

**BY-LAWS**  
**OF**  
**NATIONAL ASSOCIATION OF ROYALTY OWNERS**  
**(An Oklahoma Non-Profit Corporation)**

**ARTICLE I**  
**Purpose and Distributions**

**SECTION 1.1 Purpose.** The Corporation is organized exclusively for the purpose of promoting the common interest of owners of severed and unsevered mineral interests (royalty interests) to further the development and production of domestic energy sources and other useful products therefrom and the general improvements of the economic benefits received by royalty owners and from such development, including, for such purposes, (1) to locate and find royalty owners and to collect and distribute educational and scientific information relating to energy, its use, conservation and production; (2) to attain the aims of royalty owners by dispensing information and knowledge relating to energy, its development, production, conservation and use to all persons of the United States and to educate and enlighten federal, state and local governmental agencies to attain these goals; (3) to foster and support any and every type of scientific, technical or research facility designed to stimulate use, conservation and production of natural resources and domestic energy sources; (4) to promote and foster the production and conservation of energy within the United States of America; (5) to receive grants for the study of ways and means to decrease the cost of such energy to the consumers, general public and residents of the United States of America; (6) to foster and support scientific studies of the ways and means to make minerals and other substances into more energy-producing and energy-yielding substances so as to better the energy situation of the United States of America; (7) to develop and disseminate education programs in furtherance of the common interests of royalty owners in the development and domestic production of energy and other mineral resources; and (8) the making of distributions to organizations that qualify as exempt organization under Section 501 (c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law). To receive and administer funds for such purposes, all for the common interest of royalty owners, and for no other purposes and to that end to take and hold, by bequest, devise, gift, purchase, or lease any property, real, personal, or mixed; to sell, convey, and dispose of any such property and to invest and reinvest the principal thereof and to deal with and expend the income therefrom for any of the before-mentioned purposes, without limitation, except the disposition of the income or its principal to any person or organization other than for the foregoing purposes; and, in general to exercise any, all, and every power for which a non-profit corporation organized under the applicable provisions of the Oklahoma General Corporation Act can be authorized to exercise, but only to the extent the exercise of such powers are in furtherance of exempt purposes.

**SECTION 1.2 Principal Office.** The principal office for the transaction of the business of the corporation is hereby fixed and located at:

NATIONAL ASSOCIATION OF ROYALTY OWNERS, INC.  
15 W. 6<sup>th</sup> Street  
Suite 2626  
Tulsa, Oklahoma 74119

The Board of Directors is hereby granted full power and authority to change said principal office from one location to another. Any such change shall be noted in the By-Laws by the Secretary, opposite this section, or this section may be amended to state the new location.

**SECTION 1.3 Other Offices.** Branch or subordinate offices may be established by the Board of Directors at any time, any place or places where the corporation is qualified to do business or the business of the corporation may require.

**SECTION 1.4 Parliamentary Code.** The current edition of the *Standard Code of Parliamentary Procedure* by Alice Sturgis shall be the governing outline of any business meeting of this corporation, except as otherwise agreed by a majority of those present and voting.

## ARTICLE II Members

**SECTION 2.1 Eligibility for Membership.** The Incorporators stated in the Certificate of Incorporation and the members of the former organization known as the NATIONAL ASSOCIATION OF ROYALTY OWNERS, INC., originally organized under the laws of Oklahoma on June 19, 1980, shall be the initial Members of the Corporation. The initial Membership shall expire at the end of the Corporation's first fiscal year. Annual membership shall be automatically extended to any person or organization who pays the membership dues established by the Board of Directors, from time to time, to the Corporation and demonstrates a commitment to the purposes of the Corporation. Such annual Membership shall commence as of the day of such dues are paid and continue until the end of the fiscal year in which such minimum contribution is made.

**SECTION 2.2 Place of Meetings.** All annual meetings of Members and all other meetings of Members shall be held either at the principal office of the corporation or at any other place within or without the State of Oklahoma as may be designated either by the Board of Directors pursuant to authority thereafter granted to said Board or by the written consent of at least one-third (1/3) of the Members entitled to vote at such meeting, given either before or after the meeting and filed with the Secretary of the Corporation.

