

BYLAWS OF THE
SOUTHEAST DESALTING ASSOCIATION
A NONPROFIT CORPORATION

These Bylaws constitute the code of rules adopted by the
SOUTHEAST DESALTING ASSOCIATION
for the regulation and management of its affairs

ARTICLE I

NAME

The name of this Corporation shall be the SOUTHEAST DESALTING ASSOCIATION and is hereinafter referred to as the Corporation.

ARTICLE II

OFFICES

Section 1. Principal Office.

The principal office for the transaction of the activities and affairs of the Corporation is located at 354 NW Alice Ave. Stuart, Florida 34994. The Board of Directors may change the location of the principal office from one location to another. Any such change of this location shall be noted by the Secretary on these Bylaws opposite this section, or this section may be amended to state the new location.

Section 2. Other Offices.

The Board of Directors may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to do business.

ARTICLE III

OBJECTIVES AND PURPOSES

Section 1. Mission Statement

The Southeast Desalting Association (SEDA) was formed in 1994 and later became an affiliate of the American Membrane Technology Association (AMTA). SEDA is dedicated to the improvement of all forms of water supplies utilizing membrane treatment technologies. The Association includes members concerned with plant operations and maintenance, environmental regulations and legislation, process design, equipment manufacture and research and development.

SEDA's objectives are to promote education and technologies that improve potable water and treated wastewater quality, training and certification of plant operation personnel, effective communication with our membership, development of a meaningful interface with regulatory agencies, technology transfer, and the protection of the environment.

It is the goal of SEDA to keep membership informed of the newest technologies of membrane treatment including too but limited to for groundwater, surface water, seawater and wastewater.

SEDA is committed to the advancement of its objectives throughout the Southeastern United States region including but not limited to North Carolina, South Carolina, Virginia, West Virginia, Georgia, Mississippi, Alabama, Tennessee, Florida, and Kentucky, within the limits of its resources.

ARTICLE IV

MEMBERSHIP

Section 1. Classes and Qualifications.

The Corporation shall have Four divisions of membership: (1) Division One, (2) Division Two, (3) Division Three, and (4) Division Four. Division One members shall be organizations and agencies of national, state and local levels of government, and utilities or industries (whether public or private) which engage in supplying water to community water systems or their users. Division Two members shall be companies, or organizations engaged in furnishing equipment, material or professional services used by community or industrial water systems in their projects or operations. Division Three members shall be individuals interested in the objectives and programs of the Corporation. Division Four members shall be individuals whom have been designated as an honorary life-time member or administrative personnel engaged in working for and paid by the Corporation. All Division Four members will not be required to pay dues to the Corporation.

Section 2. Admission.

An applicant shall be admitted to membership upon acceptance of his or her application by the Board of Directors and payment of such dues and fees as may be fixed by the Board of Directors from time to time.

Section 3. Fees, Dues and Assessments.

Each member in good standing must pay, within the time and on the conditions set by the Board of Directors, any fees and annual dues in such amounts as are fixed from time to time by the Board of Directors. The dues and fees shall be equal for all members of each subdivision within each division but the Board of Directors may set different fees and dues for different subdivisions or divisions. Division One and Division Two may assign memberships if changes occur during the year. Division Three and Division Four are non-assignable and stay with the individual member.

Section 4. Membership Book.

The Corporation shall keep a membership file containing the names and addresses of each member. Termination of the membership of any member shall be recorded, together with the date on which said membership ceased. Such files shall be kept at the Corporation's principal office and shall be available for inspection by any member of the Corporation during regular business hours, upon five (5) business days prior written demand upon the Corporation, stating the purpose for which the inspection rights are requested.

Section 5. Non-Liability of Members.

No member of this Corporation (including Board Members) shall be personally liable for the debts, liabilities, or obligations of the Corporation.

Section 6. Termination of Membership.

- (a) Causes of Termination. The membership of any member shall terminate upon occurrence of any of the following events:
 - (i) The resignation of the member.
 - (ii) The failure of a member to renew his or her membership for the following year by paying annual dues within the times set forth by the Board of Directors.

- (iii) The occurrence of any event which renders such member ineligible for membership, provided that termination for such cause shall take effect only upon expiration of the period (not to exceed one year) for which such member's current membership runs.
 - (iv) The determination by the Board of Directors or a committee designated to make such determination that the member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the interests of the Corporation.
- (b) Procedure for Expulsion. Following the determination that a member should be expelled under subparagraph 6(a) (iv) of this Article, the following procedure shall be implemented:
- (i) A notice shall be sent by mail by prepaid, first class, or registered mail to the most recent address of the member as shown on the Corporation's records, setting forth the expulsion and the reasons therefore. Such notice shall be sent at least fifteen (15) days before the proposed effective date of the expulsion.
 - (ii) The member being expelled shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not fewer than five (5) days before the effective date of the proposed expulsion. The hearing will be held by a special member expulsion committee composed of not fewer than three directors appointed by the President. The notice to the member of his or her proposed expulsion shall state the date, time, and place of the hearing on his or her proposed expulsion.
 - (iii) Following the hearing, the expulsion committee shall decide whether or not the member should in fact be expelled, suspended, or sanctioned in some other way. The decision of the committee shall be final.
 - (iv) Any person expelled from the Corporation shall not receive a refund of dues already paid.

