal corporation or master meter operator.
- (c) General Members shall be entitled to full rights and privileges of OPAL, including the right to hold office, to be a member or chair of committees, and to vote on issues that come before OPAL. If a member chooses to not participate in the OPAL program in full, active in the PERI program only, the member shall not have the ability to hold office of the Board of Directors or have voting rights for decisions that affect the OPAL program, however the member will have voting rights, and may hold office, for the OKPERI program.
- (d) A General Member in good standing shall be recognized as one with all membership fees and assessments paid in full.
- (e) Associate Members shall be entitled to all rights and privileges of OPAL with the exception of holding office or voting on issues that come before OPAL, other than committee participation.
- (f) A member in good standing, with all membership fees and assessments paid, shall provide 30 days written notice to the Chair to withdraw their membership from OPAL.
- (g) All Member representatives and Officers who participate in business decision-making activities, such as awarding contracts, evaluating financial issues, etc., shall sign the OPAL Conflict of Interest (In Appendix A) statement prior to being allowed to vote on any matter.

ARTICLE V – FEES

Membership fees for General or Associate Members are assessed annually and are based on the number of asset counties or cities in which each separate entity elects to participate.

For the purposes of the OPAL By-laws, an asset county refers to a single county in which an OPAL member has assets and elects to participate in the OPAL programming.¹

The yearly fee structure shall be determined by the General membership prior to the next calendar year.

ARTICLE VI – DIRECTORS

- (a) The Board of Directors shall consist of either one or two representatives from each member company based on the amount of asset counties in the OPAL Program. OPAL members with 1 to 25 asset counties will be allowed one BOD representative and OPAL members with 26 or more asset counties shall be allowed two BOD representatives.

ARTICLE VII- POWERS

- (a) Subject to limitations of the Certificate of Incorporation, of the Bylaws and of the laws of the State of Oklahoma, as to action to be authorized or approved by the Directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed and conducted by, the Board of Directors. Without prejudice to such general power, but subject to the same

limitations, it is hereby expressly declared that the directors shall have the following powers:

First: To select and remove all officers, agents and employees of the corporation, prescribe such powers and duties for them as may not be inconsistent with the laws of the State of Oklahoma, with the Certificate of Incorporation or the Bylaws.

¹For example, if a General Member has pipeline facilities in Oklahoma, Beaver and Texas Counties and elects to participate in OPAL programming for all three of the counties, it is said that the company has three asset counties.

Second: To designate any place within or without the State of Oklahoma for the holding of any Directors' meeting or meetings.

Third: To authorize the receipt of fees and monies paid to the Corporation as provided in the Articles of Incorporation.

Fourth: To execute contractual obligations necessary to accomplish the purpose and goals of the organization as approved by the General members.

Voting. Consent of Absentees. The transaction of any meeting of Directors, either annual or special, however called and noticed, shall be as valid as though a meeting had been duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the persons entitled to vote, not present, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

- (c) Action without Meeting. Any action which, under any provisions of the laws of the State of Oklahoma or under the provisions of the Certificate of Incorporation or under these Bylaws may be taken at a meeting of the Directors, may be taken without a meeting, without prior notice and without a vote if a Consent in writing be signed by Directors having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Directors having a right to vote thereon were present and voted, and such consent shall be filed with the Secretary of the Corporation and made a part of the corporate records. Prompt notice of the taking of corporate action without a meeting by less than unanimous consent shall be given to those members who have not consented in writing.

ARTICLE VIII – OFFICERS AND THEIR DUTIES

- (a) The officers of OPAL shall be a Chair, Vice-Chair, Secretary, and Treasurer. Each officer shall be elected by the majority vote of the General Members.
- (b) The Chair shall preside at all meetings of OPAL. The Chair shall appoint committees for OPAL activities, designate committee chairpersons and serve as ex-officio member of all such committees. The Chair shall have the rights and duties normally assigned to the Chair of a corporation.