**SECTION 2.3 Annual Meetings.** An annual meeting of Members will be conducted each year. Any such annual meeting may be held at any time which may be designated in a resolution by the Board of Directors or by the written consent of at least one-third (1/3) of the Members entitled to vote at such meeting. At such annual meeting, directors shall be elected, reports of the affairs of the corporation shall be considered, and any other business may be transacted which is within the powers of the Members to transact and which may be properly brought before the meeting.

Written notice of each annual meeting shall be given to each Member entitled to vote, either personally or by mail or other means of written communication, charges prepaid, addressed to such Member at this address appearing on the books of the corporation or given by him to the corporation for the purpose of notice. If a Member gives no address, notice shall be deemed to have been given him if sent by mail or other means of written communication addressed to the place where the principal office of the corporation is situated, or if published at least once in some newspaper of general circulation in the county in which said office is located. All such notices shall be sent to each Member entitled thereto not less than ten (10) nor more than sixty (60) days before each annual meeting. Such notices shall specify the place, the day and the hour of such meeting and shall state such other matter, if any, as may be expressly required by statute.

**SECTION 2.4 Special Meetings.** Special meetings of the Members for any purpose or purposes, unless otherwise prescribed by statute, may be called at any time by the President, or by resolution of the Board of Directors, or by at least one-third (1/3) of the Members, or such meeting may be held at any time without call or notice upon unanimous consent of all Members. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner and pursuant to the same notice provisions as for annual meetings of Members. Notices of any special meeting shall state, in addition to the place, day and hour of such meeting, the purpose or purposes of the meeting. Business transacted at any special meeting of Members shall be limited to the purposes stated in the notice.

Upon request being made by written notice to the President, or in the President's absence or disability to any Vice- President, or in the absence of a Vice- President, to the Secretary, by any person or persons herein empowered to call a special meeting, if such office is the Secretary, he shall give notice to the Members, or if such officer is other than the Secretary, he shall cause the Secretary, to give notice to the Members that such meeting has been called for the purpose or purposes stated in such request and is to be held at a specified time, which time as fixed by such officer shall not be less than ten (10) days nor more than sixty (60) days after the receipt of such request. If notice of such meeting be not given to the Members within seven (7) days after the receipt of such request, such person or persons making such request may fix the time of such special meeting and give notice thereof in the same manner as herein provided for notice of special meetings of Members.

**SECTION 2.5 Voting List.** The officer or agent who has charge of the Membership list of the corporation shall, before each Members' meeting, prepare, as of forty-eight (48) hours prior to the convening of such meeting, a list of all Members entitled to vote at such meeting, arranging the names alphabetically. Such officer or agent shall produce such list and shall keep it open either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held during the business hours of at least one (1) full day immediately preceding the convening thereof and until the close of such meeting, and it shall be subject to inspection at any time during such period by any member or person representing a Member.

**SECTION 2.6. Quorum.** Two percent (2%) of members entitled to vote shall constitute a quorum at all meetings of the Members for the transaction of business, except as otherwise provided by statute or the Certificate of Incorporation of the corporation. When a

quorum is present at any meeting, a majority of the Members present and entitled to vote shall decide any question brought before such meeting. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

**SECTION 2.7. Adjourned Meeting and Notice Thereof.** Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the Members who are either present in person or represented by proxy thereat, but in the absence of a quorum no other business may be transacted at such meeting.

When any Members' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as aforesaid, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement at the meeting at which such adjournment is taken.

**SECTION 2.8. Order of Business.** The order of business at the annual meeting, and so far as practicable at all other meetings of the Members, shall be as follows:

- (a) Calling meeting to order;
- (b) Calling of roll of states;
- (c) Proof of notice of meeting;
- (d) Reading of any unapproved minutes;
- (e) Reports of officers with the Treasurer's Report to include a compilation of the Financial Statements of the corporation for the preceding fiscal year;
- (f) Reports of committees;
- (g) Introduction of next year's directors and officers;
- (h) Unfinished business;
- (i) New business; and
- (j) Adjournment.