- (v) Nothing herein shall establish or be deemed to constitute any vested right either to membership or a right of appeal.

Section 7. Transfer of Memberships.

Division One and Division Two Members may transfer the membership to another individual upon written request during the year. No Division Three or Division Four member may transfer a membership or any right arising from it since the membership is for that specific individual.

ARTICLE V

MEETINGS OF MEMBERS

Section 1. Place of Meeting.

Meetings of the membership shall be held at any place designated by the Board of Directors.

Section 2. Annual Meeting.

The annual meetings of members shall be held on such date and time as determined by the Board of Directors. At such meetings, Directors shall be introduced to the membership and any other proper business may be transacted. At the discretion of the Board of Directors, annual meetings may be held by mail.

Section 3. Special Meetings.

(a) Authorized Persons Who May Call. A special meeting of the members may be called at any time by any of the following: The President, any two (2) Officers, or any five (5) directors of the Corporation. Special meetings of the members may be called by five percent or more of the members.

(b) Calling Meetings by Members. If a special meeting is called by members, officers, or directors other than the President, the request shall be submitted by such members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail, electronic mail, or facsimile transmission to the , the President, or the Vice President, or the Secretary of the Corporation. The Secretary or his/her designee shall immediately confirm that the requisite number of members, officers, or directors have made such request and if he or she finds that the request was submitted by the requisite number and that they are in good standing, he or she shall immediately inform the officer who received the request. The officer receiving the request shall then cause notice to be promptly given to the members entitled to vote, in accordance with the provisions of Section 4 of Article V, that a meeting will be held, and the date for such meeting, which date shall be not less than thirty-five (35) or more than ninety (90) days

following the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the persons requesting the meeting may give the notice.

Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a meeting of members may be held when the meeting is called by action of the Board of Directors.

Section 4. Notice of Members' Meetings.

(a) General Notice Contents. All notices of meetings of members shall be sent or otherwise given in accordance with Subsection (c) of this Section of Article V not less than ten (10) nor more than ninety (90) days before the date of this meeting. The notice shall specify the place, date, and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, and no other business may in that case be transacted, or (ii) in the case of the annual meeting, those matters which the Board of Directors at the time of giving the notice, intends to present for action by the members.

(b) Notice of Certain Agenda Items. If action is proposed to be taken at any meeting for approval of any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s):

- (i) Removing a director without cause;
- (ii) Filling vacancies on the Board of Directors by the members;
- (iii) Amending the Articles of Incorporation;
- (iv) Voluntarily dissolving the Corporation.

(c) Manner of Giving Notice. Notice of any meeting of members shall be given either personally or by first-class mail, electronic or other written communication, charges prepaid, addressed to each member at the address of that member appearing on the books of the Corporation for the purpose of notice.

(d) Affidavit of Mailing Notice. An affidavit of the mailing or other means of giving any notice of any members meeting may be executed by the Secretary, Assistant Secretary, or any transfer agent of the Corporation giving the notice, and if so executed, shall be filed and maintained in the minute book of the Corporation.

Section 5. Quorum.

(a) Percentage Required. One-third (1/3) of the voting members shall constitute a quorum for the transaction of business at a meeting of the members.

(b) Loss of Quorum. The members present at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

Section 6. Adjourned Meeting.

Any members meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the voting members represented at the meeting but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in this Article.

Section 7. Notice of Adjourned Meeting.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. When a meeting is adjourned for less than thirty (30) days, it is not 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 the adjournment is taken.

Section 8. Voting

(a) Eligibility to Vote. Persons entitled to vote at any meeting of members shall be regular members as of the date determined in accordance with Section 11 of Article V.

(b) Manner of Casting Votes. Voting may be by voice or ballot, provided that any election of directors must be by ballot if demanded by any 10 members before the voting begins.

(c) Cumulative Voting. Cumulative voting for the election of directors or otherwise shall not be authorized. Elections shall be decided by majority vote and, except as otherwise herein specified, shall be governed by Robert's Rules of Order.

(d) Only Majority of Members Represented at Meeting Required, Unless Otherwise Specified. If a quorum is present, the affirmative vote of the majority of the members represented at the meeting, entitled to vote and voting on any matter (other than the election of directors) shall be the act of the members, unless the vote of a greater number or voting by classes is required by the Articles of Incorporation.

Section 9. Conduct of Meetings.

