



Item No. 2e

AGENDA ITEM REQUEST FORM

Town Manager

Connie Hoffmann *CH*

Department Submitting Request

Dept Head's Signature

**REGULAR
COMMISSION MTG**
Meeting Dates - 7:00 PM

**DEADLINE TO
Town Clerk**

**ROUNDTABLE
MEETING**
Meeting Dates - 7:00 PM

**DEADLINE TO
Town Clerk**

- Nov 9, 2010
- Dec 7, 2010
- Jan 25, 2011
- Feb 22, 2011
- Mar 22, 2011

- Oct 29 (5:00 pm)
- Nov 30 (5:00 pm)
- Jan 14 (5:00 pm)
- Feb 11 (5:00 pm)
- Mar 11 (5:00 pm)

- Nov 22, 2010
- Dec 14, 2010
- Jan 11, 2011
- Feb 8, 2011
- Mar 8, 2011

- Nov 12 (5:00 pm)
- Dec 3 (5:00 pm)
- Dec 30 (5:00 pm)
- Jan 28 (5:00 pm)
- Feb 25 (5:00 pm)

SUBJECT TITLE: CORAL REEF AGREEMENT

EXPLANATION: The Town Attorney and Town Manager have negotiated a new contract with the Global Coral Reef Alliance that addresses many of the concerns discussed with the Commission last summer regarding the current contract. Commission review of the proposed terms and conditions.

EXHIBITS: Memo dated 1/5/2011 from Town Manager summarizing the changes to the contract. Proposed contract.

Reviewed by Town Attorney
 Yes No

Town Manager Initials *CH*

Town of Lauderdale-by-the-Sea

OFFICE OF THE TOWN MANAGER

Memorandum

Date: January 5, 2011

To: Mayor Roseann Minnet
Commissioner Stuart Dodd
Commissioner Birute Clottey
Commissioner Scot Sasser
Commissioner Chris Vincent

From: Connie Hoffmann, Town Manager 

Subject: **NEW CORAL REEF AGREEMENT**

Attached is the proposed agreement with the Global Coral Reef Alliance (GCRA) that would replace entirely the existing agreement. The significant changes in this agreement, compared to the existing agreement, are outlined below:

1. Defines the term of the agreement as 24 months from the date of installation of the project. (Para 3.1, pg. 1)
2. Requires that the project be installed no later than June 1, 2011. (GCRA wanted to leave the installation date open-ended with lots of language about weather conditions. They are adamant that they would not be able to install the project between November and April due to strong underwater tides during that period, as well as the possibility of high seas during that time. I felt we did not want to be arguing with them over weather and tide conditions and pushed for a firm end date. We finally agreed on June 1st as the latest date for installation. They indicate they will install it as soon as it is practical from a tide and weather perspective AND they can get their subcontractor to the site.)
3. We've changed the payment terms and the amount GCRA is to be paid. In the original contract, they were to be paid \$27,000 as soon as the project was installed and, although they had reporting, monitoring and repair responsibilities for twelve months afterwards, the Town would have nothing but a threat of legal action to force compliance with the contract.
In the revised contract, we added a second year of monitoring and reporting duties and upped the remuneration from \$27,000 to \$39,000 to pay for the additional year of monitoring. In addition, we spread the payments over the two

- years. Under the new agreement, the Town would pay GRAC \$5,000 upon installation because they have to pay the barge contractor immediately, and then make four \$5,499.99 payments over the next year. After that, we make four \$3,000 quarterly payments. We pay less in the second year because the reporting requirements become quarterly, rather than monthly as in the first year.
4. We have also added in paragraph 4.1B remuneration for transplanting corals to the project (\$75 an hour up to a maximum of \$4,000). As I understand it, transplanting of corals is critical for this reef to becoming something substantial but nowhere in the existing contract was there a provision covering it.
 5. The new contract clarifies CGRA's responsibilities to assure compliance with the various permits for the project.
 6. Language has been added which clearly states that the Town has paid for the patent rights for use of the bio-rock technology on the project, retains those rights for the life of this specific project, and has no further financial obligations with regard to the patent. (Although we were paying them a patent fee, what that entitled us to was not spelled out in the existing agreement.)
 7. The new contract specifies who is representing CGRA on the project.
 8. The new contract provides that the Town shall store the backup buoy and any other backup or replacement components for the project.
 9. We negotiated a warranty of sorts. This was a topic discussed at length with CGRA's attorney and the language in paragraph 5.8 is the extent to which they would warranty that the bio-rock technology will perform as represented to the Town.
 10. We improved the clarity of the wording regarding their GCRA's responsibility to repair defective work.
 11. On the matter of insurance, GCRA is required to carry insurance covering them and their subcontractors when they dive on the project.
 12. Indemnification language was added into the contract.
 13. The new contract specifies that the Town owns all design documents and equipment, something that was lacking in the original contract.