**SECTION 2.9. Voting.** At each meeting of Members, each Member present in person shall be entitled to one (1) vote per membership, if said Membership extended to either the record date fixed for such meeting by the Board of Directors, or the date of such meeting if a record date for such meeting has not been fixed by the Board of Directors. The voting at all meetings of Members may be via voice but 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 Member voting. Members may not vote by proxy.

**SECTION 2.10. Consent of Absentees.** The transaction of any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had at a meeting 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.

**SECTION 2.11. 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 By-Laws may be taken at a meeting of the Members, may be taken without a meeting, without prior notice and without a vote if a Consent in writing be signed by members 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 members having a right to vote thereon were present and voted, and such 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.

**SECTION 2.12. Inspections of Election.** In advance of any meeting of Members, the Board of Directors may appoint Inspectors of Election to act at such meeting or any adjournment thereof. If Inspectors of Election be not so appointed, the President of any such meeting may, and on the request of any Member, make such appointment at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more Members, the majority of Members present shall determine whether one or three inspectors are to be appointed. In case any person appointed as inspector fails or refuses to act, the vacancy may be filled by appointment by the Board of Directors in advance of the meeting, or at the meeting by the President. An inspector need not be a Member of the corporation, but no person who is a candidate for office of the corporation shall act as an inspector.

The duties of such inspectors shall include: determining the number of Members outstanding and the voting power of each, the Members represented at the meeting, the existence of a quorum; receiving votes, ballots or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining the result; and doing such acts as may be proper to conduct the election or vote with fairness to all Members. The inspectors of the election shall perform their duties impartially in good faith, to the best of their ability, and as expeditiously as is practical. If there be three inspectors, the decision, act or certificate of a majority shall be effective in all respects as the decision, act or certificate of all.

### **ARTICLE III Directors**

**SECTION 3.1. Powers.** Subject to limitations of the Certificate of Incorporation, of the By-Laws and of the laws of the State of Oklahoma as to action to be authorized or approved by the Directors, and subject to the duties of directors as prescribed by the By-Laws, 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; to wit,

First: To select and remove all officers, agents and the Executive Director of the corporation, prescribe such powers and duties for them as may not be inconsistent with law, with the Certificate of Incorporation or the By-Laws and fix their compensation.

Second: To designate any place within or without the State of Oklahoma for the holding of any meeting or meetings; and to adopt, make and use a corporate seal.

Third: To authorize the receipt of contributions as provided in the Articles of Incorporation.

Fourth: To borrow money and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefore.

**SECTION 3.2. Number, Election and Term of Office.** The number of Directors which shall constitute the whole Board shall be not less than three (3) and not more than twenty-four (24). The initial Board shall be composed of the Incorporators. Subject to the foregoing limitation, the Directors at any meeting shall determine the number that shall constitute the Board and the number so determined shall remain fixed until changed at a subsequent meeting. The Directors may designate classes of Directors whose staggered terms commence on January 1 of the year following their election and expire on December 31 of the year that ends his or her respective term, which is one, two or three years thereafter, and may designate which Directors shall be elected to each respective class.

Directors shall be elected by majority vote of the general membership by mailed ballot. Not less than ninety (90) days prior to the regular annual meeting, ballots listing names of candidates for Board of Directors shall be sent to all members in good standing and shall provide instructions on voting procedures. Information concerning qualifications of candidates shall be included with the ballot. A place for write-in candidates shall be provided. Each member may cast only one vote per vacancy. The ballot must be postmarked and returned to the Corporation by the date specified on the ballot or they will not be valid. Members shall have twenty (20) days from the date the ballots are mailed in which to return the ballots. Directors may serve up to two consecutive elected terms. After a year from termination as a Director, a former director may be eligible for reelection to the Board. All directors shall hold office until their respective successor's term begins. The elected president of any state NARO organization and the Chairperson of the National Legislative Council shall be designated as Director during the term of office within the respective state organization or National Legislative Council. New state NARO organizations shall have a voting seat on the Board of the National Association of Royalty Owners after the Certification of Incorporation and Tax Identification are issued to the state organization and upon authorization by the sitting Board of the National Association of Royalty Owners as a recognized state NARO organization.

