A. B. MARINE CONSULTING, INC.

"Marine Assurance Since 1982"

Morgan City Bank Building

1201 Brashear Avenue, Suite 438, Morgan City, LA 70380

Phone: (985)384-5184 Fax: (985)702-1488 Email: survey@abmarine.net – www.abmarine.net

Tugboat "CAPTAIN JERRY"

Condition & Valuation Survey for Insurance

24 May 2012

Prepared at Request of – Jason Hathaway
For the Account of the owner – Bay City Marine

Date of Survey – 1 May 18, 2012

Location of Survey – Plaquemine, Louisiana at Verett's Shipyard

Report Number #12-30004

THIS IS TO CERTIFY THAT:

The undersigned Marine Surveyor performed an inspection and subsequent appraisal of the above referenced tug as stated above.

The purpose of this report is to describe the general condition of the subject vessel and to offer opinions as to its condition, and value, for the use of the owner and insurance underwriters or other interest parties in their assessment relating to their particular interest or risk.

Compensation for services has been arranged on an independent fee basis and is in no way contingent upon the values reported.

* * *

ATTENDING:

Owner -	Jason Hathaway
Surveyor -	Captain J. Anthony Brown, AMS, CMS

ATTENTION:

The reporting and associated involvement by A. B. Marine Consulting, Inc. is subject to our ***"Limiting Statements"*** and signed ***"Work Agreement"*** between the owner, Jason Hathaway/ Bay City Marine.

CONTENTS:

BACKGROUND:

Refurbishing Estimated 95 % Complete –

The owner explained that he was in the final stages of refurbishing the boat. He reports that when he purchased the boat it had been sunk. And that after it was raised, no water could be found to enter the boat. He suspects that a valve or something had been left open.

From our talk with the owner we understand that he basically stripped out all of the interior living quarter furnishings and wiring after which the interior steel was cleaned and bare steel repainted prior to going forward with the refurbishing. Also that, all electric motors, in the machinery space, was replaced new and along with other misc. items. From our inspection the electric motors in the machinery space appeared to be new along with various electronic and other misc. equipment.

The owner supplied a list of items reportedly purchased for the refurbishment as follows:

Engines:	$40,000.00	(2) V8-892's Detroit Diesel (800hp)
Transmission	$12,000.00	(2) Tanano 5;1 Ratio (Rebuilt)
Generator:	$7,500.00	(1) 271 Detroit Diesel
JRC Radar:	$10,000.00	(1) JRC
AIS System:	$2,500.00	(1) Florance
Water Pump	$300.00	
Steering Pump:	$2,400.00	(2) Emerson Electrical
Fire Extinguishers:	$1,500.00	(6) fire ext. with updated and inspected
Paint:	$1,600.00	(30) Gallons
Fire Alarm System	$2,000.00	With installation
Air Compressor	$2,220.00	Quincy Compressor
Interior	$2,000.00	Paneling
Appliances	$3,000.00	Bed, Stove, AC Unit, light fixtures
Misc.	$15,000.00	Shipyard Repairs, Installations on Equip.

The owner is aware that his boat is classified by the U. S. Coast Guard as an Uninspected Towing Vessel (UTV). And that government rulings, in about a year from now, are to require the all similar vessels be inspected and to carry a valid U. S. Coast Guard *"Certificate of Inspection"* (COI). We understand that he is using the *U.S.C.G. Requirements for Uninspected Towing Vessels* book to guide him with his preparations to have the subject vessel comply with upcoming regulations. We note that it appears that the owner has expended a considerable amount of time and effort to meet these upcoming U.S.C.G. requirements.

We discussed some of our *recommendations* and concerns at the time of the inspection. Some of these, we understand, were on the owner's list to be completed. The owner reports that he has a second generator which is to be installed.

Outstanding refurbishment to be completed appears to involve a relatively minor amount of work such as carpentry, electrical and other misc. items, etc. Most of this is in the pilothouse, bunkroom and galley.

We explained, to the owner, that we will be making recommendations that that are considered necessary to increase the safety of the crew and boat. Our understanding is that he would be willing to comply.

