



Hunter Consulting & Survey Services
P O Box 14761
Springfield, MO 65814

REPORT OF MARINE SURVEY

INSURANCE EVALUATION

Of the vessel

“Lake Queen”

1996 Skipper Liner 62 Paddle Wheel



PREPARED EXCLUSIVELY FOR:

PCF LLC – Larry Milton, Lianne Milton, Brian Milton, Stephanie Milton as Owners
7 North Boardwalk
Branson, Missouri 65616

CONDUCTED BY:

Michael Hunter, NAMS-CMS, SAMS-AMS
On
September 3, 2015

SURVEY SCOPE & GENERAL INFORMATION

SCOPE OF SURVEY

Report file no:	152284
Vessel Year / Make / Model:	1996 Skipper Liner
Inspection date(s)	September 3, 2015
Date of written report:	September 21, 2015
Conducted by:	Michael Hunter, NAMS-CMS, SAMS-AMS
Requested by:	Mr. Steve Johnson-Manager
Purpose of survey:	Condition & Value Evaluation
Intended use:	Pleasure cruises – for hire, inland lakes limited to Lake Taneycomo within 100 yards of shore.
Vessel surveyed at:	Branson Landing - Branson, Missouri
How survey conducted:	Afloat
Sea trial:	No
Electrical systems checked:	Visual only & Operating Meter on Receptacles
Moisture checks:	N/A

VESSEL CONDITION & VALUE

Condition rating	Average
Estimated fair market value	\$430,000 USD

SURVEY REQUESTED BY

Client name:	Address:
PCF, LLC.	220 Branson Hills Pkwy
	Branson, MO 65616
Business phone:	Cell phone:
417-239-3987	

This vessel inspection and report are intended for condition & value purposes for the client so addressed above and are not intended for any other person or interest not a party to this transaction. This report details the owner's second survey request efforting to evaluate her condition against prior inspections of this vessel and correct as necessary. This report details the condition of this vessel only on the day of inspection and cannot be extended in consideration outside that time frame. HCSS, Inc retains the copyright of provided product and permission is required for dissemination outside the relation of this product and its intended use.

VESSEL INFORMATION

Vessel Yr/ Make/ Model 1996 Skipper Liner 62' Total Length with Wheel & boom 86'
Vessel name: Lake Queen
Hailing port: Branson, Missouri
Hull ID number (HIN): ON1041576 Hull #949
State registration no. Not Applicable
Documentation No. 1041576
Registered owner: PFC, LLC
 220 Branson Hills Parkway
 Branson, MO 65616
Manufacturer / Builder: TSS Fabricating Inc. – Skipper Liner
Vessel description: 86' steel hull, 2-level, commercial excursion vessel

VESSEL SPECIFICATIONS

Type:	Length overall (L.O.A.):	Beam:
Steel – Non Planing	62' Reported	20' 0" Reported 20' 2" Measured
Draft:	Displacement:	Overhead clearance:
42" reported. Not measured as in water only	Gross: 95 Net: 89	No data available

Certificate of Documentation displayed Expires May 31, 2015 Length 62.5', breadth 20'
 Certificate of Inspection displayed Annual May 15, 2015



SURVEY STANDARDS

Surveyed for: PCF, LLC.
 Surveyed by: Hunter Consulting & Survey, Inc.

Report file #: 152284
 Page: 3 of 43

Standards followed:	<p>This survey was completed using as reference the federal regulations and amendments issued and enforced by the United States Coast Guard under the authority of title 33 and Title 46 of the United States Code of Federal Regulations (CFR's). In addition the American Boat and Yacht Council (ABYC) and National Fire Protection Association (NFPA-302) voluntary standards were used as reference during the survey. These ABYC and NFPA voluntary standard practices are generally followed by most vessel manufacturers today. Reference to Title 46 of the Code of Federal Regulations, Sub Chapter T is also identified as they pertain to vessel systems. However, I caution the current review of these rules reference ABYC specific Standards (i.e. ABYC E-8 or E-9 Electrical) which are no longer current and replaced by E-11, but not detailed in the rules.</p>
---------------------	---

SURVEY INSPECTION COMMENTS

Comments:	<ul style="list-style-type: none"> All systems and components inspected and described herein are considered serviceable and / or functional except as indicated in the survey report and recommendations section. Findings are not only specified in the Findings & Recommendations as some information may be found throughout the report. Reading of the entire report is advised. This report is also supplemented with photographs which should be considered a part of this report, not just an attachment. Electronic devices and instruments were checked for power up only – not for functionality. If a component is not identified in this report, it was not inspected.
	<ul style="list-style-type: none"> “Priority 1 Recommendations” are related to Safety & Regulatory findings requiring of immediate attention prior to returning the vessel to service.
	<ul style="list-style-type: none"> “Priority II Recommendations” are related to Maintenance & Standards findings and are either listed in the secondary recommendations as well as highlighted throughout the body of the report.
	<ul style="list-style-type: none"> “Other Recommendations” are findings that are relatively minor in nature or are suggestions and are detailed through the body of the report.