From time to time the Directors may designate one or more persons, who have demonstrated significant support for the programs and mission of the organization, as Advisors of the corporation. Advisors shall have neither responsibility to attend meetings nor provide counsel to the corporation and shall be without voting power.

**SECTION 3.3. Vacancies.** Vacancies in the Board of Directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until a successor is elected at an annual or special meeting of the Directors.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any director, or if the authorized number of directors be increased, or if the Directors fail, at any annual or special meeting of Directors at which any director or directors are elected, to elect the full authorized number of directors to be voted for at that meeting.

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

**SECTION 3.4 Resignations.** Any director may resign at any time by giving notice of resignation to the Board or President of the Board or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. If the Board of Directors accepts the resignation of a director rendered to take effect at a future time, the Board shall have power to elect a successor to take office when the resignation is to become effective.

**SECTION 3.5 Removal.** The entire Board of Directors or any individual director may be removed from office with or without cause by a majority vote of Directors at any regularly scheduled or special meeting of the Board of Directors.

**SECTION 3.6 When Board May Declare Vacancies.** The Board of Directors shall declare vacant the office of a director if declared of unsound mind by an order of court or convicted of a felony, or may do so within sixty (60) days after notice of election if the director does not accept such office in writing or does not attend a meeting of the Board of Directors.

**SECTION 3.7 Place of Meeting.** Regular meetings of the Board of Directors shall be held at any place within or without the State of Oklahoma which has been designated from time to time by resolution of the Board or by written consent of all Directors. In the absence of such designation, regular meetings shall be held at the principal office of the corporation. Special meetings of the Board may be held either at a place so designated or at the principal office.

**SECTION 3.8 Regular Meetings.** A regular meeting of the Board of Directors shall be held periodically according to a schedule approved by the Directors, from time to time and no notice of such scheduled meeting to the elected directors shall be necessary in order to legally constitute the meetings, provided a majority of the whole Board shall be present. If a

majority of the Board shall not be present, then such regular annual meeting may be held at such time as fixed by the consent, in writing, of all of the directors. Other regular meetings of the Board may be held without notice at such time as shall from time to time be determined by the Board.

Prior to the annual convention of the Corporation, a meeting of the Board of Directors who will serve the following year shall be held for the sole purpose of election of Officers of the Corporation for the following year and to schedule regular meetings of the Board of Directors for the following year.

**SECTION 3.9 Special Meetings.** Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President or, if he is absent, unwilling, or unable to act, by the Vice-President or by any two directors. No business shall be considered at any special meeting other than the purposes mentioned in the notice given to each director of the meeting, except upon the unanimous consent of all directors.

**SECTION 3.9.1 Executive Session.** The Board of Directors may adjourn to Executive Session as required.

**SECTION 3.10 Notice of Special Meetings.** Notice of the time, place and the purposes of all special meetings shall be given orally or in writing to each Director. In case such notice is mailed, it shall be deposited in the United States Mail in the place in which the principal office of the corporation is located at least seven (7) days prior to the time of the holding of the meeting, charges prepaid, addressed to the director at their last known address. In case such notice is delivered orally in person, by fax, email and/or other telephonic devices, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting.

**SECTION 3.11 Waiver of Notice.** Any actions taken or approved at any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding 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. If a director does not receive notice of a meeting, but attends and participates in the meeting, he shall be deemed to have waived notice of the meeting.

**SECTION 3.12 Quorum.** At all meetings of the Board, a quorum shall consist of a majority of the entire number of directors and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors except as may be otherwise specifically provided by statute or by the Articles of Incorporation or by these By-Laws and except to adjourn as hereinafter provided.