- (c) The Vice-Chair shall perform such duties as may be prescribed by the Chair. The Vice-Chair shall perform the duties of the Chair's absence or the disability of the Chair.
- (d) The Secretary shall keep minutes of all meetings. The Secretary shall also perform any other such duties as may be prescribed by the Chair.
- (e) The Treasurer shall be responsible for the financial matters of the organization, including, but not limited to reconciling the account(s) of the Corporation, preparing budgets, and overseeing audits. The Treasurer shall also perform any other such duties as may be prescribed by the Chair.

The Treasurer shall be authorized by the Board of Directors to establish and maintain bank accounts. Any change in banks or issues relating to the financial wellbeing of the organization shall be disclosed to the Board within 10 days of the event or information becoming available.

- (f) Additional officers, agents and advisory bodies may be created and filled by appointment or abolished from time to time as voted upon by majority of the General Members.
- (g) OPAL shall indemnify, to the fullest extent allowed by law, every officer and director of OPAL against all expenses and liabilities, including attorney's fees and expenses, reasonably incurred or imposed upon such officer or director in connection with any proceeding, or settlement thereof, to which an officer or director may be made a party, or become involved, by reason of being or having been an officer or director of OPAL, except in such case as the officer or director shall be adjudged guilty of willful misfeasance or malfeasance in the performance of such officer's or director's duties. In the event of a settlement, the indemnification contained herein shall be subject to the determination of the Board of Directors that such settlement is in the best interest of OPAL.
- (h) OPAL shall purchase and maintain insurance on behalf of any person who is or was an officer of OPAL against any liability asserted against them and incurred by them in any such capacity, or arising out of their status as such, whether or not OPAL would have the power to indemnify them under Article VII(f).

ARTICLE IX – ELECTION/SUCCESSION OF OFFICE

Individuals being considered for election to Office must be a direct employee of a General Member at the time of election to Office.

- (a) All officers shall be elected for a one-year term. The initial term for officers shall begin in January 2011 based on elections held for such offices during the October 2010 initial meeting of the General Members and shall continue through December 31, 2011. At the end of the initial term, the Vice-Chair will succeed the Chair. A new election will be held every year at the annual meeting to fill the offices vacated by the Vice-Chair, Secretary and Treasurer.
- (b) In the event that the Chair resigns or can no longer fulfill his or her duties as Chair of OPAL, the Vice-Chair shall assume such role and an election by the General Members shall be held to determine the new Vice-Chair.

- (c) In the event that the Vice-Chair, Secretary, or Treasurer resigns, an election by the General Members will be held to determine the new Vice Chair, Secretary, or Treasurer.
- (d) Any officer may be removed from office during a Special Meeting. Removal of an officer requires a two-thirds vote of at least 10 General members present and voting at such Special Meeting.

ARTICLE X – VOTING

Each “General” member in Good Standing shall have the right to cast either one or two votes based on the amount of asset counties funded in the OPAL program. OPAL members with 1 to 25 asset counties shall constitute one vote and members with 26 or more asset counties shall be allowed two votes. In the event a Member representative cannot be present during a vote, a proxy may be authorized via email or letter by the OPAL Member submitted directly to the OPAL Chairman.

The voting at all meetings of Directors shall be by voice vote, except any qualified voter may demand a vote by written ballot, whereupon such vote shall be taken by written ballot each of which shall state the name of the Director voting.

There shall be kept at the registered office of the corporation in the State of Oklahoma a record containing the names and addresses of all Directors of the corporation and the ending date of their membership; provided, however, that the foregoing shall not be required if the corporation shall keep at its registered office a statement containing the name and post office address, including street number, if any, of the custodian of such record. Duplicate lists may be kept in such other state or states as may, from time to time, be determined by the Board.

ARTICLE XI – ORGANIZATION BUSINESS

- (a) The principal office of OPAL shall remain in the State of Oklahoma.
- (b) The mailing address of OPAL shall be established and maintained at:

Oklahoma Pipeline Awareness Liaison, Inc.
1 Leadership Square, Suite 970
Oklahoma City, OK 73102

Unless changed by the Board of Directors or the membership.

- (c) A complete list of OPAL members, their official designated representative and contact information shall be maintained by the Secretary.
- (d) Records of the corporation, including meeting minutes, expenditure and revenue statements, contracts with vendors and other business of the organization shall be available for inspection by the official representative or its legal counsel of the General and Associate Members of the Corporation.