The purpose of this inspection and survey report is to determine, insofar as possible and within the limitations of a strictly visual and physically accessible, through non-

destructive and non-invasive means, this vessel's Condition & Value at the time and date of the survey inspection. This is accomplished via the reporting of observed deficiencies via the reported opinions and observations detailed both in the body of the report and summarized in the "Findings & Recommendations" section of this report. Certain parts of the structure, systems and equipment are not accessible without the removal of decks, tanks, bulkheads and liners, etc. or in the case of cored laminates, without the sampling of coupons from the laminate. These conditions are prohibitive and their inspection would be considered destructive, costly to restore and are therefore not within the context of this surveyor's report. Coatings build up, corrosion, marine growth, and compartments not cleared of excessive gear will impede a surveyor's evaluation and hamper the surveyor's ability to fully inspect. A vessel is strictly surveyed as found with loose gear neither being inventoried nor inspected. This survey does not overlap where United States Coast Guard has recently completed the renewal inspection. Current documents are identified where available.

All seacocks are activated by hand pressure only. Cosmetic or "comfort" related issues may be addressed, but only where they have significant effect on the value of the vessel. Electronics and electrically operated systems are tested for power-up only if power is available. A complete evaluation of the vessel's electrical system is considered under an alternative and more specialized survey, either / and a Marine Corrosion Survey or a Marine Electrical Survey and should be performed by a Certified Marine Electrical / Corrosion Specialist or Technician. This inspection is only normal in way of electrical systems not constituting a full and complete Corrosion Survey. American Boat & Yacht Council certifies these specialists. Although a careful visual examination of the engines and other mechanicals is performed, it is recommended a certified marine technician for the applicable component manufacturer, be utilized to perform inspections of the engines, generators, Transmissions and sterndrives.

Hull thickness is not a component of this survey more applicable to a Marine Pre-purchase survey and / or USCG renewal inspection.

The statements made within this report are the personal observations of the undersigned surveyor and are strictly presented for the sole benefit of the retaining party. In as much, no warranties or guarantees are expressed or implied.

EXTERIOR HULL & BOTTOM INSPECTION

HULL EXTERIOR-SIDES

Construction material	Steel hull painted
Hull cosmetics:	Very good, minor dock indentations of a non-structural nature at dock level
Moisture / Delamination:	None

Surveyed for: PCF, LLC.
Surveyed by: Hunter Consulting & Survey, Inc.

Report file #: 152284
Page: 5 of 43

Side thru hull fittings:	Hull fittings were only able to be inspected from the interior as this was an in-water only inspection. Fuel fill & Water fill Spuds above the sheer were locked with padlocks for security. Vents for all tankage were directly adjacent to the fill / pump out locations. They are also fitted to both the port and starboard sides for both fill and vent for access. Waste forward & aft vents – Good Water fill & vent locked – Good
Engine room vents:	Port & starboard at aft third above rub rail, manual control for closure inside main cabin. They are immediately accessible. Proper Warnings installed at vents so as not to confuse with outside ventilation by passenger.

The examination of the hull via the use of a moisture meter is not applicable in this vessel. Ultra-Sonic thickness gauging was not requested nor performed in this inspection.

The vessel was not hauled for an inspection. The vessel is not expected for here 10 year out of water inspection until February 2018 according to documentation.

TRANSOM

Transom type:	Paddle Wheel
Moisture / Delamination:	Not applicable
Stress cracks:	Not observed.
Transom thru hull fittings:	Unable to inspect externally.
Swim Platform:	Not applicable
Swim / Boarding Ladder:	None



HULL BOTTOM

Construction material:	Steel
Bottom paint:	Unknown – vessel in water
Stress cracks:	Unknown
Osmotic blistering:	Not applicable
Blister comments:	Not Applicable
Moisture:	Not Applicable
Grounding damage:	Not able to identify with limited in water inspection
Strainers / Scoops / Screens:	Unable to inspect as in water only inspection.
Transducers:	Through hull fitting. Tested for operation only.
Thru Hull fittings:	As inspected internally, no leaks or failings observed.
External drain plugs:	Unable to inspect with vessel afloat

PROPELLER(S) / SHAFT(S) / STRUT(S)

Prop(s) description:	Not inspected as in water inspection only
Shaft size / material:	Not inspected as in water inspection only
Strut(s):	Not inspected as in water inspection only
Cutlass (shaft) bearing(s):	Not inspected as in water inspection only

RUDDER(S)

Rudder type:	Not inspected as in water inspection only
Rudder alignment / swing:	Not inspected as in water inspection only