**SECTION 3.13 Adjournment.** A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum a majority of the directors present at any directors' meeting, either regular or special, may adjourn to a later date but may not transact any business until a quorum has been secured. At any adjourned meeting at which a required number of directors shall be present,

any business may be transacted which might have been transacted at the meeting as originally notified.

**SECTION 3.14 Notice of Adjournment.** Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

**SECTION 3.15 Fees and Compensation.** Directors and members of committees may not receive compensation for their services provided that they may receive such reimbursement for expenses, as may be fixed or determined by resolution of the Board.

**SECTION 3.16 Action without Meeting.** Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a record or memorandum thereof be made in writing and signed by all directors. Such record or memorandum shall have the same effect as a meeting of the Board of Directors and shall be filed with the Secretary of the corporation and made a part of the corporate records.

**SECTION 3.17 Distance Meetings.** Members of the Board of Directors and committees may participate in a meeting of such Board or committee by means of conference telephone or similar electronic 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.

**SECTION 3.18. Proxies or Designees.** Any Director entitled to vote or execute consents shall have the right to do so either in person or by an agent authorized by proxy. A Director can hold only one proxy per meeting. The appointment of a proxy shall be in writing, shall be specific to a meeting or event, and shall be signed and dated by the Director but shall require no other attestation and shall be filed with the Secretary of the corporation at or prior to the meeting. The authority of a proxy may be terminated at will, death or incapacity. The proxy's authority shall cease upon the adjournment or conclusion of the named meeting or event. The termination of a proxy's authority by act of the Director shall, subject to the time limitation herein set forth, be effective until written notice of the termination has been given to the Secretary of the corporation. Unless otherwise provided therein, an appointment filed with the Secretary shall have the effect of revoking all proxy appointments of prior date.

An elected president of any state NARO organization shall have the right in lieu of appointing an agent by proxy to appoint an officer from their respective state's board as their designee at a National Board meeting. The appointment of a designee shall be in writing, shall be specific to a meeting or event, and shall be signed and dated by the state president but shall require no other attestation and shall be filed with the secretary of the corporation at or prior to the meeting.

## **ARTICLE IV**

### **Committee Chairs and Committees of Directors**

**SECTION 4.1 Designation.** The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or

more of the Directors or Advisors of the corporation, which to the extent provided in the resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, except where action of the Board of Directors is required by law. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Directors, Officers and Advisors may serve as Committee Chairs.

**SECTION 4.2 Nominating Committee.** The Board of Directors shall appoint a Nominating Committee consisting of five members. The current President, Vice President, Secretary and Treasurer shall each appoint one member of the current Board of Directors to the Nominating Committee, with the limitation that they may not appoint themselves. The Nominating Committee shall elect its own chair.

The Nominating Committee shall be responsible for proposing a person for each vacancy of Director to be elected prior to the annual convention of the Corporation. The Nominating Committee shall also be responsible for proposing candidates for election as officers of the Corporation consistent with the qualifications for each office as set out in the Bylaws herein. In the event of vacancies on the Board of Directors or a vacancy in office because of death, resignation, removal, disqualification or any other cause between annual meetings of the Corporation, the Nominating Committee shall propose replacement Directors and/or officers for election by the Board of Directors to serve the term vacated.

## **ARTICLE V Officers**

**SECTION 5.1 Officers.** The officers of the corporation shall be a President, Immediate Past President, Vice-President, a Secretary and a Treasurer. The corporation may also have, at the discretion of the Board of Directors, one or more Vice-Presidents, an elected delegate or representative to any network, council or organization of similar organizations of which this Corporation may affiliate, upon approval of the Board of Directors, from time to time and such other officers as may be appointed in accordance with the provision of Section 3 of this Article. One person may hold two or more offices; provided, however, that no person shall at the same time hold the offices of President and Secretary. In order to qualify to serve as an officer of the corporation, the candidate must be an elected member of the Board of Directors provided, however, that an officer shall continue to hold office until he or she is removed or his or her respective successor's term begins, notwithstanding an earlier termination of office as director. In such event, said officer shall continue to serve on the Board of Directors and have all rights and privileges afforded to Directors.