(a) Meetings of members shall be presided over by the President of the Corporation or, in his or her absence, by the highest ranked Vice President, or in the absence of all, by a Chairman chosen by majority of the members present. The Secretary of the Corporation shall act as Secretary of all meetings of members, provided that, in the Secretary's absence, the presiding officer shall appoint another person to act as Secretary of the meeting.

(b) Meetings shall be governed by Robert's Rules of Order as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with the Articles of Incorporation of this Corporation, or with law.

Section 10. Proxies.

(a) Rights of Members. Each member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the Secretary of the Corporation. A proxy shall be deemed signed if the member's name is placed on the proxy (whether by manual signature, typewriting, electronic transmission or otherwise) by the member or the member's attorney-in-fact.

(b) Form of Solicited Proxies. Any form of proxy distributed to ten (10) or more members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of related matters and shall provide, subject to reasonable specified conditions, that when the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification. In any election of directors, any form of proxy that a member marks "withhold" or otherwise marks in a manner indicating that authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director.

(c) General Nature of Subject of Proxy. Any proxy covering matters for which a vote of the members is required, including amendments of the Articles of Incorporation or Bylaws changing proxy rights; certain other amendments of the Articles of Incorporation; removal of directors without cause; filling vacancies on the Board of Directors; the sale, lease, exchange, conveyances, transfer, or other disposition of all or substantially all of the corporate assets, unless the transaction is in the usual and regular course of the Corporation's activities; the principal terms of a merger or the amendment of a merger agreement; or the election to dissolve the Corporation, shall not be valid unless the proxy sets forth the general nature of the matter to be voted on or, with respect to an election of directors, the proxy lists those who have been nominated at the time the notice of the vote is given to the members.

(d) Revocability. A validly executed proxy shall continue in full force and effect until (i) revoked by the member executing it, before the vote is cast under that proxy, (1) by a writing delivered to the Corporation stating that the proxy is revoked, or (2) by a subsequent proxy executed by that member and presented to the meeting, or (3) as to any meeting, by that member's personal attendance and voting at the meeting; or (ii) written notice of the death or incapacity of the maker of the proxy is received by the Corporation before the vote under that proxy is counted. No proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three (3) years from the date of execution. A proxy shall be irrevocable.

Section 11. Record Date for Member Notice, Voting, Giving Consents and Other Actions.

(a) To be Determined by Board of Directors. For the purposes of determining which members are entitled to receive notice of any meeting, to vote, to give consent to corporate action without a meeting, or to take any other action, the Board of Directors may fix, in advance, a "record date," which shall not be more than sixty (60) nor fewer than ten (10) days before the date of any such meeting. Only members of record on the date so fixed are entitled to notice, to vote, to give consents, or take other action, as the case may be, notwithstanding any transfer or any membership on the books of the Corporation after the record date, except as otherwise provided in the Articles of Incorporation, by agreement.

(b) Failure of Board to Determine Date.

(i) Record Date for Notice or Voting. Unless fixed by the Board of Directors, the record date for determining those members entitled to receive notice of, or to vote at, a meeting of members, shall be the next business day preceding the day on which notice is given, or, if notice is waived, the next business day preceding the day on which the meeting is held.

(ii) Record Date for Other Actions. Unless fixed by the Board of directors, the record date for determining those members entitled to take any other action shall be the date 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.

(iii) "Record Date" Means as of Close of Business. For purposes of this paragraph (b), a person holding membership as of the close of business on the record date shall be deemed the member of record.

Section 12. Voting Divisions.

Each member shall be entitled to cast one vote on all matters submitted to a vote of the members.

ARTICLE VI

ELECTION OF DIRECTORS

Section 1. Election and Term of Office.

Directors shall be elected or appointed for a term of two (2) years with approximately one-half of the total number elected or appointed each year; provided, however, that during the first full year subsequent to the adoption of these Bylaws, five (5) directors shall be elected for a term of one (1) year and four (4) directors shall be elected for a term of two (2) years. In addition, two (2) directors will be elected by the Board for a term of two (2) years. Each director that is not At-Large shall hold office until reelection or until a successor is elected or appointed and qualified. Directors that are not At-Large may serve only three (3) consecutive terms; however, there is no limitation to the number of terms a member can serve as a Director, provided that they continue to meet the qualifications required by these Bylaws. The (2) At-Large Directors who are Elected by the Board, are exempt from the requirements of not serving more than three (3) consecutive terms.

Section 2. Nominating and Elections Committee.