TRIM TABS, STABILIZERS AND THRUSTER SYSTEMS

Trim tabs:	None
------------	------

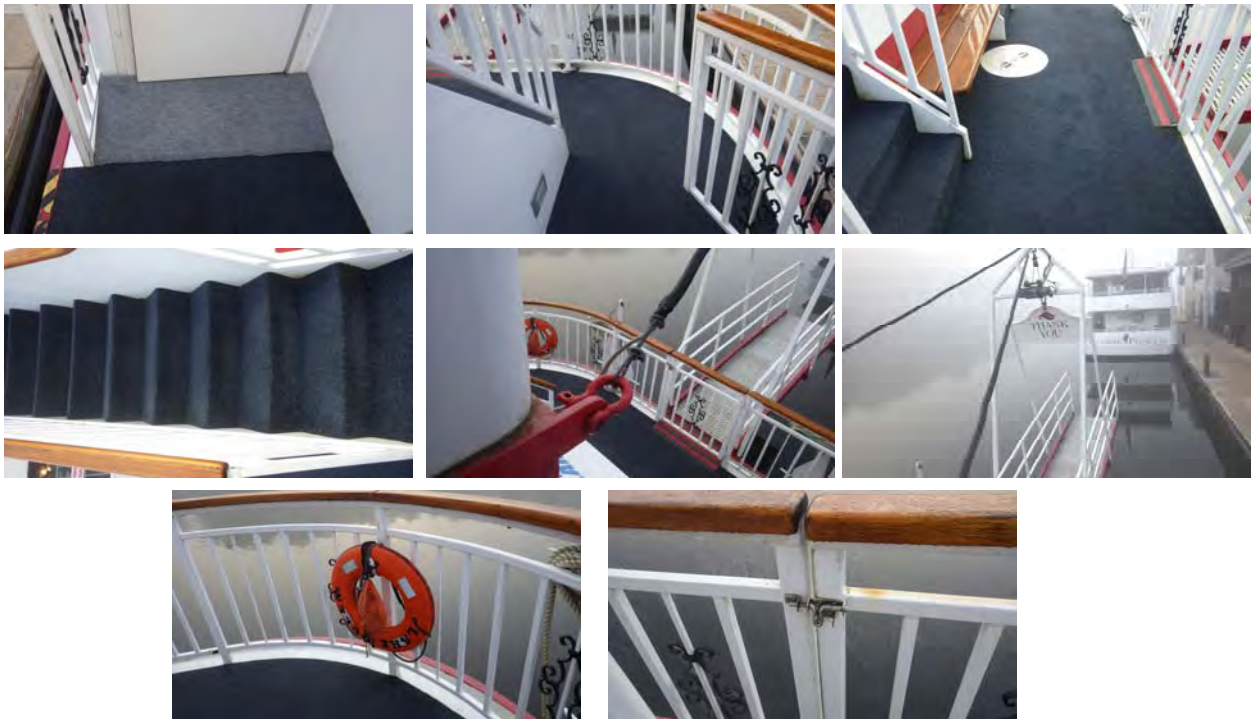
ANODES

Shaft:	Not inspected as in water inspection only
Rudder:	Not inspected as in water inspection only
Anode notes:	Not inspected as in water inspection only

TOP DECK & SUPERSTRUCTURE

MAIN DECK & FITTINGS

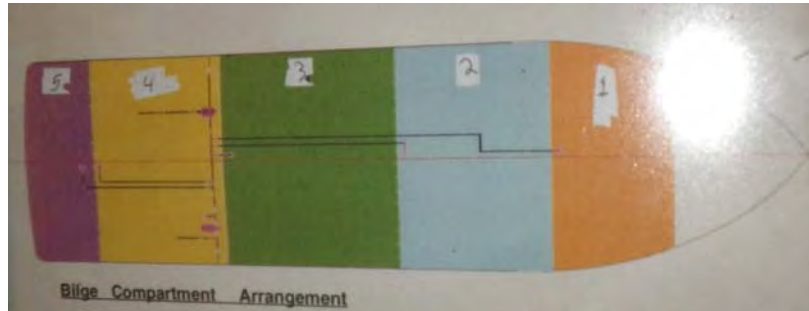
Deck Surface:	Steel – carpeted
Moisture / Delamination:	Not applicable
Anchor platform:	Twin 47 pound Danforth on 5/8 nylon secured to bow rails one on each side of the walkway (Gangway)
Anchor / chain locker:	None, rope secured to wraps on forward rails
Deck pipe:	None
Windlass:	None
Bow pulpit / rail:	Gangway – electric hoist. Tested for power operation only, but not run its length. This is the method of emergency recovery of overboard passengers & crew and specified within the COI.
Stanchions / side rail(s):	Bow only – Solid – No rust
Windshield:	Not applicable
Radar arch:	Not applicable
Scuppers / deck drain(s):	All clean (2 aft, each side, amid ship)



INTERIOR HULL & STRUCTURAL INSPECTION

HULL INTERIOR & STRUCTURAL COMPONENTS

Hull to deck joint:	Welded no overlap
Bilge(s):	Bow Stem with hatch access only
Stringers:	Steel ¼ inch I-beam
Bulkheads:	¼ inch plate. Not water tight between engine room and aft lazarett.
Inside of transom:	Good condition with no rust or corrosion of severe nature. No structural defects.



ALL THRU HULL FITTINGS

Sea valves:	Seacocks about the vessel engine room and tank bilges were all actioned open and closed. They were all left in the same position as found when tested. No operational faults
Sea valve condition:	Good. No recommendations
Sea valves piping:	Good. Surface corrosion consistent with age. Corrosion at thread surfaces typical of age, but no observed failings in attachment points
Sea strainers:	No damages and no leaks observed.



HELM & NAVIGATION ELECTRONICS

NAVIGATION ELECTRONICS

Helm station:	
Compass(es):	None.
VHF radio(s):	Icom IC-M504
Autopilot(s):	None
Multi-function instruments:	None
GPS:	None
Radar:	Furuno 1715 power up, no operation
Depth Gauge:	Uniden Digital QT-206 operational





ENGINE INSTRUMENTS AND CONTROLS

Throttle and shift controls:

Micro Commander starboard engine model 585CE. Port has been renewed in its service life as it is a Mathers ZF assembly, also a 585CE model versus Micro Operational

Engine room blowers:

Manual at the helm only. No safe mode available

Engine alarm / shutdown:

Instruments at helm only

Panel lights:

Yes. Operational.