**SECTION 5.2 Election or Appointment.** The officers of the corporation, except the Immediate Past President and such officers as may be elected or appointed in accordance with the provisions of Section 3 or Section 5 of this Article, shall be elected annually prior to the annual convention of the Corporation at the meeting of the Board of Directors who will serve the following year. Such meeting is set out in Section 3.8 above. The term of office shall commence on 1 January of the following year and end on 31 December. Each officer shall hold office until the officer shall resign or shall be removed or otherwise disqualified to serve, or his or her successor's term begins.

**SECTION 5.3 Subordinate Officers.** The Board of Directors may appoint, and may empower the President to appoint, such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the Board of Directors may from time to time determine.

**SECTION 5.4 Removal and Resignation.** Any officer may be removed, either with or without cause, by the Board of Directors, at any regular or special meeting thereof, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving notice to the Board of Directors, or to the President, or to the Secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**SECTION 5.5 Vacancies.** A vacancy in office because of death, resignation, removal, disqualification or any other cause shall be filled by vote of a majority of directors.

**SECTION 5.6 President.** The President shall be subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation, including;

- (a) The President shall preside at all meetings of the Board of Directors.
- (b) The President may sign or countersign, as may be necessary, all such bills, notes, checks, contracts and other instruments as may pertain to the ordinary course of the corporation's business and. The President shall, with the Secretary, sign the minutes of all directors' meetings over which he may have presided.
- (c) The President may execute bonds, mortgages and other contracts requiring a seal under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.
- (d) The President shall be a member of the Board of Directors and an ex-officio member of all standing committees, including the Executive Committee, if any; and shall have such usual powers and duties of supervision and management as may pertain to the office of the President and shall have such other powers and duties as may be prescribed by the Board of Directors or the By-Laws.

**SECTION 5.7 Vice-President.** In the absence or disability of the President, the Vice-Presidents, if any, in order of their rank as fixed by the Board of Directors or, if not ranked, the Vice-President designated by the Board of Directors, shall perform all the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice-President shall have such other powers and perform

such other duties as from time to time may be prescribed for them respectively by the Board of Directors or the By-Laws.

**SECTION 5.8 Secretary.** The Secretary shall keep or cause to be kept, at the principal office of the corporation or such other place as the Board of Directors may order, a book of minutes of any meetings of directors, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings and the proceedings thereof.

The Secretary shall give, or cause to be given, notice of any meetings of the Board of Directors required by the By-Laws or by law to be given, and shall keep the seal of the corporation in safe custody. The Secretary shall also sign, with the President, Executive Director or Vice-President, all contracts, deeds, licenses and other instruments when so ordered. The Secretary shall make such reports to the Board of Directors as they may request and shall also prepare such reports and statements as are required by the laws of the State of Oklahoma and shall perform such other duties as may be prescribed by the Board of Directors or by the By-Laws. The Secretary shall attend to such correspondence and perform such other duties as may be incidental to the office or as may be properly assigned by the Board of Directors.

The Assistant Secretary or Secretaries, if any, shall perform the duties of the Secretary in the case of absence or disability and such other duties as may be specified by the Board of Directors.

**SECTION 5.9 Treasurer.** The Treasurer shall oversee the maintenance, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including account of its assets, liabilities, receipts, disbursements, gains, losses and contributions. The books of account shall at all reasonable times be open to inspection by any director.

The Treasurer shall verify deposits of all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. The Treasurer shall oversee and verify disbursement of funds of the corporation as may be ordered by the Board of Directors, shall render to the President and directors, whenever they request it, an account of all transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

The Assistant Treasurer or Treasurers, if any, shall perform the duties of the Treasurer in the event of absence or disability and such other duties as the Board of Directors may determine.