To request documents under this provision, a request shall be made to the Secretary of the Corporation. The records shall be made available as soon as practicable, but no event more than 15 business days unless extenuating circumstances are present. Extenuating

circumstances must be validated by a unanimous vote of the Corporation's Officers. At the time of the vote, the Officers must document the reason for the delay and establish a date by which the documents will be provided.

ARTICLE XII- MEETINGS AND PROCEEDINGS

- (a) The Corporation will conduct an annual meeting.
- (b) In addition to the annual meeting, the General Members may hold regular meetings at such time and place as determined by the Board of Directors. A meeting notice and agenda shall be provided to general members at least 15 working days prior thereto unless otherwise prescribed in the by-laws.
- (c) Unless otherwise specified in these Bylaws, the act of a majority of the General Members present at any meeting at which a quorum is present shall be the act of OPAL.
- (d) Ten (10) of the General Members present and voting shall constitute a quorum at any regular meeting.
- (e) Special Meetings shall be held upon written request of the Chair or Vice Chair of OPAL, or upon the written demand of any five (5) General Members addressed to the Chair, Vice Chair, Secretary or Treasurer of OPAL, stating the purpose or object of the meeting. No business shall be considered at any Special Meeting other than the business stated in the notice given to each General member of the meeting.
- (f) Notice of each special meeting shall be provided to each General Member at its usual place of business at least five (5) working days before the date on which such meeting is to be held. Each such notice shall state the time, date, place and purpose of the special meeting.
- (g) The General Members may participate in a regular meeting of such organization by means of conference telephone, electronic, audio-video or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

ARTICLE XII – AMENDMENTS

Amendments to the Bylaws shall be made by an affirmative vote of two-thirds of at least 10 General members present and voting. Amendments shall be distributed to the membership at least 15 working days in advance.

ARTICLE XIII – COMMITTEES

Each General Member and/or Associate Member may elect to participate on a voluntary basis in any of the committees established by OPAL.

A. OKPERI Executive Committee:

There shall be an Executive Committee, which shall consist of the (4) elected Officers of

OKPERI; the Board may appoint an additional member of the Board to serve on this committee if deemed necessary.

The Executive Committee shall have full power to act in all matters for the Board of Directors in the interims between the meetings of the Board of Directors. When, in these bylaws, powers and duties are designated to the Board of Directors, those powers and duties are designated to the Executive Committee as well without exception. The Executive Committee, however, shall be subject to the control of the Board of Directors and shall carry out all instructions issued to it by the Board of Directors.

Meetings:

Meetings of the OKPERI Executive Committee may be called at any time by the President. On the written request of either of the other members of the Executive Committee to the President, the President shall call a meeting of the Executive Committee. Reasonable notice, by personal delivery, regular U.S. mail, telephone (including facsimile) or appropriately addressed electronic mail (e-mail), shall be given of each meeting of the Executive Committee. Meetings of the Executive Committee shall be held at the office of this Corporation, or at such other place as may be designated in the notice, as well as via internet and conference telephone.

Section 3. Right of Members:

(a) Property Rights.

No member of this Corporation shall have any right or interest in or to the property or assets of this Corporation; all property and assets of this Corporation shall be subject to the direction, control of and expenditure by the members and/or the Board of Directors of this Corporation in the manner and to the extent provided by the laws of the State of Oklahoma; and should this Corporation be liquidated or dissolved or otherwise discontinue activity, the property and assets of this Corporation shall be distributed in accordance with provisions therefor set forth in the Articles of Incorporation, if any, or as provided by law.

(b) Voting.

Only General and Associate Members of this OPAL shall be entitled to vote at any annual or special meeting of the members of OPAL, each General and Associate Member of OPAL being entitled to one (1) vote, in person or by proxy, at any such meeting on all matters submitted or required to be submitted to the membership, current dues paid to this Corporation in the calendar year immediately prior to the calendar year in which the vote is to be taken or if a new member. Sustaining Members may attend and participate in the annual or special meetings of this Corporation but shall have no voting privileges at such meetings.

(c) Proxies.