Locating Areas Described –

Counting of all areas are from port to starboard, forward to aft, and from up to down unless otherwise noted. The locations of these areas are estimated to their centers unless otherwise stated.

All sizes, distances, etc., mentioned in this report are approximate.

Conditions of Inspection –

The subject was hauled out on *waves* at Verett's Shipyard when we inspected it. Some of the areas supporting the boat and various bracings on the waves restricted our inspection and view.

Equipment identification and descriptions are for the purpose of general identification of major items and does not include every single item or condition.

We were not instructed to conduct sea trials. Our witnessing of the operation of the engines was limited to the operation of the generator.

Some of the normally closed compartments were not prepared for safe entry and therefore not inspected.

CERTIFICATES & DOCUMENTS:

Vessel Particulars –

U. S. COAST GUARD OFFICIAL NUMBER	267454
PLACE BUILT	Westlake, Louisiana
U. S. COAST GUARD DESIGNATION	Uninspected Towing Vessel
VESSEL TYPE	Inland Waters /Near Shore Tug Boat
YEAR BUILT	1954
YEAR REFURBISHED & REPOWERED	2012 (ongoing – Estimated 98 % complete)
PROPULSION	Twin Screw Detroit Diesel Engines, model 8V-92
HORSEPOWER	900 h.p.
DIMENSIONS (REGISTERED	Length 50.2' – Breadth 16.4' – Depth 8.2'
TONNAGE	Gross – 43 GRT Net – 22 NRT

Vessel's Info Posted on Internet from U.S.C.G.

Vessel Name:	**CAPTAIN JERRY**	USCG Doc. No.:	**267454**
Vessel Service:	TOWING VESSEL	IMO Number:	*
Trade Indicator:	Coastwise Unrestricted	Call Sign:	WF6009
Hull Material:	STEEL	Hull Number:	*
Ship Builder:	CALCASIEU STEEL & MARINE	Year Built:	1954
		Length (ft.):	50.2
Hailing Port:	PLAQUEMINE LA	Hull Depth (ft.):	8.2
Owner:	BAYOU CITY MARINE LLC 24276 LARRY DRIVE DENHAM SPRINGS, LA 70726	Hull Breadth (ft.):	16.4
		Gross Tonnage:	43
		Net Tonnage:	22
Documentation Issuance Date:	December 28, 2011	Documentation Expiration Date:	January 31, 2013
Previous Vessel Names:	LIL CHERIE V ROD V ROD MOSS I JEFFERY LYNN CAPT HARRY BRADLEY	**Previous Vessel Owners:**	J & M PILE DRIVING LLC JD STAPP GROUP LLC JD STAPP GROUP LLC MOSS OILFIELD CONSTRUCTION LLC C & B TOWING LLC MIKE HOOKS INC

VESSEL DESCRIPTION:

Photo –




Type of Vessel –

The vessel is a typical tug boat used for coastwise service along the gulf coast in the support of the exploration and exploitation of energy resources.

Design -

Bow	Pointed with a modeled pointed bow	Stern	elliptical
Chines	Hard	Deck	cambered

Deck Levels -

Deck Level Two -	Raised Pilothouse with crew quarters aft
Deck Level One -	Galley and Restroom
Lower Hull -	Machinery Space

Compartmentation –

All compartments were not opened. Compartmentation appeared to be as follows:

	Type Compartment:

First	Bow void
Second	Water Tank
Third	Machinery space
Fourth	Steering

Construction –

Built of	All welded steel
Hull sides and bottoms	Original estimated to be 3/8" thick plate
Deck house	¼" thick plate
Framed	Longitudinally and horizontally

Hull Protection -

The boat is protected by a two tier rub-rail constructed of 12" split pipe along both port, starboard, and across the stern

It was additionally protected by truck tires suspended at random locations in way of the port and starboard des.

Doors -

Doors are constructed of steel, designed weather tight with about 8" high combing under the doors.

Windows –

Were designed weather tight, framed in steel and sealed by rubber gaskets.

Bulwarks -

The bulwarks were built in way of the main deck and were about 18" high and were fitted with freeing ports.