**SECTION 5.10 Executive Director.** The Board of Directors may, from time to time, designate a person as Executive Director of the organization. The Executive Director shall be an employee of the Corporation. No employee of the Corporation shall be a member of the Board of Directors or an officer of the Corporation nor shall they have voting rights on the Board or any committee. The Executive Director shall have general overall supervision of the day-to-day operations and business of the Corporation. The Executive Director's

responsibilities shall include, without limitation, the following: (a) acting as the representative of the corporation to the public as well as to governmental and volunteer organizations; (b) making policy proposals to the Board of Directors; (c) developing and proposing to the Directors long range plans and budgets for the Corporation; (d) overall responsibility for corporate management; and (e) reporting to the Board of Directors of the performance of corporate functions:

- (e) The Executive Director may sign or countersign, as may be necessary, all such bills, notes, checks, contracts and other instruments as may pertain to the ordinary course of the corporation's business.
- (f) The Executive Director may execute bonds, mortgages and other contracts requiring a seal under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.
- (g) At the annual meeting, the Executive Director shall submit a complete report of the operations of the corporation's affairs as existing at the close of each year and shall report to the Board of Directors from time to time on such matters coming to the chief executive officer's attention and relating to the interest of the corporation as should be brought to the attention of the Board.
- (h) The Executive Director shall be responsible for all personnel matters of the Corporation including but not limited to hiring and firing employees.

The Executive Director shall be an *ex officio* member of all committees that may be from time to time elected or appointed. The Executive Director may sign with any officer properly authorized by the Certificate of Incorporation, By-Laws or the Board of Directors of the Corporation any deeds, mortgages, bond, contracts or other instruments that have been authorized to be executed on behalf of the Corporation. In general, the Executive Director shall perform all duties incident to the function of the Executive Director and such other duties as may be prescribed by the Board of Directors from time to time.

**SECTION 5.11 Delegation of Duties.** In case of the absence or disability of any officer of the corporation or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may, by a vote of a majority of the whole Board, delegate, for the time being, the powers or duties, or any of the, of such officer to any other officer or to any director.

## **ARTICLE VI Execution of Instruments**

**SECTION 6.1 Contracts.** The Board or any committee thereunto authorized may authorize any officer or officers, agent or agents, to enter into any contract or to execute and

deliver in the name and on behalf of the corporation any contract or other instrument, and such authority may be general or may be confined to specific instances.

**SECTION 6.2 Checks and Drafts.** All checks, drafts or other orders for the payment of money, notes, acceptances or other evidences of indebtedness issued by or in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall be determined from time to time by resolution of the Board.

**SECTION 6.3 Deposits; Bank Accounts.** All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board may from time to time designate or as may be designated by an officer or officers of the corporation to whom such power of designation may from time to time be delegated by the Board. The Board may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these By-Laws, as it may deem expedient. Unless otherwise provided by resolution of the Board, endorsements for deposit to the credit of the corporation in any of its duly authorized depositories may be made by hand-stamped legend in the name of the corporation or by written endorsement of any officer without countersignature.

**SECTION 6.4 Loans.** No loans shall be contracted on behalf of the corporation unless authorized by the Board, but when so authorized, unless a particular officer or agent is directed to negotiate the same, may be negotiated, up to the amount so authorized, by the President or a Vice-President or the Treasurer; and such officers are hereby severally authorized to execute and deliver in the name and on behalf of the corporation notes or other evidences of indebtedness countersigned by the President or a Vice-President for the amount of such loans and to give security for the payment of any and all loans, advances and indebtedness by hypothecating, pledging or transferring any part or all of the property of the corporation, real or personal, at any time owned by the corporation.

**SECTION 6.5 Sale or Transfer of Securities Held by the Corporation.** Stock certificates, bonds or other securities at any time owned by the corporation may be held on behalf of the corporation or sold, transferred or otherwise disposed of pursuant to authorization by the Board, or of any committee thereunto duly authorized, and when so authorized to be sold, transferred or otherwise disposed of, may be transferred from the name of the corporation by the signature of the President or Vice-President and the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary.