Bow Thruster Tested

Yes. Operational





OTHER ELECTRONICS AND CONTROLS

Antenna(s):	VHF 8'
Bilge pump switches:	Manual only. No automatic pumps on vessel.
Courtesy lights:	Operational
Fire alarms:	Yes
High water alarm:	Yes in each bilge compartment
Spotlight controls:	At helm
Trim Tabs:	None
Windlass control:	None
Windshield wiper(s):	Yes.

CABIN INTERIOR APPOINTMENTS

ENTERTAINMENT ELECTRONICS

Stereo(s):	Sirius – Texc T-R670 Receiver
Speaker(s):	Atlas Sound 5 input amplifier

Television:
Satellite receiver:

Yamaha P25005 amplifier
None
Sirius



GALLEY

Location:	Forward center line
Stove:	#1 Alto-Shaam halo heat 750 TH-2 (fore)
Refrigeration:	True dual under counter TWT-48
Water system:	Fresh water pump and tankage
Sink(s):	Three-basin stainless steel, 2 faucets. Note GFCI issue electrical AC
Microwave oven:	Hamilton Beach counter top
Coffee maker:	Located at the bar, not in galley
Dishwasher:	None
Garbage disposer:	None
Vent fan:	Switch broken
Storage:	Mechanical closet and under cabinet. Over counter cabinets also in place.
Oven:	No markings on oven for identification



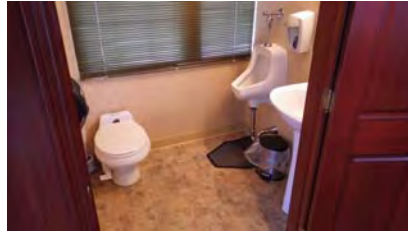
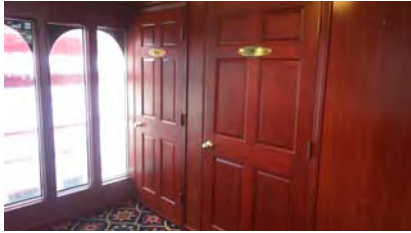
BAR (lower)

Location: Aft lower level starboard side across from heads
Refrigeration: Two double sided with counter top refrigerators. Both operational at time of survey.
Sinks: Three basin stainless steel
Garbage disposal: None
Vent fan: None
Storage: None



HEADS

Number / Location:	Two astern port side lower deck
Toilet(s):	Sealand Traveler manual operation
Raw water supply:	Operational
Sink:	Pedestal sinks porcelain. Operational
Shower(s):	None
Vent fan:	Yes
Shower pump:	None



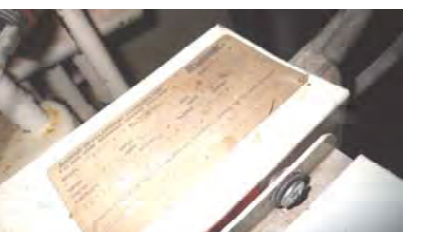
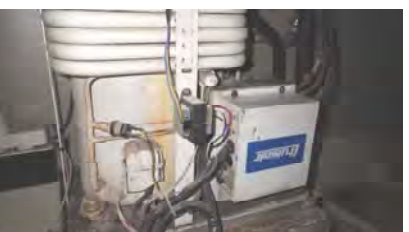
AIR CONDITIONING

Manufacturer & Type	CruiserAir
Locations / BTU Capacity:	Engine room & #3 Bilge compartment. Twin 48,000 BTU (engine compartment has renewed evaporator and compressor but connections with twist connectors on stranded wire not permitted. Installation does not appear complete. Pilot house has ceiling mounted Coleman Mach Reverse Cycle air cooled unit.
Temp Controls:	Aft main cabin next to bar. Fan speed controlled from panel in main AC

Filter(s) Condition:
Drip trays:
A/C Raw water:
Thru hull strainer:
Hoses & connections:
Raw water cooling pump:

Electrical. 24,000 BTU in Galley. All units operational at time of survey. Cover off unit in engine space.

Good
Good
PH 3000BX 3000 gph Cruisair Good
Good
Good
Good.



Start relay installed to forward hold unit. Sump is installed to evacuate condensate from tray hold unit, but engine space unit drains to the bilge adding to the condensation caused by the cold water of Lake Taneycomo. Bilge pumps are installed in the engine space to evacuate accumulated water from condensation and air conditioner.

ELECTRICAL SYSTEMS

DC ELECTRICAL SYSTEMS

D.C. Voltage system:	12 Volt
Primary batteries:	Super Start St-4D3/1500 CCA 12v 2014 batteries each
Battery selector switch:	Yes on each Battery installed to the front of the individual boxes for each battery
Battery monitor:	None
Charging system:	Charles C-Charger 9000 series in cabinet six cells for Lead Acid only
Distribution panel:	Main DC inside electrical panel on aft lower deck.
Breaker(s) / fuse(s):	Breakers inside Square D panel
D.C. usage meter(s):	None
D.C. wiring:	Proper support and chafe protection observed. Terminals of positively charged conductors not insulated from accidental arcing.
D.C. Electrical ground:	Three Conductors grounded to hull's stringer.
12 volt outlet(s):	None
Conductor identification:	No
Standards Remarks:	Given scope of electrical details involving the relation between AC and DC connections, recommend adherence to 33 CFR 183.400 supart I for corrective repairs as required for both AC & DC systems.