At least three months prior to the annual meeting of the members for each year, a Nominating and Elections Committee shall be recommended by the Chairman for the approval of the Board of Directors. Such committee shall consist of at least one representative from each division of membership of the Corporation. At least one but no more than two members of this committee shall be appointed from the immediately preceding nominating committee. This committee shall remain as constituted until dissolved or until a new committee has been named as herein provided. The persons nominated may include any directors who have held or who currently hold office. If the Board of Directors fails for any reason to appoint the committee within the time specified, it shall be the duty of the President to appoint the committee. Prior to the annual organizational meeting of the Board, the committee shall meet and propose a slate of directors for the next year. The Nominating and Elections Committee shall solicit suggestions for candidates from the membership. The Committee shall propose a slate including at least one name of an active member who is qualified for each office known to be vacant and will provide for mail ballot and for a write-in mechanism to assure the broadest participation in the selection of the Board. The Nominating and Elections Committee shall conduct the election and close the polls, tally the votes, and announce the results of the election at an appropriate function of the Corporation, or if the election has been conducted by mail ballot, by publication of the certified results in the Corporation Newsletter.

Section 3. Election by Mail.

Subject to the provisions of Section 4 of this Article, the annual election of directors shall be held by mail, including electronic mail, in which each member as of April 20, shall be sent a ballot no later than April 25, setting forth those persons nominated by the nomination committee as well as various blank spaces for write-in candidates. Following the closing date for the election, the Secretary will canvass the ballot and will certify the results of the elections to the Board of Directors. Those persons receiving the highest number of votes for each vacancy will be elected to the Board and shall take office at the following Board meeting. In the event the ballots cast result in a tie for any position, the Nominating and Elections Committee shall decide the winner and the decision of this Committee shall be final.

Section 4. Representation of Divisions.

Notwithstanding anything in the Bylaws to the contrary, ~~five (5)~~ four (4) directors shall be elected from individuals selected and recommended by the Division One members; ~~four (4)~~ three (3) directors shall be elected from individuals selected and recommended by the Division Two members; and ~~three (3)~~ two (2) directors shall be elected from the Division Three members. In addition, ~~three (3)~~ two (2) At-Large Division members shall be elected by the Board of Directors. These ~~three (3)~~ two (2) At-Large directors can only be filled by members who have been actively involved with the corporation and will only serve upon election of the Board of Directors. In the event the number of Directors is increased by Board action, the increase in the number of directors must equally affect each class of membership.

ARTICLE VII

DIRECTORS

Section 1. Number and Qualifications of Directors.

The authorized number of directors shall be such number as may from time to time be authorized by resolution of the Board of Directors or the members, until changed by amendment of the Articles or by a Bylaw duly adopted by the members, provided that such number shall not be less than nine (9) or more than fifteen (15). All of the elected directors shall be members of the Corporation at the time of their election.

Section 2. Powers.

(a) General Corporate Powers. Subject to the provisions and any limitations in the Articles of Incorporation and these Bylaws, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by, or under the direction of, the Board of Directors. The Board may delegate the management of the activities of the Corporation to any person or persons, management company, or committee however composed; provided, however, that the activities and affairs of the Corporation shall be exercised under the ultimate direction of the Board of Directors.

(b) Specific Powers. Without prejudice to these general powers, and subject to the same limitations, the Board of Directors shall have the power to:

(i) Select and remove all officers, agents, committee members and employees of the Corporation; and prescribe any powers and duties for them that are consistent with law, with the Articles of incorporation, and with these Bylaws.

(ii) Cause the Corporation to be qualified to do business in any other state, territory, dependency, or country where such qualification is necessary or required to accomplish the objectives and purposes of the Corporation and conduct business within or outside the State of Florida.

(iii) Adopt, make, use and alter the form of a corporate seal.

(iv) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

(v) Fix the compensation, if any, of officers, agents and employees of the Corporation.

Section 3. Vacancies.

(a) Events Causing Vacancies. Vacancies in the Board of Directors shall exist: (1) at the resignation, death or removal of any director; (2) whenever the number of directors authorized is increased; (3) upon the declaration by resolution of the Board of Directors of a vacancy in the office of a director who has been declared of unsound mind by an order of a court, convicted of a felony, or found to have breached a duty to the Corporation; or (4) upon the failure of any director, to attend four (4) successive or 50% of the meetings of the Board of Directors.

(b) Mandatory Vacancies. The Board of Directors must declare vacant the office of a director when (1) he or she is declared of unsound mind by an order of court or finally convicted of a felony; (2) he or she has been found by final order or judgment of a court to have breached any standards of conduct as set forth in Florida Corporation Act, Florida Statutes Chapter 607 et seq; or (3) if within sixty (60) days after his or her notice of appointment, he or she does not accept the office in writing or by attending a meeting of the Board of Directors.

(c) Filling Vacancies. Except for a vacancy created by the removal of a director by the members, vacancies on the Board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director. The members may fill any vacancy or vacancies not filled by the directors.

(d) Unexpired Term. A person appointed director to fill a vacancy as in this section provided shall hold office for the unexpired term of his or her predecessor or until his or her removal or resignation as provided in these Bylaws.

(e) Reduction in Authorized Directors. A reduction of the authorized number of directors does not remove any director prior to the expiration of his or her term of office.