## **ARTICLE VII Miscellaneous**

**SECTION 7.1 Fiscal Year.** The fiscal year of the corporation shall be determined by the Board.

**SECTION 7.2 Inspection of Corporation Records.** The books of account, copy of the By-Laws as amended certified by the Secretary, and minutes of proceedings of the directors and of the Executive and other committees of the directors shall be open to inspection upon the written demand of any Director, at any reasonable time, and for a purpose

reasonably related to their interests as a Director and shall be exhibited at any time when required by the demand of ten percent (10%) of the Directors represented at any meeting. Such inspection may be made in person or by an agent or attorney and shall include the right to make extracts. Demand of inspection other than at a Directors' meeting shall be made in writing upon the President, Secretary or Assistant Secretary of the corporation.

## **ARTICLE VIII Notices**

**SECTION 8.1 Forms of Notices.** Whenever, under the provisions of these By-Laws, notice is required to be given to any director, officer or Member, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, by depositing the same in the United States Mail in a postpaid sealed wrapper, addressed to such director, officer or Member at such address as appears on the books of the corporation, or, in default of other address, to such director, officer or Member at the general post office in the city where the corporation's principal office for the transaction of business is located, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

**SECTION 8.2 Waiver of Notice; Attendance at Meeting.** Any Member, director or officer may waive any notice required to be given under these By-Laws by a written waiver signed by the person, or persons, entitled to such notice, whether before or after the time stated therein, and such waiver shall be deemed equivalent to the actual giving of such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

## **ARTICLE IX Conflicts of Interest**

**SECTION 9.1 Voting by Director or Committee Member.** No director or committee member shall vote on any matter that would involve a conflict of interest.

**SECTION 9.2 Definition of Conflict of Interest.** A director or committee member shall be deemed to have a conflict of interest in any matter involving a partner, business associate, immediate family member, or a facility or association in which the director has any monetary interest. Determination of other cases of conflicts of interest shall be made by the Board in accordance with Section 9.3 hereof.

**SECTION 9.3 Announcing Conflicts of Interest.** Whenever a director or committee member has cause to believe that a matter to be voted upon would involve that director in a conflict or possible conflict of interest, the director shall announce the conflict of interest and shall abstain from voting on such a matter. The question of whether an actual conflict exists shall be decided by a majority vote of the directors or the committee in which the member having the conflict or possible conflict of interest is serving. Any other directors or committee members present who have already been disqualified from voting on the issue because of their

own similar conflicts of interest shall be excluded from voting on the determination of the existence of any such conflict of interest.

**SECTION 9.4 Raising Conflicts of Interest.** Any other person may raise a question of conflict of interest or possible conflict of interest with respect to any director or committee member present.

**ARTICLE X  
Liability and Indemnification  
Of Directors and Officers**

Each director, officer, and committee member of the Organization now or hereafter serving as such, shall be indemnified by the Organization against any and all claims and liabilities to which he has or shall become subject by reason of any action alleged to have been taken, omitted, or neglected by him as such director or officer; and the Organization shall reimburse each such person for all legal expenses reasonably incurred by him in connection with any such claim or liability, provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with, any claims rising out of their own willful misconduct, gross negligence, or criminal acts. The amount paid to any officer or director by way of indemnification shall not exceed their actual, reasonable, and necessary expenses incurred in connection with the matter involved.

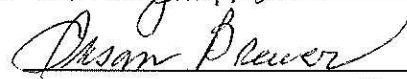
The right of indemnification herein above provided for shall not be exclusive of any rights to which any director or officer of the Organization may otherwise be entitled by law.

**ARTICLE XI  
Amendment**

These bylaws may be amended by two-third's vote of the board provided at least 10 day's notice of the amendment has been provided to all board members. The membership shall also retain the right to amend these bylaws by two-thirds (2/3) vote at any annual or special membership meeting provided 30 days notice has been provided to all members.

**ARTICLE XII  
Approval**

The foregoing By-Laws, after having been read article by article, were adopted by the Directors and certified by the Secretary of the NATIONAL ASSOCIATION OF ROYALTY OWNERS, INC. at the Board meeting held on the 22<sup>nd</sup> day of Jan. 2010.

  
\_\_\_\_\_  
Secretary

APPROVED:

  
\_\_\_\_\_  
President

