

BY-LAWS
OF
SOUTH WALTON ARTIFICIAL REEF ASSOCIATION, INC.

ARTICLE I - OFFICES AND PURPOSES

The office of the Corporation shall be located at 45 Days Lane, Santa Rosa Beach, Florida, 32459, Florida which is in Walton County. The Corporation may also maintain offices at such other places within or without the United States as the Board of Directors may, from time to time, determine.

This Corporation will have the purposes or powers as may be stated in its Articles of Incorporation, and such powers as are now or may be granted hereafter by law. The object and purpose of this Corporation is education and preservation. The Corporation and its assets are hereby dedicated to the furtherance of these purposes. The general nature and purpose of the Corporation is to organize and facilitate programs and other connected endeavors for the public involving artificial reefs; the promulgation and preservation of species of aquatic life which is natural in the gulf and bay water waters surrounding Walton County, Florida; to sponsor and conduct educational classes, forums, and instructions relating to aquatic sea life involving but not limited to organizing dignitaries to assemble appropriate records, information, educational exhibits, pictures, events and other paraphernalia pertaining to the gulf and eastern Choctawhatchee Bay waters aquatic life; to enhance public participation in viewing, diving, fishing, photographing and studying aquatic sea life and to protect aquatic environments. Without limits as the generality of the foregoing, to lease and by gift or devise, to purchase, own and operate property for such purposes and to solicit donations and to accept money or personal property in aid of such purpose and to maintain the same. Since the assets of the corporation, whether now owned or hereafter acquired, are dedicated for the aforesaid purposes, this Corporation, upon dissolution, will provide for the orderly distribution of its assets, not to the members hereof, but only to such other religious, charitable or educational organization or corporations as may be designated by the Board of Directors, which religious, charitable or educational corporations or organizations shall be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of the United States, as the same is amended from time to time.

ARTICLE II - MEMBERS

Section 1 - Eligible Members: Initially the Corporation will not have any members initially but may elect to offer membership opportunities in the future based on criteria established by the Board of Directors. For example, the Board of Directors may offer membership to those persons that are willing to promote the Purposes of the Corporation enumerated in Article I above, all within the meaning of Section 501 (c)(3) of the Internal Revenue Code, and all as determined in the judgment of the Board of Directors who may accept or deny any person for membership in the Corporation.

ARTICLE III - BOARD OF DIRECTORS

Section 1 - Number, Election and Term of Office:

(a) The number of the directors of the Corporation shall be no less than five (5) and no more than nine (9). The initial Board of Directors will serve for the first three (3) years from the date the Corporation comes into existence. Thereafter, each director shall serve a three (3) year term of office and may be re-elected for additional terms.

(b) Initially, the Board of Directors will be appointed by the Incorporator (Andrew McAlexander). Thereafter, the members of the Board of Directors of the Corporation, shall be elected by a majority vote of the Board of Directors.

(c) Each director shall hold office until the expiration of his or her term, and until his or her successor is elected and qualified, or until his prior death, resignation or removal.

Section 2 - Duties and Powers: The Board of Directors shall be responsible for the control and management of the affairs, property and interests of the Corporation, and may exercise all powers of the Corporation as provided in Florida Law, Chapter 617.

Section 3 - Annual and Regular Meetings; Notice:

(a) A regular annual meeting of the Board of Directors shall be held in May of each year at the place selected by the Board of Directors.

(b) The Board of Directors, from time to time, may provide by oral notice confirmed by email notice for the holding of other regular meetings of the Board of Directors, and may fix the time and place thereof.

(c) Notice of any regular meeting of the Board of Directors shall given by oral notice confirmed by email notice and may specify the purpose of the meeting, provided, however, that if the Board of Directors shall fix or change the time or place of any regular meeting,

notice of such action shall be given to each director (orally and confirmed by email notice) who shall not have been present at the meeting at which such action was taken.

Section 4 - Special Meetings; Notice:

(a) Special meetings of the Board of Directors shall be held whenever called by the President or by one of the directors, at such time and place as must be specified in the oral notice confirmed by email notice.

(b) Except as otherwise required by statute, notice of special meetings shall be e-mailed directly to each director at the email address on file with the Corporation.

(c) Notice of any special meeting shall not be required to be given to any director who shall attend such meeting without protesting prior thereto or at its commencement, the lack of notice to him or her. Notice of any adjourned meeting shall not be required to be given.

Section 5 - Chairman: At all meetings of the Board of Directors, the President, if present, shall preside. If there shall be no President, or she/he shall be absent, then the Vice President shall preside, and in his/her absence, an Officer chosen by the directors shall preside.

Section 6 - Quorum and Adjournments:

(a) At all meetings of the Board of Directors, the presence of at least fifty percent (50%) of the entire Board shall be necessary and sufficient to constitute a quorum for the transaction of business.

(b) A majority of the directors present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice, until a quorum shall be present.

Section 7 - Manner of Acting:

(a) At all meetings of the Board of Directors, each director present shall have one vote.

(b) Except as otherwise provided by statute, by the Articles of Incorporation, or by these By-Laws, the action of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

(c) Unless the Articles of Incorporation or the By-Laws provided otherwise, action required or permitted to be taken at Board of Directors meeting may be taken without a meeting if the action is taken by all members of the Board of Directors unanimously. The action must be evidenced by written consent describing the action taken and signed by each director. Action taken under this section is effective when the last director signs the consent, unless

the consent specifies a different date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

Section 8 - Vacancies: Any vacancy in the Board of Directors occurring by reason of an increase in the number of directors, or by reason of the death, resignation, disqualification, removal (unless a vacancy created by the removal of a director by the members shall be filled by the members at the meeting at which the removal was effected) or inability to act of any director, or otherwise, shall be filled for the unexpired portion of the term by a majority vote of the remaining directors, though less than a quorum, at any regular meeting or special meeting of the Board of Directors called for that purpose.