The negotiations involved in developing this new contract have been challenging and lengthy. Town Attorney Susan Trevarthen's assistance and patience were invaluable in achieving agreement on these new contract terms.

Before having the new contract executed and placed on January 25th agenda for approval, we wanted to bring the matter to you on Roundtable. It is staff's recommendation that the Town Commission accept the terms and conditions negotiated and direct us to proceed with execution by CGRA and formal approval by the Commission at the regular meeting on January 25th. Vice Mayor Dodd, who served as Commission liaison on the negotiations, has reviewed the new contract and concurs in our recommendation that it be adopted.

TOWN OF LAUDERDALE-BY-THE-SEA

Project: Artificial Reef Fish Habitat

THIS IS AN AGREEMENT dated the ____ day of January, 2011, between The TOWN OF LAUDERDALE-BY-THE-SEA, Florida, hereinafter referred to as "TOWN," and Global Coral Reef Alliance, a New York non-profit corporation, hereinafter "CONTRACTOR."

1.0 CONTRACT DOCUMENTS

1.1 TOWN and CONTRACTOR (the Parties) previously entered into a written agreement dated September 13, 2007, subsequently amended on September 25, 2007, for the Work required hereunder. The Parties have elected to amend, restate and replace such agreement for all purposes with this Agreement. This Agreement supersedes all previous agreements between the Parties.

2.0 SCOPE OF WORK

2.1 The CONTRACTOR shall furnish all of the necessary materials, tools, supplies, equipment, vehicles and labor, to generally construct, install, inspect and maintain, in accordance with the terms of this Agreement and the Permits, an artificial reef habitat installed on the ocean floor in the vicinity of the south end of the pier located in the TOWN and described in further detail in Exhibit "A" attached hereto and incorporated herein (collectively, "the Work" or "the Project"). The term "Permits" means the written permits currently issued by the Florida Department of Environmental Protection (DEP), the United States Army Corps of Engineers (USACE), Broward County, the United States Coast Guard and any other government agency which issues a permit related to the Project (collectively, "Permitting Agencies"), for placement and operation of the Project (including transplanting coral) in offshore waters in the vicinity of the TOWN.

3.0 CONTRACT TIME

3.1 The term of this Agreement ("Term") shall be for twenty four (24) months from the date of completion of installation of the Project. CONTRACTOR agrees that completion of installation of the Project as described herein shall occur no later than June 1, 2011. CONTRACTOR shall notify TOWN in writing of the date installation of the Project is complete. Time is of the essence in the performance of all Work and obligations hereunder.

4.0 CONTRACT PRICE

4.1 TOWN shall pay CONTRACTOR for the Work as follows:

- A. CONTRACTOR acknowledges TOWN has previously paid CONTRACTOR the amount of \$49,480.00 (Forty Nine Thousand Four Hundred Eighty Dollars). The

balance of the fixed portion of the Contract Price, \$39,000.00 (Thirty Nine Thousand Dollars), shall be paid to CONTRACTOR incrementally as follows: \$5,000.00 upon complete installation of the Project in accord with all Permit requirements; \$5,499.99 on the first (1st) day of the next calendar month following the expiration of forty-five (45) days after complete installation; three additional \$5,499.99 installments due on the first (1st) day of every third month during the subsequent nine months; three additional installments of \$3,000.00 each due on the first (1st) day of every third month thereafter; and one final installment of \$3,000.00 due twenty four months from the date of complete installation of the Project. Each installment is conditioned on receipt of a draw letter in the form of Exhibit "B" attached hereto and incorporated herein, executed by Dan or Stephanie Clark or Tom Goreau. For purposes of this paragraph, "complete installation" shall mean the installation of the six structures described in Exhibit "A" on the ocean floor attached to the buoys and receiving electrical power from them, in accordance with the requirements of the Permits

- B. \$75.00 (Seventy-Five Dollars) per hour, up to a maximum amount during the Term of \$4,000.00 (Four Thousand Dollars), for each hour spent transplanting corals on the Project, documented by time sheets detailing time spent. CONTRACTOR shall submit invoices including time sheets to TOWN on the first (1st) day of every calendar month after the month for which these services are rendered.