Section 4. Restriction on Interested Directors.

Not more than twenty percent (20%) of the persons serving on the Board of directors at any time may be interested persons. An interested person is (1) any person being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise; and (2) any brother, sister, ancestor, descendant, spouse, brother-in-law, mother-in-law, or father-in-law of any such person. Reimbursement of expenses of a Director incurred on behalf of this Corporation and authorized by the Board of Directors in advance, shall not be considered compensation as the term is used in this Section. Any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Corporation.

Section 5. Place of Meetings.

Regular meetings of the Board of Directors may be held at any place that has been designated from time to time by the Board. Special meetings of the Board of Directors shall be held at any place that has been designated in the notice of the meeting.

Section 6. Annual Meeting.

Immediately following each annual meeting of the members, whether by mail or otherwise, the Board shall hold an annual meeting for the purpose of organization, election of officers and the transaction of other business. Call and notice of such annual meeting of the Board of Directors shall not be required.

Section 7. Other Regular Meetings.

Other regular meetings of the Board of Directors shall be held without call at such time and place as shall from time to time be set by the Board of Directors. Such regular meetings may be held without notice.

Section 8. Special Meetings.

(a) Authority to Call. Special meetings of the Board of Directors for any purpose may be called at any time by the President, any Vice President, the Secretary, or a majority of the directors.

(b) Notice.

(i) Manner of Giving. Notice of the time and place of special meetings shall be given either personally or by first-class mail, electronic, or other written communication, charges prepaid, addressed to each director at the address of that director appearing on the books of the corporation or the address given by the director for the purpose of receiving notice.

(ii) Time Requirements. Notices sent by first class mail shall be deposited into a United States mail box at least four (4) days before the time set for the meeting. Notices given by personal delivery, or electronic shall be delivered or given at least forty-eight (48) hours before the time set for the meeting.

(iii) Notice Contents. The notice shall state the time and place for the meeting and the business to be transacted. No other business shall be considered at such meeting.

Section 9. Quorum.

One-third (1/3) of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 12 of this Article. In determining the presence of a quorum, all directors present in person or by telephone shall be counted. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, including those provisions relating to (i) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (ii) appointment of Committees, and (iii) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 10. Adjournment.

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place as specified in the order of adjournment.

Section 11. Notice of Adjournment.

A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within twenty-four (24) hours after the time of adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings by resolution of the Board.

Section 12. Action Without Meeting.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in-writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 13. Fees and Compensation of Directors.

Directors and members of Committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by resolution of the Board of Directors to be just and reasonable.

ARTICLE VIII

OFFICERS

Section 1. Officers.

The officers of the Corporation shall be a President, a Secretary, and a Treasurer. The Corporation may also have, at the discretion of the Board of Directors, one or more ranked Vice Presidents, and such other officers as may be appointed in accordance with the provisions of Section 4 of this Article.

Section 2. Eligibility.

All officers of the Corporation must be Directors. No Officer may serve after their term as a director has expired unless as designated in Article VI.

Section 3. Election of Officers.

The officers of the Corporation, except those appointed in accordance with the provisions of Section 4 of this Article, shall be chosen by the Board of Directors, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment. Officers shall be selected and take office at the Board of Directors meeting following certification of election results as provided in Article VI 3.

Section 4. Subordinate Officers.

The Board of Directors shall appoint a Controller, who is not a member of the Board, and may appoint or may authorize the President or another officer to appoint, any other officers that the business of the Corporation may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined from time to time by the Board of Directors.

Section 5. Removal of Officers.

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors, at any regular or special meeting of the Board. In the case of an officer chosen by the Board of Directors pursuant to Section 4 of this Article, the Board of Directors may confer such power of removal on any officer.

Section 6. Resignation of Officers.

Any officer may resign at any time by given written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 7. Vacancies in Offices.

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these Bylaws for regular appointments to that office.

Section 8. Responsibilities of Officers.

(a) President. Subject to the control of the Board of Directors, the President shall be the general manager of the Corporation and shall supervise, direct, and control the activities, affairs and officers of the Corporation. The President shall preside at all meetings of the Board of Directors and the Executive Committee. The President shall have such other Powers and duties as may be prescribed by the Board of Directors or the Bylaws. The President may delegate such duties and assignments as desired to the other officers.

(b) Vice Presidents. 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, a 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 Presidents 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, the Chairperson of the Board or the President.

(c) Secretary. The Secretary shall attend to the following:

(i) Book of Minutes. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of directors, Committees of directors, and all standing Committees, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names oOf those present at such meetings, and-the proceedings of such meetings.

(ii) Notices, Seal and Other Duties. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors or Committees required by the Bylaws to be given. He or she shall keep the seal of the Corporation in safe custody. He or she shall have such other powers and perform such other duties as may be prescribed by the Board Of Directors or the Bylaws.