A.C. ELECTRICAL SYSTEMS

A.C. Voltage system:	100 amp shore
Shore power cord(s):	Single 100 amp shore power service to both port and starboard
Shore power breaker:	80 amp breaker
A.C. power selector switch:	Slide bar
Distribution panel(s):	Single 42 breaker square D
Branch breakers:	Yes
Reverse polarity indicator:	Not at panel
GFCI protection:	Yes, primary Square D installed to Primary Grounding conductor.
A.C. meter(s):	Not at panel
A.C. wiring:	Good
Anti-chafe protection:	Yes
A.C. Electrical ground:	No. Could not locate a direct tie between the AC Grounding Conductor and DC Ground visibly. Continuity with de-energized circuits showed continuity between two receptacle grounds and engine block grounds.
Galvanic Isolator:	None
Remarks:	Galley outlet failed manual GFCI test – was renewed at inspection and retested fine. Outlet shorted at lower bar was renewed at time of inspection and retested with GFCI found operational

The inspection of the vessel identified an AC (alternating current) issue with .35 amps imbalance at the shore cord. Active troubleshooting during the course of the survey eliminated conditions with the inverter receptacle in the pilot house and two air conditioners. Issue was determined by Electrician to be high resistance connections and corrected at the time of survey and the day after by the electrician. An Air Conditioner technician additionally inspected the air conditioners for fault correct termination issues reportedly. At this time, the issue is reportedly corrected.



GENERATOR (Main)

Location / Manufacture:

Engine room / Cummins ONAN

Type & Size:

Single Phase MDDCA -1204217

Serial number:

D120323216

Kilowatt / Voltage rating:

40 KW 120/240 Volt 166.7 amps

Hour meter:

3,414.9

Generator test:

Yes

Surveyed for: PCF, LLC.

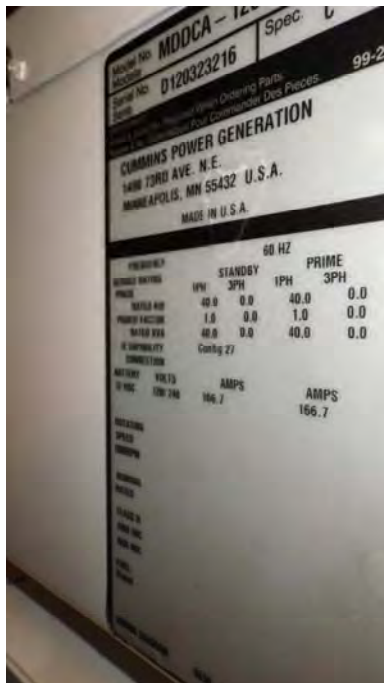
Report file #: 152284

Surveyed by: Hunter Consulting & Survey, Inc.

Page: 20 of 43

Hoses and clamps:	Double clamps Good
Belts and pulleys:	Good
Cooling system(s):	Low Reservoir fluid level
Oil level and condition:	Good
Fuel supply lines:	Good
Engine mounts and beds:	Good
Engine ground cable:	Good.
Exhaust piping:	Good
Muffler:	Good
Ventilation:	Good
Warning labels:	None

Generator was renewed reportedly two years ago. The condition and appearance of the generator concur with that report.



PROPULSION SYSTEM

MAIN ENGINE(S)

No. / Type / Cylinders	Caterpillar 205 H.P. 3116 - Diesel
Serial no(s):	5-4KG05118
Engine(s) hours:	Port – 1497.47
	Starboard – 13,863.9
Raw water hoses:	Galvanized Piping
Belts and pulleys:	Good

Cooling system(s):
Oil level and condition:

Flame arrestor(s):
Ignition protection:
Engine ventilation:
Fuel supply lines:
Fuel filter(s):

Drip pad(s):

Engine mounts and beds:
Engine ground cable:

Oil change system:

Good. Fluid in reservoirs depleted
Good, not marked with dates on filters,
normal appearance – not tested
Not Applicable
No
Good
Good
Good- 30 micron racor no Water
Separating canisters.
Yes – oil leaking inboard starboard engine
onto drip pad.
Rusted but appears secure.
Grounding between engines & generator
observed with 6 AWG wire.
Yes



EXHAUST SYSTEM

Exhaust manifold:

No advanced rust or leaks and flanges.

Muffler(s):

Good. Water lift side discharge

Piping / Clamps:

Good. Double clamping

Discharge location(s):

Side hull bellow the rub rail above the water line



TRANSMISSION(S)

Manufacturer / model:	ZF IRM220A1
Serial no(s):	Port: 255995 Starboard: 95-05131
Gear ratio:	2.45:1
Fluid level and condition:	Port: Good Starboard: Good
Propeller shaft(s):	2" Stainless steel.
Stuffing box(es):	Good. Lashdrop Dripless Packings