5.0 CONTRACTOR'S RESPONSIBILITIES

CONTRACTOR shall bear all of its costs related to the Project, shall maintain the Project in good working order and monitor the Project in accordance with Permit requirements (including complying with all reporting requirements under the Permits) for the twenty-four (24) month period after installation.

5.2 CONTRACTOR shall perform and provide the Work applying CONTRACTOR'S best skill, attention and expertise at all times. CONTRACTOR is responsible for and shall have control over the means, techniques, sequences and procedures of construction and installation. CONTRACTOR shall be responsible to see that the Work complies with the Permits.

5.3 CONTRACTOR acknowledges that it has authorized the following individuals and entities to work on the Project as agents for CONTRACTOR. Other agents may work on the Project and CONTRACTOR shall so advise TOWN in that event. Neither these agents below nor any other agents have the right to amend the Agreement or waive any of its provisions on its behalf:

- A. Dan Clark, having an address of P.O. Box 8143, Coral Springs, FL 33075, Tel. No. (954) 298-9737.
- B. Stephanie Clark, having an address of P.O. Box 8143, Coral Springs, FL 33075, Tel. No. (954) 298-9737.
- C. American Underwater Contractors, with offices at 603 E. Commerce Way, Suite 15,

Jupiter, FL 33548, Tel No. _____.

5.4 CONTRACTOR shall pay all fees and royalties to be owed the holders of the “Biorock” patent (U.S. Patent No. 5,543,034) required for the Project. CONTRACTOR represents and warrants to TOWN that to the best of CONTRACTOR’S knowledge, there are no other patent or copyright rights related to the Project.

5.5 CONTRACTOR shall pay all sales, consumer, use and other similar taxes required to be paid in connection with the Work, in accordance with all applicable laws.

5.6 The backup buoy and other “back-up” or replacement components for the Project shall be stored by the TOWN. CONTRACTOR shall have timely access to the buoy and components for use in the Project upon reasonable notice to TOWN.

5.7 CONTRACTOR hereby agrees to abide by all of the terms of the Permits and all law applicable to the completion of the Project. CONTRACTOR agrees to simultaneously copy TOWN with all correspondence, reports and any other documentation provided to the Permitting Agencies or other U.S. governmental agencies, related to the Permits or CONTRACTOR’S obligations or performance under this Agreement.

5.8 CONTRACTOR agrees that: (i) within six (6) months after installation, the iron rebar members of the Project will experience accretion of calcium carbonate and the Project will provide a suitable base for the growth of coral as contemplated by this Agreement, and (ii) within one year after installation, coral will settle on the Project and thereafter grow at a rate higher than the rate of growth of corals on other reefs situated more than 50 meters and less than 1,000 meters from the Project, and (iii) each buoy will be capable of delivering electrical power to the Project.

6.0 DEFECTIVE WORK

“Defective Work” is Work that does not comply with the Permits, this Agreement or federal, state or county laws applicable to the Project. For a period of twenty four months from the date of complete installation of the Project, CONTRACTOR shall, at TOWN’S option, within forty-five (45) days following receipt of written request from the TOWN (subject to any delays caused by weather conditions or delay in obtaining any approvals required by state or federal agencies who have issued the Permits) either:

- A. correct Defective Work or replace Defective Work with non-Defective Work, or
- B. remove the Project and provide the buoys and all other components to TOWN.

Nothing herein shall impose a duty on the part of TOWN to exercise its right to have the Project removed for the benefit of CONTRACTOR or any other party. CONTRACTOR shall incur and pay for the cost of such correction or removal.

7.0 INSURANCE

7.1 CONTRACTOR warrants that Dan Clark, Stephanie Clark, Tom Goreau, Richard Ruschman, and any other individuals or entities used by CONTRACTOR to install, repair, monitor or remove the Project or any part thereof, shall be insured by Divers Alert Network (DAN) at the minimum level of "Master Plan" in accordance with the coverage described in Exhibit "C", attached hereto and incorporated herein, prior to engaging in Project installation, repair, monitoring or removal. Evidence will be provided to TOWN of this coverage prior to the commencement of these activities. The parties agree and acknowledge that CONTRACTOR is otherwise assuming the risk of its own activities in relation to this Project. The parties agree and acknowledge that American Underwater Contractors is responsible for its own insurance for its actions related to the Project, and that it will provide evidence of such insurance upon demand.

