

March 1, 2011

Dick Hourigan
Richard Hourigan, Inc.
108 Mount Vernon Drive
Bear, DE 19701

Dear Dick,

I am in receipt of your correspondence dated February 25th, 2011. Unfortunately, it appears that you do not understand the issue raised by you and your company continuing to operate the website located at www.missedperceptions.com. The issue is not the word or term used to describe the "members" who join and participate with your website. The issue is that operating a website similar to AWT conflicts with your role as an AWT director. Continuing to operate the website may result in loss of all privileges, including voting rights, as an AWT board member.

Associations by their nature are made up of business competitors. The Association of Water Technologies (AWT) is made up of competing water treatment companies throughout the United States and internationally. As a member of AWT, your company, Richard Hourigan, Inc., may market its services as it sees fit, provided doing so is legal and does not violate any of AWT's core values or ethics rules for members.

However, in your elected position as a member of the AWT Board of Directors, you have a legal fiduciary duty to the association. This means that

officers and directors must give undivided allegiance to the association when making decisions affecting the association. In other words, officers and directors cannot put personal interests above the interests of the association. Personal interests may include outside business, professional or financial interests, interests arising from involvement in other organizations, and the interests of family members, among others. Officers and directors should be careful to disclose even potential conflicts of interest to the board of directors, and should recuse themselves from deliberation and voting on matters in which they have personal interests. For pervasive and continuing conflicts - such as a director of the association concurrently serving on the board of a competing association - resignation from the individual's association leadership post or from the outside conflicting responsibility may be required. Officers and directors can have business dealings with the association, but such transactions must be subject to considerable scrutiny. In such event, officers and directors must fully disclose any

personal interests to the board of directors, and the terms of any transaction must be fair to the association. In addition, state nonprofit corporation statutes frequently provide specific procedures for dealing with transactions in which officers or directors have conflicts of interest. [Jeffery Tenenbaum Esq., Venable, LLP. A similar definition can be found in the material distributed by Nancy Axelrod 10/15/09.]

It should be pointed out that simply removing the word "member" from your site, www.missedperceptions.com was never an option that was discussed as a possible resolution during the conversation that took place on Thursday, February 24th. It is understandable why your "IPS Support" person would have difficulty understanding this situation since he does not have that same clear understanding of the AWT bylaws as every board member does. The conflict arises from the operation of the website – whatever name or word used to describe the individuals that participate on your website – that by its nature conflicts with the operation of AWT.

Should you continue to maintain your website at www.missedperceptions.com, in compliance with AWT's conflict of interest provision located in section 10.1 of AWT's bylaws, your ability to participate as a director of AWT is compromised. Specifically, I have no choice but to ask the Board to remove your voting privileges, your service on board committees, and your participation in board discussions. To continue full participation as an AWT Board member the conflict of interest caused by your website must be resolved. I see no way to resolve the conflict but to remove the website in its entirety.

Sincerely,



R. Trace Blackmore, CWT
President

Cc:

Mark Juhl, President-Elect
Mark T. Lewis, CWT, Secretary
Casey Walton, CWT, Treasurer
Robert T. Lee, CWT, Immediate Past President
Heidi J. Zimmerman, CAE, Executive Director