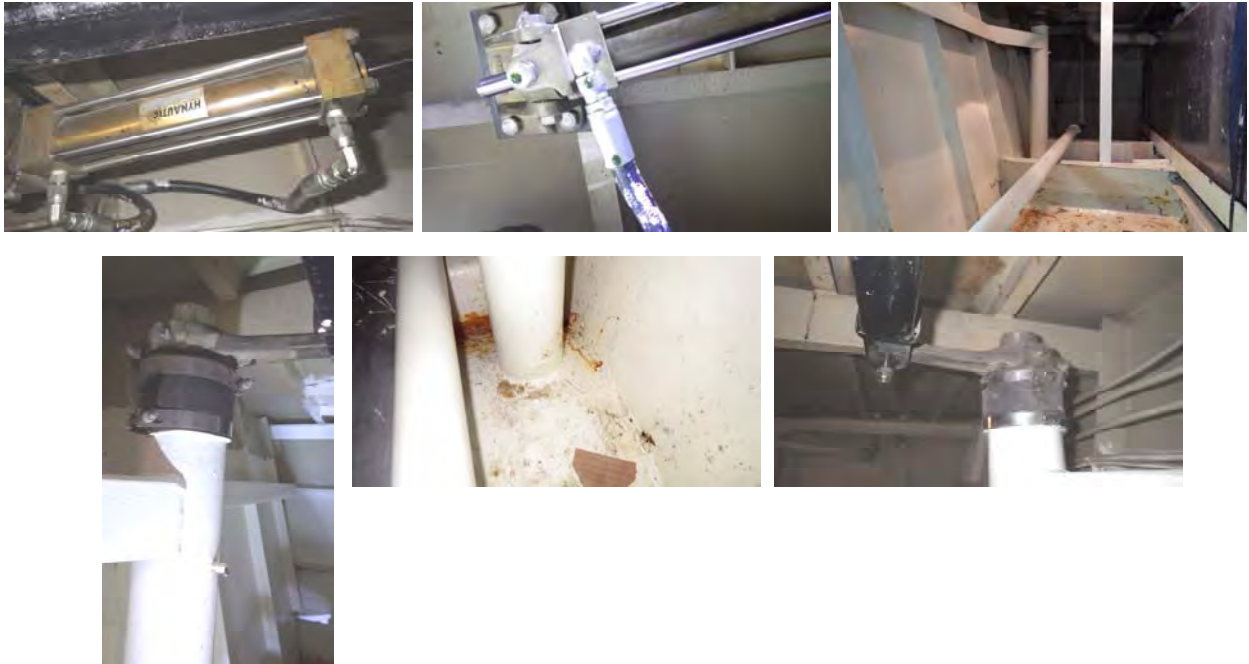


STEERING SYSTEM

STEERING SYSTEM

Type:	Hydraulic
Lines and fittings:	Secure, no leaks at fittings to Hynautic actuator
Pressure / reservoir tank:	Closed system

Mounting(s):	Secure - Nylock
Rudder stock(s):	Good
Steering tie bar:	Good
Packing glands:	Good – Stand pipes above water line with double clamped packings
Steering Remarks:	Correction of leaks to actuator recommended.



TANKAGE / PLUMBING

FUEL TANK(S)

No & Location:	Bilge compartment #2
Tank type & capacity:	Steel – Capacity by measurement only as no labels in place. (24x40x96 inches) yields 398 gallons approximately
Manufacturer's label(s):	None
Fuel supply lines:	Pipe – leak at aft fitting with drip pads under confirming leak
Diesel return line(s):	None
Shut off valve(s):	Yes. Single pull cable to all three on tie bar installation
Vent line / location:	Next to fill
Fill line(s) located:	Above the sheer adjacent to fill inlets
Fill pipe and condition:	Good

Fuel fill grounded:

Screw type clamp securing ground cable to pipe of inlet hose at flex joint.

Tank(s) grounded:

Indirectly through fill & fill pipe

Tank(s) secured:

Yes

Tank(s) condition:

Good



FRESH WATER TANK(S)

No & location of tanks:

Single #2 Bilge compartment

Tank(s) type & capacity:

Aluminum measure (30"x109"x18") yields 255 Gallons approximately. Tank is not labeled for material or certification

Tank(s) secured:

Yes

Filter(s):

Yes, single paper Omni-filter

Supply lines:

PEX Tubing & galvanized pipe

Shut off valve(s):

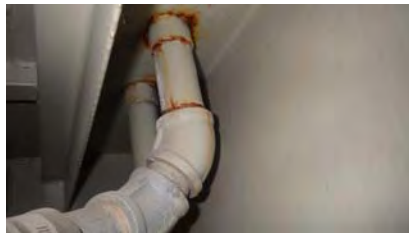
Yes (2)

Filling line(s) located:

Port and Starboard sides of hull with fill pipes to tank.

Vent(s) location(s):
Remarks:

Directly next to fills.
None



HOLDING TANK(S) - BLACK WATER

Marine Sanitation Device
No & location of tanks:

None
Two tanks – #1 compartment addresses grey water from galley a well. No overboard grey water. Stern compartment #5 handles head waste from both heads. No maceration, direct flow to tank. #1 compartment handles grey water from galley.