(d) Treasurer. The Chief Financial Officer shall attend to the following:

(i) Books of Account. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any director at all reasonable times.

(ii) Deposit and Disbursement of Money and Valuables. The Chief Financial Officer shall deposit or cause to be deposited all money 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; shall disburse or cause to be disbursed the funds of the Corporation as may be ordered by the Board of Directors; shall render or cause to be rendered to the President and directors, whenever they request it, an account of all transactions undertaken or caused to be undertaken in his or her capacity as Chief Financial Officer and of the financial condition of the Corporation.

(iii) Financial Statements for Annual Report. The Chief Financial officer shall prepare or cause to be prepared the financial statements to be included in the annual report. These financial statements shall be audited by an independent certified public accountant appointed by the Board of Directors, who shall render an opinion in conformance with generally accepted accounting standards and who shall provide the Board of Directors with a management letter addressing the fiscal operations of the Corporation. Until such time the annual gross revenues of the Corporation exceed \$400,000, the full audit requirement shall be waived due to the cost effectiveness of such a requirement. A management letter as described above shall be prepared and distributed regardless of the annual gross revenues generated.

(iv) Quarter Financial Statements. The Chief Financial Officer shall prepare or cause to be prepared quarterly unaudited financial statements addressing the fiscal operations of the Corporation. The Chief Financial Officer shall submit such financial statements to the Board of Directors for consideration together with such written explanation of the financial state of the Corporation as the Board may require.

(v) Other Duties. The Chief Financial Officer shall in general perform or cause to be performed all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be assigned from time to time by the Board of Directors.

(e) Staff. The Board may employ and the officers may delegate such functions as they deem appropriate to a paid staff.

ARTICLE IX

COMMITTEES

Section 1. Formation of Committees.

The Board of Directors may, by resolution adopted by a majority of the directors then in office, designate one or more Committees, each consisting of at least one director and a minimum of four (4) persons who are not directors, to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

(a) Take any final action on matters which, under the Nonprofit Corporation Law of Florida, also requires approval of a majority of the Board of Directors;

(b) Fill vacancies on the Board of Directors or in any committee which has the authority of the Board;

(c) Amend or repeal Bylaws or adopt new Bylaws;

(d) Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

(e) Appoint any other Committees of the Board of Directors or the members of these Committees; provided, however, that any committee may appoint such subcommittees or establish such advisory groups as are deemed necessary to accomplish the purposes and objectives of the committee;

(f) Approve any transaction: (1) to which the Corporation is a party and one or more directors have a material financial interest; or (2) between the Corporation and one or more of its directors; or (3) between the Corporation or any person in which one or more of its directors have a material financial interest.

Section 2. Meetings and Action of Committees.

Except as otherwise provided-in the Bylaws, meetings and action of Committees shall be governed by, and held and taken in accordance with, the provisions of Article VII of these Bylaws, concerning meetings of directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members; provided, however, that the time for regular meetings of Committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of Committees may also be called by resolution of the Board of Directors. Notice of special meetings of Committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

Section 3. Standing Committees.

The Standing Committees shall be Membership, Finance, Public Relations, Legislative, Program, Technology Transfer, and Operator Certification. Each Standing Committee shall be chaired by a director of the Corporation appointed by the President with the concurrence of the Board of Directors. A Standing Committee may draw its membership from among active members regardless of division of membership. Standing Committee membership shall be confirmed by action of the Board of Directors.

(a) Membership Committee. The Membership Committee shall seek and review applications for membership in the three division of membership of the Corporation, and shall make membership recommendations to the Board of Directors. The Membership Committee shall seek to obtain the widest possible participation in the Corporation among qualified applicants.

(b) Finance Committee. The Finance Committee shall prepare and suggest for adoption by the Board of Directors plans for financing the activities of the Corporation and an annual budget to govern the operations of the Corporation. Modification of dues rates, event registration rates, event sponsorship rates, alterations of financing plans, and budget amendments shall be reviewed by the Finance Committee, which shall submit them with accompanying recommendations to the Board of Directors for action.

(c) Public Relations Committee. The Public Relations Committee shall be responsible for developing and implementing programs which inform and educate the public as to the positive benefits of desalting and membrane processes.

(d) Legislative Committee. The Legislative Committee shall recommend to the Board of Directors and, after obtaining the approval of the Board, institute programs (a) to disseminate information concerning legislation proposed for consideration in the Congress, in the State Legislatures, or by other governments affecting the interest of the Corporation; (b) prepare position papers on behalf of and for consideration by the Board and for presentation when appropriate to Legislative Committees on matters related to the interests and objectives of the Corporation; and (c) present legislative summaries to the general meetings.

