

Reef Innovations, Inc.  
Larry D. Beggs

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Plant: 1126 Central Av Sarasota Fl 34236 USA

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January 11, 2011

Jay Leverone  
Sarasota Bay Estuary Program  
111 S. Orange Av  
Sarasota, Florida 34236

Subject: Proposal for Sarasota Bay Artificial Reef Projects

Dear Jay,

This letter is to provide some detail and options for what Reef Innovations will provide to SBEP for the Sarasota Bay Artificial Reef projects this year.

Reef Innovations, Inc. will provide all materials and labor to produce a variety of habitat modules to be placed at six Sarasota Bay reefs (three in Sarasota County waters; three in Manatee County waters) as directed by SBEP. Below is a table of the modules and an idea of the number for each reef. These numbers can be changed per your discretion and if budget allows for additional material.

Table 1. Reef Material Type and Cost

| Module Type            | Cost per Unit | Modules per Reef | Cost               |
|------------------------|---------------|------------------|--------------------|
| Deep Cover             | \$300.00      | 2                | \$600.00           |
| Block                  | \$150.00      | 1                | \$150.00           |
| Lincoln Log w/Cover    | \$150.00      | 3                | \$450.00           |
| Bay Ball Layer Cake    | \$125.00      | 2                | \$250.00           |
| Mini Ball Layer Cake   | \$100.00      | 2                | \$200.00           |
| Bay Ball w/Cover Ring  | \$200.00      | 2                | \$400.00           |
| Juvenile Logs          | \$15.00       | 10               | \$150.00           |
| <b>TOTAL (6 SITES)</b> |               |                  | <b>\$13,200.00</b> |

(We have a new Reef Cube that may be done and can be added or substituted for Lincoln Log or Block units at same price).

The deployment costs are \$2,000 per day with an estimated 2 day per site. **Total \$24,000.00.** Shipping to the 10<sup>th</sup> Street boat ramp will be \$150 per day per site. **Total \$1,800.00.**

There will be a 15% royalty owed to Reef Ball Foundation of total project. **Total \$5,850.00.** Total estimate for the deployment of all reef material at all six reefs (with material as listed) is **\$44,850.00.**

Table 2. Summary of Project Costs

| <b>PROJECT ELEMENT</b> | <b>COST</b>     |
|------------------------|-----------------|
| Reef Materials         | \$13,200.00     |
| Deployment             | \$24,000.00     |
| Transport              | \$1,800.00      |
| Royalties              | \$5,850.00      |
| <b>TOTAL</b>           | <b>\$44,850</b> |

Thank you for your continued support of the marine environments in Sarasota and Manatee counties

Sincerely,

Larry D. Beggs