8.0 WARRANTIES; TESTS AND INSPECTIONS; CORRECTION OF DEFECTIVE WORK

8.1 The CONTRACTOR represents and warrants:

- 8.1.1 All Work will be performed in a manner comparable to the quality of other projects completed by CONTRACTOR.
- 8.1.2 CONTRACTOR has, and owns as applicable, the necessary expertise, technology, patent license and rights required to complete the Work in accordance with this Agreement. CONTRACTOR acknowledges the foregoing representations form a material basis for TOWN to execute this Agreement.
- 8.1.3 CONTRACTOR is not engaged in or threatened with any litigation, arbitration or other legal or administrative proceedings which would have an adverse effect on its ability to perform its obligations under this Agreement.
- 8.1.4 CONTRACTOR has inspected the Project site and has satisfied himself as to the conditions thereof in all respects (including subterranean and water bodies) and agrees the Contract Price is just and reasonable compensation to CONTRACTOR for the Work, including all foreseen or foreseeable risks, hazards, and difficulties in connection therewith.

9.0 CONTRACTOR'S INDEMNIFICATION

9.1 The CONTRACTOR hereby agrees to protect, defend, indemnify, and hold harmless the TOWN, its officers, employees, and agents from and against any and all claims, lawsuits (including appellate level), penalties, damages, settlements, judgments, decrees, costs, charges, and other expenses or liabilities of every kind in connection with or arising directly or indirectly out of the Work to the extent caused by the negligence, recklessness, or intentional

misconduct of CONTRACTOR (or its employees, servants, agents, or subcontractors). Without limiting the foregoing, any and all such claims, lawsuits (including appellate level), penalties, damages, settlements, judgments, decrees, costs, charges, and other expenses or liabilities relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged infringement of any patent, trademark, copyright or of any other tangible or intangible personal or property right, or any actual or alleged violation of any applicable federal or state statute or regulation and any consequential damages, are included, by example and not limitation, in this indemnity. CONTRACTOR further agrees to investigate, handle, respond to, provide defense for, and defend any such claims, at CONTRACTOR'S sole expense and agrees to bear all other costs and expenses related thereto, even if the claim(s) is groundless, false, or fraudulent. In case of injury to persons or property, real or personal, by reason of any negligence, recklessness or intentional misconduct of CONTRACTOR or any of CONTRACTOR'S agents, servants, or employees during the performance of the Work, the TOWN may, through its officials, withhold further payments to CONTRACTOR as long as it may deem necessary for the indemnity of the TOWN. The failure by TOWN to pay in such instance shall not be construed or considered as a waiver of the indemnity as hereinabove set forth. The covenants and representations relating to this indemnification provision shall serve the Term of this Agreement and shall survive termination or completion of this Agreement and continue in full force and effect as to the CONTRACTOR'S responsibility to indemnify.

10.0 PAYMENTS TO CONTRACTOR AND COMPLETION OF WORK

10.1 The acceptance of final payment by CONTRACTOR or any subcontractor for materials and supplies shall constitute a waiver of claims by the CONTRACTOR or payee for monetary payments.

10.2 The TOWN may withhold in whole or in part, final payment or any progress or requisition payment in the event of a breach by CONTRACTOR of its obligations set forth in this Agreement and its failure to cure same within any applicable cure period.

11.0 TOWN'S TERMINATION OF THE CONTRACT

11.1 TOWN may terminate this Agreement immediately upon the occurrence of any one or more of the following events:

11.1.1 CONTRACTOR commences a voluntary case under any chapter of the Bankruptcy Code as now or hereafter in effect.

11.1.2 A petition is filed against CONTRACTOR under any chapter of the Bankruptcy Code as now or hereafter in effect at the time of filing by creditors of CONTRACTOR (other than TOWN) contractually owed, in the aggregate, more than \$25,000.

11.1.3 CONTRACTOR makes a general assignment for the benefit of creditors or a

receiver is appointed for CONTRACTOR.