Deck Fittings –

1	Bow single bit	4	Double bitts – 2 on port & 2 on starboard
1	Tow bit	2	Hand operated *Push-wire* winches

VESSEL'S SYSTEMS:

Steering System -

Is electric over hydraulic, operated by two electric motors operating hydraulic pumps which in turn operate twin steering rudders via hydraulic rams

Air Conditioning Cooling -

Two wall-mounted 110 volt a. c. air conditioners

Pumping Capability:

Boat is equipped with a 1-1/2" a. c. operated bilge pump and a 2" a. c. operated fire pump. All compartments are expected to have manifolds to the machinery space for use by the pumps. Pumps, piping, and pipe check valves were not disassembled and inspected to determine their condition. From a brief visual inspection, same appeared to be connected up, maintained, and in operating condition unless otherwise stated.

Electrical:

The electrical lighting systems were 110/220 volts a. c. and 12 volts d. c. Wiring use were metal-basket weave and neoprene covered wiring. Wiring as sighted appeared to be marine grade stranded wire. Overload protection is accomplished by circuit breakers and by fuses.

Fuel Tanks -

Port and starboard wing fuel tanks are built into the machinery space with a capacity of about 5, 500 gallons Fuel oil tanks appeared to have been equipped with approved type fill-lines, flame screens, vents, and fuel oil shut off valves.

Potable Water Tanks -

Reportedly a 2,500 gallon water tank is located under the galley compartment

SAFETY EQUIPMENT & PLACARDS:

Attention –

The vessel was equipped with a substantial amount of safety equipment which appeared to be operable and was located at strategic locations about the boat. All fire extinguishers had a *Certified Date Tag,* dated March 2012.

portable fire extinguishers, port & starboard fire fight station on main deck, three smoke alarms in living quarters, life vest, ring buoys, automatic emergency light beacons, EPIRB, engine room fire alarm, high water bilge alarm, Machinery Alarm System equipped with warning lights, and sirens and other misc. safety equipment were located on the boat at strategic locations.

Note – Owner says that he has an anchor at his house and it will be installed.

Photos –











ACCOMMODATIONS - DECK LEVEL TWO (Pilothouse &Crew Quarters):

Access –

Access is by way of port and starboard doors opening to stairway with landing leading down to the main deck and contained:

Pilothouse -	Main Engine controls	Steering wheel
	(2) VHF Radios	(2) Portable VHF Radios
	(1) Radar / AIS	Temporarily remove from the boat
	Engine gauges (new)	Engine alarm System by Edwards, E-FSC (new)
	Air horn pull lever	GPS reportedly has been purchased and to be installed prior to on-hire
	(2) Spotlight controls	6" Liquid magnetic compass
	First Aid Kit	Emergency Flare gun kit
	(1) Fire Extinguisher	U S Coast Guard CFR Manuals
	(2) Type 1 life vest	
Crew Quarters	(1) double bunk	(1) wall mounted air conditioner reportedly will be installed

ACCOMMODATIONS - DECK LEVEL ONE (Galley and Restroom):

Access –

Galley is located forward with access by way of port and starboard doors leading out to the main deck.

Restroom is located aft with access by way of a port door leading out to the main deck.

Contained –

Galley	Table-top cabinet with built in sink and electric stove
	One table and two chairs
	(2) Type 1 life vest and (4) work vest
Restroom	Lavatory, toilet, and shower

LOWER HULL – (Machinery Space):

Access –

Access is by way of the main deck by way of a starboard door.

Contained –

(2) Main engines	(2) V8-892's Detroit Diesel (800hp)	Reportedly rebuilt
(2) Main clutches	Tanano 5;1 Ratio	Reportedly rebuilt
(1) A. C. Generator	Detroit Diesel, model 2-71	Reportedly rebuilt
(1) Steering System	(2) Hydraulic pumps operated by elec. motors	Reportedly is new
(1) Air Compressor	With receiver (made by Quincy)	
(1) Bilge pump	1-1/2" operated by electric motor	Elect. Motor appeared new
(1) Fire pump	2" operated by electric motor	Elect. Motor appeared new

CONDITION:

Exterior Lower Hull and Deckhouse –

Deckhouse and hull's deck coating appeared to be good and about 95% effective.