Section 9 - Resignation: Any director may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect upon receipt thereof by the Board of Directors, and the acceptance of such resignation shall not be necessary to make it effective.

Section 10 - Removal: Any director may be removed with or without cause at any time by the affirmative vote of a majority of the directors of the Corporation at a special meeting of the directors called for that purpose.

Section 11 - Salary: At this time, no stated salary or fee shall be paid to directors.

Section 12 - Contracts:

(a) No contract or other transaction between this Corporation and any other corporation shall be impaired, affected or invalidated, nor shall any director be liable in any way by reason of the fact that any one or more of the directors of this Corporation is or are interested in, or is a director or officer, or are directors or officers of such other corporation, provided that such facts are disclosed or made known to the Board of Directors.

Section 13 - Committees: The Board of Directors, by action taken by a majority of the Board of Directors, may from time to time designate from among its members any committees, and alternate members thereof, as they may deem desirable. Each such committee shall serve at the pleasure of the Board.

ARTICLE V - OFFICERS

Section 1 - Number, Qualification, Election and Term of Office:

(a) The officers of the Corporation shall consist of a President, a Secretary, a Treasurer, and such other officers, and one or more Vice Presidents, as the Board of Directors may from time to time deem advisable. Any officer may be, but is not required to be, a director of the Corporation. Any two or more offices may be held by the same person, except that the offices of President and Secretary shall not be held by the same person.

(b) The officers of the Corporation shall be elected by the Board of Directors at the regular annual meeting of the Board.

(c) Each officer shall hold office until the annual meeting of the Board of Directors next succeeding his election, and until his or her successor shall have been elected and qualified, or until his or her death, resignation or removal.

Section 2 - Resignation: Any officer may resign at any time by giving written notice of such resignation to the Board of Directors. Such resignation shall take effect upon receipt thereof by the Board of Directors, and the acceptance of such resignation shall not be necessary to make it effective.

Section 3 - Removal: Any officer may be removed, either with or without cause, and a successor elected by a majority vote of the Board of Directors at any time.

Section 4 - Vacancies: A vacancy in any office by reason of death, resignation, inability to act, disqualification, or any other cause, may at any time be filled for the unexpired portion of the term by a majority vote of the Board of Directors.

Section 5 - Duties of Officers: Officers of the Corporation shall, unless otherwise provided by the Board of Directors, each have such powers and duties as generally pertain to their respective offices as well as such powers and duties as may be set forth in these By-Laws, or may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Corporation.

Section 6 - Sureties and Bonds: In case the Board of Directors shall so require, any officer, employee or agent of the Corporation shall execute to the Corporation a bond in such sum, and with such surety or sureties as the Board of Directors may direct, conditioned upon the faithful performance of his duties to the Corporation, including responsibility for negligence and for the accounting for all property, funds or securities of the Corporation which may come into his or her hands.

ARTICLE VI - FISCAL YEAR

The fiscal year of the Corporation shall the calendar year.

ARTICLE VII - CORPORATE SEAL

Initially, the Corporation does not have a corporate seal. The corporate seal, if any, shall be in such form as shall be approved from time to time by the Board of Directors.

ARTICLE VIII - AMENDMENTS

Section 1 - By Directors: The Board of Directors shall have power to make, adopt, alter, amend and repeal, from time to time, By-Laws of the Corporation by a majority vote of the Board of Directors.

ARTICLE IX - INDEMNITY

(a) Any person made a party to any action, suit or proceeding, by reason of the fact that he, his testator or intestate representative is or was a director, officer or employee of the Corporation, or of any Corporation in which he served as such at the request of the Corporation, shall be indemnified by the Corporation against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceedings, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding, or in connection with any appeal therein that such officer, director or employee is liable for negligence or misconduct in the performance of his duties.

(b) The foregoing right of indemnification shall not be deemed exclusive of any other rights to which any officer or director or employee may be entitled apart from the provisions of this section.

(c) The amount of indemnity to which any officer or any director may be entitled shall be fixed by the Board of Directors, except that in any case where there is no disinterested majority of the Board available, the amount shall be fixed by arbitration pursuant to the then existing rules of the American Arbitration Association.

ARTICLE X - CONFLICT OF INTEREST POLICY

Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt Corporation's (Corporation) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if that person has, directly or indirectly, through business, investment, or family:

a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,

b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

c. A potential ownership or investment interested in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict if interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

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

Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Periodic Reviews

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

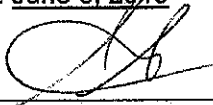
b. Whether partnerships, joint ventures, and arrangements with management Corporations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Use of Outside Experts

When conducting the periodic reviews, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

The undersigned directors certifies that he or she has adopted the foregoing By-Laws as the first By-Laws of the Corporation.

Dated: June 6, 2013



Andrew McAlexander, Director

Patrick Murphy, Director

Cindy Stenberg, Director

Neill O'Connell, Director

Jim Richard, Director

Bobby Johnson, Director

Don Roberts, Director

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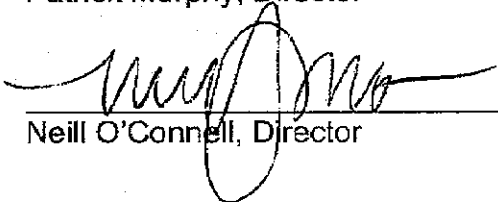
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