11.1.4 If CONTRACTOR fails to perform the Work in accordance with, or violates any provisions of this Agreement and fails to cure same within any applicable cure period.

CONTRACTOR shall not be entitled to receive any further payment for additional Work performed subsequent to receipt of notice of termination, as described herein.

12.0 NOTICE

12.1 All notices required by any of the Contract Documents shall be in writing and shall be deemed delivered on the second business day following mailing by certified mail, return receipt requested to the following:

For TOWN: Constance Hoffmann, Town Manager
Town of Lauderdale-By-The-Sea
4501 N. Ocean Drive
Lauderdale-By-The-Sea, Florida 33308
Telephone: 954-776-0576
Facsimile: 954-776-1857

Copy to: Susan L. Trevarthen, Esq.
Town Attorney
200 East Broward Blvd. Suite 1900
Fort Lauderdale, Florida 33301
Telephone: 954-763-4242
Facsimile: 954-764-7700

For CONTRACTOR: Dr. Tom Goreau
Global Coral Reef Alliance
37 Pleasant Street
Cambridge, MA 02139

Copy to: Richard C. Ruschman, Esq.
General Counsel for Global Coral Reef Alliance
16801 Addison Rd., Suite 124
Addison, TX 75001
Telephone: (972) 380-5630

13.0 HAZARDOUS SUBSTANCES

13.1 THE CONTRACTOR shall not transport to, use, generate, dispose of, or install at the Project site any hazardous substance, as defined under current applicable federal or state law.

In performing the Work, the CONTRACTOR shall not cause any release of hazardous substances into, or contamination of, the environment, including the soil, the atmosphere, any watercourse or ground water, except in accordance with applicable federal or state environmental laws.

14.0 OWNERSHIP OF PROPERTY

14.1 All schematic and design documents, plans and specifications, detail drawings, cost estimates, and other drawings and documents prepared in connection with the Project, upon payment by the TOWN to CONTRACTOR therefore, shall be and remain the property of the TOWN and are not to be used by the CONTRACTOR on any other project and shall be relinquished to the TOWN upon completion of the Work or termination of this Agreement. Any property or improvements created by CONTRACTOR pursuant to this Agreement shall become property of TOWN upon payment to CONTRACTOR of the Contract Price allocable to such property and shall be turned over to TOWN upon termination or expiration of this Agreement. Ownership of and title to such property shall immediately and by operation of law vest in TOWN. This provision includes all property created by CONTRACTOR for TOWN for the Project, including, by example and not limitation, any property created prior to the execution hereof. CONTRACTOR acknowledges that it has constructed, in whole or part, three solar-powered buoys pursuant to this Agreement or other agreement with TOWN and further acknowledges that TOWN is vested in ownership of such buoys. CONTRACTOR will take every precaution to safeguard the buoys and any other property or improvement created for the benefit of TOWN. CONTRACTOR has rights of possession and control of the property created pursuant to this Agreement to the extent necessary to perform its obligations to complete and install the Project in accordance with the Permits.

14.2 CONTRACTOR hereby licenses to TOWN any patent rights CONTRACTOR may own that would be required for TOWN's use of any property created pursuant to this Agreement, or any prior Agreements between TOWN and CONTRACTOR, relative to the time before, during and after any termination or expiration of this Agreement, for the life of the patent or any future patent necessary for the continued operation of the Project without further payment. CONTRACTOR warrants that the TOWN shall have the right to continued maintenance and operation of the Project following the termination or expiration of this Agreement without the necessity of paying any fees to the holders of the above-mentioned "Biorock" patent.

14.3 TOWN and CONTRACTOR agree that they jointly and severally own all rights to promote the Project.

15.0 MISCELLANEOUS

15.1 As a condition precedent to CONTRACTOR's performance of its obligations hereunder, TOWN shall, prior to executing this Agreement, rescind the actions passed by it at its September 14, 2010 meeting pertaining to the Project.

15.2 Should the TOWN receive a request from any of the governmental agencies which

issued the Permits for written affirmation of the TOWN's obligations under the terms of the Permits, the TOWN shall deliver such written affirmation within thirty days thereafter.

15.3 The remedies expressly provided in this Agreement to TOWN shall not be deemed to be exclusive but shall be cumulative and in addition to all other remedies in favor of TOWN now or hereafter existing at law or in equity.