Tank(s) type & capacity:

PVC Waste in #1 compartment of 60 gallons. Capacity by measure only at 48x29x29 inches = 175 Gallons

Tank(s) secured:	approximately for the stern tank
Tank(s) condition:	Yes
Lines:	Good
	Aft piping is coupled using standard water hose showing advanced degradation.
	Recommend upgrading this hose to waste hose
Discharge line(s) located:	Pump out only via spuds at fore and aft sides
Y valve(s) installed:	None
Vent(s) location(s):	Adjacent to pump out fittings
Vented loop(s):	None

WATER HEATER

Tank location:	#5 (stern) compartment and #1 compartment under galley
Manufacturer / capacity:	Central Processing Corp forward / Craftmaster aft 19 gallon newly installed
How powered:	AC 120 volt
Water heater test:	Yes
Pressure relief valve(s):	Yes – mechanical operation of both proper working condition
Drain fixture(s) / plug(s):	Surface corrosion apparent.
Supply lines:	No recommendations
Outer tank material:	Steel. Rusting is present on both units
Tank(s) secured:	Forward yes, aft yes.
Inspection / cleaning access	Unrestricted cleaning / draining of tank
Ignition protected:	No – not necessary in compartments installed in.
Other notes:	



SAFETY EQUIPMENT

U.S.C.G. REQUIRED

Navigation lights:	At inspection, sternlight was inoperative. This was corrected via the replacement of the entire assembly prior to my departure and confirmed.
Life jackets (PFD's):	23,23,23,23,23 (16) 23 containers of Maye West design life vests with reflectors. 16 constitutes legal requirement for child life vests.
Throwable type PFD's:	Two rings with beacon operational
Visual Distress Signals:	Flares- all inspected with current dates.
Sound devices:	Horn
U.S.C.G. placards:	Waste observed at galley, oil to hatch at engine room
Engine ventilation:	Manual closure
Inland Navigation Rule Book:	None – requirement of law for vessels over 13 meter.



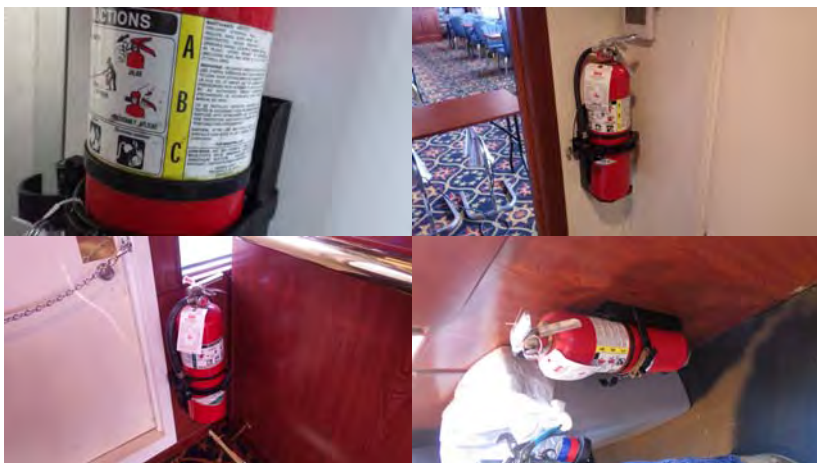


FIRE FIGHTING EQUIPMENT – U.S.C.G. REQUIRED

Dry Chemical Size I:	Engine room, aft bar, main cabin port side, galley, upper deck by pilot house (5 total) Classification 2-A:10-B:C Halotron May 2015 inspections
Fixed / Clean Agent:	FE 241 30 pound Model MA2-900
FIRE EQUIPMENT OBSERVATIONS:	NOTES: Manual discharge secure & pinned adjacent to heads & lower fire station. Hose at stern by heads & upper deck port side railing

Fire Alarm	Scentry indicator on extinguisher discharge in engine room.
------------	---





BILGE PUMPS

Forward bilge:	Main vessel dewatering pump only engine driven
Engine compartment:	None
Bilge Pump Comments:	Float sensors in pilot house all functional at test.



GROUND TACKLE

Primary anchor:	Two 47# Danforth on 50' 5/8" Nylon Braid
Auxiliary anchor:	Vessel already installed with two matching anchors

AUXILIARY SAFETY EQUIPMENT

First aid kit:	Yes. Under helm in pilot house
Smoke detector(s):	None

Carbon monoxide detectors:	None – no overnight accommodations.
----------------------------	-------------------------------------

AUXILIARY EQUIPMENT

MISCELLANEOUS EQUIPMENT & ACCESSORIES

Dock lines:	Shore side with dedicated mooring, in use
Fenders:	Not on board
Miscellaneous other:	

VALUATION METHODS

Income Approach:

The income approach uses the future earnings of the subject vessel to determine its value. The income approach is based upon a hired vessel returning income for chartered. This approach is viable for this vessel as she is a fleet type consideration, however, her use is not specific to herself, but instead is a subject of the business in its entirety. Not a charter vessel. The income approach is therefore, not an appropriate valuation method and therefore was not utilized in this appraisal.

Cost Approach:

The cost approach uses the replacement cost of the subject vessel and then applied depreciation to determine the value. Replacement cost is the retail cost of a new vessel on the same size with similar equipment and layout as the subject vessel offered by the same manufacturer. The cost approach is less accurate than the market approach because the value calculated is highly dependent upon obtaining an accurate replacement cost and determining the depreciation rate.

Market Approach:

The market approach uses the sales prices (not asking price) of comparable vessels to determine the value of the subject vessel. The market approach for recreational boats is the most reliable method.

Analysis of Value:

The opinion as to the vessel's overall rating of condition is a factor of the surveyor's totality of experience and adjudged immediately after a complete survey has been completed. The grading condition for a vessel at the time of the survey, determines the adjustments to the range of values. The following is a marine grading system of condition:

EXCELLENT (BRISTOL) CONDITION - is a vessel that is maintained in mint or bristol condition-usually better than factory new loaded with extras and rarity.

ABOVE AVERAGE CONDITION - requiring usual maintenance and normally equipped for size.