(e) Program Committee. The Program Committee shall arrange for the general meetings as required of the Corporation, and the committee shall be responsible for the preparation of the programs. The Committee shall keep in mind the public interest in the objectives of the Corporation and the technical interests of the active members in the formulation of the programs. The Committee will collaborate with local officials as well as the International Liaison Committee in the coordination of general and international meetings and in presentation of reviews of ongoing activities of the Corporation.

(f) Technology Transfer Committee. The Technology Transfer Committee shall be responsible for generating and conducting programs of technology transfer designed to increase the knowledge of and interest in desalination, water reclamation and other fields of interest to the Corporation. The Committee may cooperate and collaborate with other corporations and organizations in its programs. The Committee shall endeavor to gain broad participation of members of the Corporation and any affiliated corporations in technology transfer activities.

(g) Operator Certification Committee. The Operator Certification Committee shall be responsible for developing and [implementing] programs for training of operators of membrane treatment facilities. The goal of this training program shall be certification of operators qualified in membrane treatment and desalinization processes.

Section 4. Special Committees.

The Board of Directors at any regular meeting may establish special Committees composed of active members of the Corporation to be appointed by the President. The composition and duties of each such committee shall be set out in a resolution of the Board. The President may appoint ad hoc Committees between meetings of the Board and request the Board for ratification of the action or the continuation of the ad hoc committee as a special committee at its next meeting. The Board shall provide rules and regulations for ad hoc and special Committees, including methods of allocation of funds to them and governance of expenditures by them. No such committee shall continue to exist beyond the completion of tasks assigned to it or two years, whichever is the shorter period. No Ad-Hoc or special committee shall infringe upon the duties of any Standing Committees or of the Nominating and Elections Committee or the Audit Committee.

Section 5. Audit Committee.

The Controller, after consulting with the President, may ~~enlist~~ enlist an Audit Committee, of which the Controller shall be the chair, to assist with conducting an annual audit of the Corporation's financial activities, policies and procedures. The Audit Committee shall include no directors and shall have access to all books and records of the Corporation, and shall check balances in the accounts of the Corporation with the statements of the Secretary-Treasurer and check practices of the Corporation against these By-Laws and other written policies of the Corporation. The result of the audit shall be reported to the President and the Treasurer. The Treasurer shall present the results of the audit to the membership at the closing session of the annual general meeting. The Controller may recommend to the Corporation any changes deemed by the Audit Committee to be necessary for safekeeping and accurate reporting of the resources of the Corporation, and, if the recommendations are adopted by vote of the Board of Directors or a quorum of the active members present at the general meeting at which the recommendations are presented, they shall henceforward be binding on the Secretary-Treasurer and the Board of Directors.

ARTICLE X

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

Section 1. Definitions.

For the purpose of this Article,

(a) "agent" means any person who is or was a director, officer, employee, or other agent of this Corporation, or is or was serving at the request of this Corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or

other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this Corporation or of another enterprise at the request of the predecessor corporation;

(b) "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and

(c) "expenses" includes, without limitation, all attorneys' fees, costs, and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his position or relationship as agent and all attorneys' fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

Section 2. Successful Defense by Agent.

To the extent that an agent of this Corporation has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or if a judgment is rendered against the agent, then the provisions of Sections 3 through 5 shall determine whether the agent is entitled to indemnification.

Section 3. Actions Brought by Persons Other than the Corporation.

Subject to the required findings to be made pursuant to section 5, below, this Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that Such person is or was an agent of this Corporation, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.

Section 4. Action Brought by or on Behalf of the Corporation.

(a) Claims settled out of court. If any agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of this Corporation, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending against the proceeding.

Section 5. Determination of Agent's Good Faith Conduct.

The indemnification granted to an agent in Sections 3 and 4 above is conditioned on the following:

(a) Required Standard of Conduct. The agent seeking indemnification must be found, in the manner provided below, to have acted in good faith, in a manner he ~~he~~ ~~or~~ ~~she~~ believed to be in the best interest of this Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he or she reasonably believed to be in the best interest of this Corporation or that he or she had reasonable cause to believe that his conduct was unlawful. Additionally, in the case of a criminal proceeding, the agent must have had no reasonable cause to believe that his conduct was unlawful.

(b) Manner of Determination of Good Faith Conduct. The determination that the agent did act in a manner complying with subparagraph (a) above shall be made by:

- (1) The Board of Directors by a majority vote of a quorum consisting of directors who are not parties to the proceeding; or
- (2) The court in which the proceeding is or was pending. Such determination may be made on application brought' by this Corporation or the agent or the attorney or other person rendering a defense to the agent, whether or not the application by the agent, attorney, or other person is opposed by this Corporation.

Section 6. Limitations.

No indemnification or advance shall be made under this Article, except as provided in Sections 2 or 5(b) (2), in any circumstance when it appears:

(a) That the indemnification or advance would be inconsistent with a provision of the Articles, Bylaws, a resolution of the Board of Directors, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 7. Advance of Expenses.