15.4 CONTRACTOR shall not assign or transfer this Agreement or its rights, title or interests therein without TOWN'S prior written approval, which may be withheld for any or no reason. There shall be no third party beneficiaries of this Agreement.

15.5 CONTRACTOR and its employees, volunteers and agents shall be and remain independent contractors and not agents or employees of TOWN with respect to all of the acts and services performed by and under the terms of this Agreement. This Agreement shall not in any way be construed to create a partnership, association or any other kind of joint undertaking or venture between the Parties.

15.6 The validity, construction and effect of this Agreement shall be governed by the laws of the State of Florida. Venue shall lie in Broward County, Florida.

15.7 Should any part, term or provision of this Agreement be by the courts decided to be invalid, illegal or in conflict with any law of the State, the validity of the remaining portion or provisions of this Agreement shall not be affected thereby.

15.8 In the event of any litigation arising out of this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees and costs, including the fees and expenses of any paralegal, law clerks, and legal assistants, and including fees and expenses charged for representation at the trial level, in all appeals, and in any bankruptcy proceedings. CONTRACTOR agrees to waive all claims for consequential damages that may arise from this Agreement.

15.9 The TOWN and CONTRACTOR irrevocably and knowingly agree to waive their rights to a trial by jury in any action to enforce the terms or conditions of this Agreement.

15.10 Any terms and provisions that require acts of the CONTRACTOR beyond the termination or expiration of this Agreement, including, without limitation, any indemnification and ownership provisions, shall survive the termination or expiration of this Agreement.

IN WITNESS WHEREOF, TOWN and CONTRACTOR have signed this Agreement, in duplicate.

**TOWN OF LAUDERDALE-BY-THE-SEA,
FLORIDA**

BY: _____
Constance Hoffmann, Town Manager

Date: _____

ATTEST:

June White, Town Clerk

APPROVED AS TO FORM:

Susan L. Trevarthen, Town Attorney

EXHIBIT "A"

The "Work" or "Project" consists of the design, erection, operation, monitoring and maintenance and of an artificial reef fish habitat utilizing six structures (each 6 feet long, 2 feet high and 4 feet wide), metal mesh anode placed nearby, underwater insulated electrical cable, and two solar buoys as a power source, with a backup buoy stored on-shore. The site where the Work is to be performed or installed is the ocean floor south of the end of the Lauderdale-By-The-Sea ocean pier, as described in the Permits (the "Property").

The Work shall be done as follows:

First Stage Work: CONTRACTOR will visit the Property, map the underwater site where the rebar structures are to be placed, produce a map of the boundaries of such site with GPS coordinates sufficiently detailed to meet the Florida Department of Environmental Protection ("DEP") permitting standards, and produce a written schematic design of components of the Work sufficiently detailed to meet DEP permitting standards. CONTRACTOR will then prepare, for TOWN'S execution and submission to the DEP, a permit for performance of the Work upon the Property.

Second Stage Work: CONTRACTOR will visit the Property and complete installation of the Work. The solar power source will be moored to the ocean floor adjacent to the site of the Work. Underwater insulated electrical lines will be extended from the solar buoys' power source, to the underwater rebar structures, using scuba divers. The underwater rebar structures will be prepared offsite, trucked to the beach, and floated out to the designated project area on the ocean floor utilizing liftbags (or transported by boat to site). The liftbags then will be slowly deflated, and the structures will sink into place on the ocean floor.

Transplanted Corals: CONTRACTOR shall make reasonable efforts to obtain the necessary permits to allow corals to be transplanted on to the Project. Upon issuance of the applicable permits, CONTRACTOR shall transplant corals to the Project in compliance with such permits.

Monitoring and Maintenance: CONTRACTOR shall provide monitoring and maintenance as described in the Agreement.

EXHIBIT "B"

Global Coral Reef Alliance hereby requests disbursement of the sum of \$ _____ to it by the Town of Lauderdale-By-The-Sea per the Agreement between them dated January ____, 2011 (the "Agreement"), and states as follows:

1. The Permits are in full force and effect.
2. The Project is currently in operational status in compliance with the Agreement.
3. The Work covered by this disbursement has been completed in accordance with the Agreement and the Permits.

All capitalized or defined terms used herein are defined in the Agreement.

Global Coral Reef Alliance

By: _____

EXHIBIT "C"

DAN DIVING ACCIDENT INSURANCE – MASTER PLAN