Lower hull coating appeared to be in fairly good condition and about 80% effective.

Indents to the lower hull appeared to be relatively minimum. No heavy damages were noted. The rubrails and bulwarks displayed numerous zero to about two inch indents which are common for a boat of this type.

General Housekeeping –

Housekeeping was fair considering that the boat is in its final stages of refurbishment.

Hull Interior and Exterior –

All compartments were not entered as some were not prepared for entry. Forward ballast compartment and steering compartment hatches were opened and photographed from the deck. Compartments were rusted.

No excessively heavy damages were noted to the hull as sighted on dry dock. Protective coating appeared to be about 75% effective.

A keel cooler was leaking. At time of inspection the owner had the shipyard weld up the leak. We understand that these will be check at next scheduled dry docking and attended to accordingly

Lower Hull (Machinery Space) -

The boat was sighted as it was hauled out and also as it was operated to another location at the shipyard where we continued our inspection.

Machinery space and bilge was fairly clean considering the boat is in its final stages of refurbishment. Equipment appeared to have been connected up and operable.

Protective coating in way of the interior of the boat, in general appeared to be well coated. And machinery was well coated.

RECOMMENDATIONS:

In general we found this boat to be in operable condition. Overall it appeared to be in good condition for its age. As previously noted; the owner explained that he was in the final stages of the refurbishment. We discussed some of our *recommendations* and concerns. Some of these we understand were on his list for completion.

Any recommendations offered are to be done according to good marine practices, Regulatory Bodies and/or American Boat & Yacht Counsel Standards (ABYC) which are voluntary standards.

It should be noted that compliance with our recommendations ultimately are up to the discretion of the Owner, Insurance Underwrites or Regulatory Bodies accordingly.

Upon request, we could return to the boat to conduct a more detailed inspection or to verify compliance with any one or all of the recommendations. Safety is an on-going affair, should be treated as such.

In an attempt to prioritize the *"Recommendations"*, we have attempted to list items in order, first dealing generally with immediate concerns.

Note - The order of these *"Recommendations",* are given only as a guide for *"Risk Assessment"*. Safety is an on-going affair and should be treated as such.

Note – We understand from the owner that he plans to dry dock the boat and have routine maintenance conducted in the not-to-distance future.

1. **Customary Haul Out Inspection (Recommended) -**

   Our standing and customary recommendations, for a boat of this age are that it should be hauled out for a proper *Visual Hull* inspection and an *Ultra Sonic Non-destructive Test* (UT) to be done in order to possibly detect heavy damage to hull, to underwater gear, and perhaps excessively thin plating that may have been excessively wasted due to electrolysis or wear.

   We understand from speaking with the owner that the boat was already insured under port risk and that in 2009 he had furnished a report with UT readings which underwrites accepted. We recommended that the insured discuss this with his insurance agency and he gave us their phone number. In discussing the matter of UT readings with the insured's insurance agency our understanding was that underwriters were not requiring another U.T.

2. **Lower Hull (general maintenance) –**

   Underwater bearings showed considerable wear.

   Also, keel cooler was leaking. At time of inspection the owner had the shipyard weld up the leak and also weld up some fractured welds on the rubrail. We understand that these maintenance items will be checked at next scheduled dry docking and attended to accordingly.

   Recommended –

   We recommend that the above items be attended to at the next scheduled dry docking which we understand from the owner will be done in the not-to- distance future.

3. Air Conditioners in Pilothouse/Bunkroom & Galley (not installed) –

The opening for the air conditioners was temporarily closed and did not appear water tight. We understand from the owner that new air conditioners are to be installed.

We recommend –

Air conditioners are to be properly installed.

4. A. C. Generators –

Port Generator –

Air breather is removed

Starboard Generator –

Owner reports that he has a generator that is to be installed and showed us where a hole cut in the side of the cabin and insert tact welded in place pending the installation of the starboard generator.

Recommended -

Starboard generator to be properly installed and insert to be properly welded up in place

5. Automatic Identification System (AIS) –

Owner reports that this item has been purchased and will be placed on board prior to putting the boat in services.