AVERAGE CONDITION - typical of age, type and class with normal wear.

FAIR CONDITION - requires usual maintenance and major repairs.

POOR CONDITION - substantial yard work required and devoid of extras.

RESTORABLE CONDITION - enough of hull and engine exists to restore the boat to usable condition.

As a direct result of my inspection, this vessel would depict a vessel in AVERAGE CONDITION against her age and model. Recommendations made in this report are not a significant deterrence to her value despite the high number of corrections required.

The use of the above referenced methods rules out all except the Income and Market Approaches as viable means of establishing a Market Value of the vessel. The Market Approach in this valuation is, in my opinion, the most accurate method, but is requiring of comparables to arrive at an accurate Market Value. The Income Approach is requiring to corporate accounting statements to arrive at an asset value as opposed to a market value.

VALUATION:

The review of market valuation guides is common place on general production vessels as a part of the process of a Market Approach to the value. Market Guides are however, of little use for this type of vessel given the highly customized nature as a dinner / excursion vessel. Comparatives are readily found as well for this model allowing for extrapolation of values from similar dinner type vessels sales fully addressing the value of this vessel in order to arrive at a fair Market Value. The highly customized nature of this vessel and its installations due not make the value guides an accurate value tool for comparison.

METHOD A: BUC USED BOAT PRICE GUIDE EDITION, BUC Valu Pro
Not Available

METHOD B: ABOS MARINE BLUE BOOK 2015 F/W I
Not Available

METHOD C: MARKET COMPS

Yacht World #77422-2866240	1988 Skipperliner 85' x 17' 120 passenger	Asking Price \$399,000	Not Sold
Ref#816	1970 75x19 Skipperliner 49 passenger New England	Asking price \$250,000	Not Sold
Spirit of Texas	A Freeport by Dejon & Lebet rated for 149 passengers built 2002	Asking \$499,000	Sold \$475,000

The review of market comparables and current sales listings indicates sales of vessels considered comparable condition. Surveys of other models and verbal discussions with Brokers and their clients who are in the market for vessel's such as this and whom have examined this and others lead to the opinion Lake Queen is above other marketed vessels in condition. That said, one detriment to value is the land locked location of this vessel and expenses of approximately \$80,000.00 in transport and rigging charges to have her relocated.

The Spirit of Texas detailed above asking of \$499,000 is a relatively accurate asking price for the vessel when compared to other vessels of this type and age. The 1988 Skipper Liner originally asked \$499,000 but recently cut her asking to \$399,000.00 and still has not reportedly had much interest reportedly due to condition. Reality estimates the 1988 sale at or near the \$290,000 figure. The asking prices above can be used to approximate the depreciation curve of the similar types of vessels against the age and condition. Those vessel above are not land locked and will not require the additional relocation expense.

It is my belief the conditional consideration will be offset by the locational issues, hence I have utilized a consideration of Average against the other comparables used in this valuation. Therefore, I would suggest a value of USD \$430,000.00

Market Value of Vessel: USD \$430,000

INSPECTION RECOMMENDATIONS SUMMARY

PRIORITY I – SAFETY & REGULATORY RECOMMENDATIONS:

(MAY BE MANDATORY)

The items listed are required by state laws or federal laws and U.S.C.G. regulations or are considered by the attending surveyor to represent unsafe operating conditions. Recommend these items be corrected before next use of the vessel.

1. Electrical on the vessel found fault with improper grounding conductor AC to DC imbalance. Corrected at time of inspection found fault with high resistance terminations on shore plug, pilot house receptacle and two Air conditioners. **CORRECTED**
2. Navigation stern light inoperative at inspection. **CORRECTED**
3. Galley GFCI receptacle inoperative on manual test. Renewed during inspection and tested operational. **CORRECTED**
4. Bar Receptacle shorted and burned. Renewed during inspection and retested. **CORRECTED.**
5. Fuel Shut-off valve aft fitting is leaking diesel fuel. Secure leak and renew drip pads to identify future leaks.

PRIORITY II– STANDARDS & MAINTENANCE RECOMMENDATIONS:

The items listed are observations of condition and may require attention for further examination or repair.

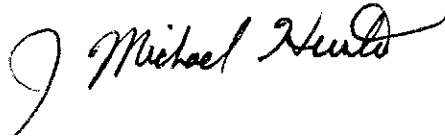
- A. Starboard engine evidence of slight leaks onto drip pads and on engine block sides, clean and secure source of leaks.
- B. Over-current protection not observed on battery charger connections to batteries nor conductors leaving positive charged terminals. Seven Inche from source of power required. Reference 33 CFR 183.400 (455)

Surveyors Certification:

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions; and is my personal, unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the vessel subject to this report.
- I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value, or direction in value, or direction in value that favors the cause of the client, the amount of value estimate, the attainment of a stipulate result, or the occurrence of a subsequent event.
- I have made a personal inspection of the vessel that is subject of this report.

Hunter Consulting & Survey Services, Inc.



J. Michael Hunter NAMS-CMS, SAMS-AMS, ABYC-Master Tech., IAMI-CMI

National Association of Marine Surveyors – NAMS-CMS#125-949

Society of Accredited Marine Surveyors – SAMS AMS#939

American Boat & Yacht Council – Master Marine Technician

American Boat & Yacht Council – Marine Systems/Composite Boat

Builder/Standards/Electrical/Corrosion/Diesel



Attachments: Photographs