Expenses incurred in defending any proceeding may be advanced by this Corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

Section 8. Contractual Rights of Non-Directors and Non-Officers.

Nothing contained in this Article shall affect any right to indemnification to which persons other than directors and officers of this Corporation, or any subsidiary hereof, may be entitled by contract or otherwise.

Section 9. Insurance.

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such.

Section 10. Fiduciaries or Corporate Employee Benefit Plan.

This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as such, even though that person may also be an agent of the Corporation as defined in Section I of this Article. Nothing contained in this Article shall limit any right to indemnification to which such a trustee, investment manager, or other fiduciary may be entitled by contract or otherwise, which shall be enforceable to the extent permitted by applicable law.

ARTICLE XI

EXECUTION OF INSTRUMENTS.

DEPOSITS AND FUNDS

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any director, agent or employee of the Corporation to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no director, agent or employee shall have any power or authority to bind the Corporation by any contract or any engagement or to pledge its credit or to render it liable pecuniarily for any purpose or in any amount. The President, and in his/her absence, the Vice President, is authorized to enter into any contract or execute any instrument in the name of and on behalf of the Corporation.

Except as otherwise specifically determined by resolution of the Board of Directors as provided above or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidences of indebtedness of the Corporation shall be signed by the Chief Financial Officer of the Corporation or by the Administrator as directed by the Chief Financial Officer, or by the President as necessary in the absence of the Chief Financial Officer.

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation at such banks, trust companies, or other depositories as the Board of Directors may select.

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purpose or any special purpose of the Corporation.

ARTICLE XII

RECORDS AND REPORTS

Section 1. Maintenance of Corporate Records.

The Corporation shall keep:

- (a) Adequate and correct books and records of account; and
- (b) Minutes in written form of the proceedings of its Board of Directors, Committees of the Board and Standing Committees.

All such records shall be kept at the Corporation's principal executive office.

Section 2. Maintenance and Inspection of Articles and By-laws.

The Corporation shall keep at its principal offices the original or a copy of the Articles and Bylaws as amended to date, which shall be open to inspection by the directors at all reasonable times during normal business hours.

Section 3. Inspection by Directors.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and physical properties of the Corporation and each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents at the director's own expense.

Section 4. Annual Report.

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(a) Not later than ninety (90) days after the close of the Corporation's fiscal year, the Board shall cause an annual report to be sent to the members of the Board of Directors. Such report shall contain the following information in reasonable detail:

(i) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.

(ii) The principal changes in assets and liabilities, including trust funds, during the fiscal year.

(iii) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year.

(iv) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.

(v) Any information required by Section 5 of this Article.

(b) The report required by this Section shall be accompanied by any report thereon of independent certified public accountants.

Section 5. Annual Statement of Certain Transactions and Indemnifications.

No later than the time the Corporation gives its annual report to the directors, and in any event no later than ninety (90) days after the close of the Corporation's fiscal year, the Corporation shall prepare and mail or deliver to each member of the Board of Directors a statement of the amount and circumstances of any transaction or indemnification of the following kind:

(a) Any transaction(s) during the previous fiscal year involving more than fifty thousand dollars (\$50,000) or which was one or a number of transactions with the same person involving in the aggregate more than fifty thousand dollars (\$50,000) in which the Corporation, its parent or its subsidiary was a party, and in which either of the following had a direct or indirect financial interest:

(i) Any director or officer of the Corporation, its parent or subsidiary (a mere common directorship shall not be considered such an interest); or

(ii) Any holder of more than ten percent (10%) Of the voting power of the Corporation, its parent or its subsidiary;

(b) Any indemnifications or advances aggregating more than \$10,000.00 paid during the fiscal year to any officer or director of the Corporation pursuant to Article IX hereof.

ARTICLE XIII

CONSTRUCTION AND DEFINITIONS

Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Corporation and a natural person.

ARTICLE XIV

FISCAL YEAR

The fiscal year of the Corporation shall begin on January 1 and end on the last day December 31 in each year.

ARTICLE XV

BYLAWS

Section 1. Adoption.

These Bylaws shall become effective immediately upon their approval by the members.

Section 2. Amendments.

These Bylaws may be altered, amended, or repealed and new Bylaws adopted by approval of the members or approval of the Board of Directors, except that a bylaw specifying or changing the number of directors or changing from a variable Board to a fixed Board (or vice versa) may only be adopted by approval of the members.

ARTICLE XVI

PROHIBITION AGAINST

SHARING CORPORATE PROFITS AND ASSETS

No director, officer, employee or other person associated with this Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profits of the Corporation, provided that this provision shall not prevent payment to any such person of reasonable compensation for services rendered to or be fixed by resolutions of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the Corporation. The Board of Directors of the Corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after all debts have been satisfied, then remaining in the hands of the Board of Directors shall be distributed as required by the Articles of Incorporation of this Corporation and not otherwise.

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