We Recommend –

AIS to be properly installed and operable

6. Fire Alarm –

Incorporated into the new *Engine Alarm System by Edwards, E-FSC* is a *fire sensor*. When tested, it did not work. The owner reported that it had been working and checked out ok and that perhaps there might be a loose wire.

We recommend –

The all functions of the Alarm *System* be tested and operable

7. Machinery Space Maintenance Issues - Piping, Hoses/clamps, & Linkage, Etc –

Various pipe hose connections/clamps on the main engines and various equipment, etc. were not double clamped for added protection from failure.

We recommend –

A *condition inspection* of all pipe and hose conditions to be checked and attended to accordingly. Hoses should be double-clamped as found practical.

8. Propeller Shaft Stuffing Boxes -

No double locking nuts were in place to help prevent loosening during vibration.

Recommended –

Double locking retainer nuts to be in place and properly tightened

9. Port rudder –

There were some fractured welds found on the rudder

We recommend –

Fractured welds to be welded up, rudder inspected and repaired accordingly

10. Anchor –

Owner reports that he has an anchor at his house and it will be installed.

Recommended -

A proper sized anchor fitted with chaffing chain and proper sized line to be on board and readily accessible for use in case of an emergency.

11. Fire Station (main deck on starboard side) –

The hose was not connected

Recommended –

Hose to be properly connected

12. Wiring –

As part of the ongoing refurbishment we note that numerous receptacles and/or switches in way of the pilothouse, bunk room, and galley were not properly positioned in alignment with the panel opening.

Owner has assured us that *wire strand marine grade* wiring has been used.

Recommended –

We recommend all wiring receptacles and switches to be properly positioned and checked for proper connections. Also no wiring is to be household grade. All to be wire stranded marine grade.

13. Door on Main deck (glass missing) -

The aft door on starboard side to the machinery space has the glass missing.

Recommended –

Glass to be properly installed

14. Compartment Hatches –

Covers to the two compartments that were opened did not appear to have been watertight and gaskets were in questionable condition.

Recommended –

All compartment hatch, covers and gaskets to be properly attended to and made watertight.

15. Emergency Position Indicating Radio Beacon (EPIRB) & *Float-off Strobe* Lights –

Cannot be removed readily from holders

Recommended – Mounting straps to be reposition lower to allow ready removal from holders

OPERATION STATEMENT / NAVIGATIONAL LIMITS:

Owner reported that the boat would not be operated except in inland protected waters.

It is the opinion of the undersigned marine surveyor that the subject vessel should be limited to inland protected rivers and lakes while engaged in support of exploration, exploitation, or production of mineral or energy resources.

OPINION OF VALUES:

Replacement Cost for (New) - as of May 1, 2012……$900,000.00 to $1,000,000.00

Nine hundred thousand dollars to One million dollars

Definition –
The current cost of a similar new property having the nearest equivalent utility as the property being appraised

Fair Market Value - as of May 1, 2012……..$175,000.00

One hundred and seventy-five thousand dollars.

Definition –
For appraisal purposes, *Fair Market Value* is defined as the amount expressed in terms of money that may be reasonably expected for a property in an exchange between a willing buyer and a willing seller, with equity to both, neither under any compulsion to buy or sell, both fully aware of all relevant facts, as of a specific date, with no time constraint.

PROCEDURES & ANALYSIS:

In general, marine equipment is built for a market that can be used worldwide, subject to limitations in mobilization, both physical and economical which are factors taken into consideration as deemed practical when using research on the international market.

In conducting the evaluation process; our policy is to attempt to utilize all three of the following approaches where practical:

Replacement Cost (New) Approach –

Replacement Cost Approach is that approach which measures the value by determining the current cost to produce a new asset of equal utility.

Fair Market Value Approach -

Fair Market Approach is that approach to value where recent sales and offering prices of similar property are analyzed to arrive at an indication of the most probable selling price of the property being appraised.

Both the *Cost and Market Approaches* were considered in determining the *Fair Market Value*. In doing so, the *substitution approach* was used with the principle understanding is that a prudent buyer will not pay more for a vessel than the cost of producing a substitute with the same utility, as the asset.