At any meeting of the Membership, each General and Associate Member may vote via proxy. A Member may appoint a proxy to vote or otherwise act for the Member by signing an appointment form and submitting to the Board of Directors via U.S. mail, facsimile or electronically (e-mail).

Section 4. Limitation of Liability and Covenant Not to Sue:

Membership in this Corporation shall be subject to the following conditions and requirements

regarding this Corporation's liability to its Members:

(a) Limitation of Liability.

This Corporation shall not be liable to any member, regardless of whether that member is a general, associate or sustaining member, for any injury, loss, liability, demand, claim, damage, cost or expense, including court costs and attorney's fees, whether physical or economic, incurred by any member as a result, in whole or in part, of any action or failure to act, whether negligent, grossly negligent or otherwise, by this Corporation, and/or its officers, directors, employees, agents or contractors, in carrying out any of the provisions or in providing any services required by the terms of any Membership Agreement.

(b) Covenant not To Sue.

Each member, whether a general, associate or sustaining member, shall covenant not to sue this Corporation, its officers, directors, employees, agents, or contractors, under any circumstances or upon any grounds for any injury, loss liability, demand, claim, damage, cost or expense, including court costs and attorney's fees, whether physical or economic, incurred by any member as a result, in whole or in part, of any action or failure to act, whether solely negligent, grossly negligent or otherwise, by this Corporation, and/or its officers, directors, employees, agents or contractors, in carrying out any of the provisions or in providing any services required by the terms of any Membership Agreement.

ARTICLE XIV – DISSOLUTION

Although the duration of OPAL is perpetual, OPAL may be dissolved at any time by a majority vote of the General Members. In the event of the dissolution or liquidation of OPAL, and after payment of just debts and liabilities, all remaining assets shall be distributed to a non-profit organization dedicated to pipeline safety or emergency response selected by the General Members of the Corporation.

ARTICLE XV – FISCAL YEAR

For all meetings and purposes of election the fiscal year shall coincide with the corresponding calendar year for all purposes, including but not limited to accounting and tax.

ARTICLE XVI – ANTITRUST LAW COMPLIANCE

- (a) It is the policy of OPAL and the obligation of every member to comply with all relevant antitrust and competition laws.
- (b) Compliance includes, but is not limited to, the following antitrust compliance protocols:
 - 1. Agendas shall be created for all meetings and meetings shall be limited to items which are on the agenda.
 - a. Minutes of all meetings shall be prepared and maintained by the

Secretary/Treasurer of the Corporation.

- b. All discussions shall be limited to the legitimate purposes of OPAL.
2. There shall be no discussion or agreement with respect to competitively sensitive subjects, including, but not limited to:
 - a. Customer-related information – including the identity of current and potential customers;
 - b. Transmission-related information – such as capacity availability, expansion plans and service interruptions;
 - c. Non-published tariff or price information or any non-price element on which the companies compete;
 - d. Market strategies;
 - e. Wage rates or prices paid to suppliers of goods and services; and
 - f. Supply and demand forecasts
 - (c) Members should consult with their own legal counsel with any questions regarding the legality of a particular practice or course of action.

ARTICLE XVII- INDEMNIFICATION.

- (a) As used in this Article XVII, Indemnification of a Director, Officer, employee or agent shall have the same meaning and shall be indemnified as set forth in Section 1031 of the Oklahoma General Corporation Act and paragraphs (b) and (c) of this Article XVII.
- (b) The Corporation shall indemnify and may advance expenses to a Director or officer of the Corporation in connection with a proceeding to the fullest extent permitted by and in accordance with the Indemnification Section.
- (c) With respect to an employee or agent, other than a Director or officer, of the Corporation, the Corporation may, as determined by the Board of Directors of the Corporation, indemnify and advance expenses to such employee or agent in connection with a proceeding to the extent permitted by and in accordance with the Indemnification Section. (Typically used in Oklahoma Non-Profits)

ARTICLE XVIII – MATERIALS

All materials developed by or for OPAL are the property of OPAL Members and can be used by Members to promote pipeline public awareness.

ARTICLE XIX – CONFLICTS

In the event of any conflicts between these Bylaws and the Articles of Incorporation of OPAL, the Articles of Incorporation shall control.