When using the ***Fair Market Value Approach****;* it is our goal to research the market for current sales and offerings for a number of vessels with similar design, size, and machinery, etc. after which compensation for the differences are made and are reflected in the valuation process.

Also, reflecting on the valuation process are insights into the vessel's functional and economic obsolescence. This being dependent upon insights gained from our personal experience and by contact with various industry-related professionals, such as owners, operators, brokers, buyers and sellers of marine equipment, etc.

Equipment that has recently been rebuilt or repowered consequently, have years added to its remaining expected economic life. Conversely, equipment in need of repairs, maintenance, or repowering would have years removed from its remaining expected economic life.

Carrying or not carrying a valid USCG *Certificate of Inspection (COI)* can have an enormous positive or negative impact to valuation. Also, the same situation exist by ***having or not having*** valid *certification* by various classification societies, such as American Bureau of Shipping (ABS).

In summary, as is practical, to determine *Fair Market Value;* first our opinion of *Present Day Replacement Value* is determined after which we depreciate its value based on its estimated *terminal value/useful life*. Then

the values are adjusted up or down for actual conditions found to exist on the subject vessel, in conjunction with research into any comparables we may have used.

Income Approach -

Simply stated, is the present estimated worth of the future benefits of ownership, usually measured through the capitalization of a specific level of income.

When utilizing value by *Income Approach*, historical data related to income flow and related expenses need be provided to the appraiser in addition to capitalization rate criteria required by the client.

Note: for *Income Approach*; the owner will need to provide historical data related to income flow and related expenses, in addition to capitalization rate criteria. Upon request, we can work in liaison with a CPA firm to develop this value. We believe that our opinion of values reported above does not necessitate the use of the *Income Approach*. Upon request, we could do so.

NARATIVE:

Factors Affecting the Values –

The British Petroleum (BP) oil spill of 2010 basically stopped offshore drilling in the Gulf of Mexico. Consequently this caused an undue negative impact regarding the industry as a whole. The offshore exploration and exploitation of the energy resources offshore in the gulf is the major driving factor for the economy in this area.

Additionally, this caused the price of oil and gas to increase drastically adding to the negative impact to the country.

U. S. Coast Guard Regulation for UTV's will have a negative or positive impact on values depending on the condition of the vessel with regards to its condition and their owner's preparation for such upcoming requirements. As previously stated the owner of the subject vessel has already taken the initiative to prepare for these upcoming requirements. At this time we have no idea, if in reality; this will be a positive or negative effect on this particular vessel.

Value reported for Fair Market value is base on the assumption that there no major hull plate thickness loss due to corrosion or wear.

Research into Replacement Cost (New) -

As is practical, "Replacement Cost" is developed from recent area shipyards information and/or if applicable, those built "homemade" by individuals.

Bearing in mind that this boat is a *one-of-a-kind* and our research was very limited and only manufactured hulls of similar size found. However, these were not considered useable as comparables.

We contacted five shipyards in order to get an opinion of cost to replace this vessel new, on today's market of which only two were a help.

Research into Fair Market Value -

We were not able to get hard figures on what percentage of decrease in values or sales has occurred for similar vessels. However, we estimate that this market has fallen by a minimum of 30 percent since the BP oil spill.

Typical Resources –

To maintain a meaningful awareness and comprehension of the marine market, with regard to sales, construction, new trends, and projected new-builds, etc.; we monitor numerous industry related sources such as, trade publications and internet commercial, pleasure, and personal web sites.

Also, we have a network contacts that we can call who we feel have a comprehensive knowledge of the industry and are called upon as needed.

Additionally, we have a storehouse of files and data gathered after the inception of A B MARINE Consulting, Inc. back in 1982.

Typical Resources -

1. Shipyard quotes
2. A B Marine Consulting, Inc. – database
3. A B Marine Consulting, Inc. - collections of various news articles
4. Websites, either for commercial, pleasure, and occasional private websites-
5. Marcon International Newsletters

General Reference Sources -

Boats & Harbors, Latitude 48, The Workboat, Marine Reporter, Professional Mariner, Yacht World, Ocean Marine, to name a few.

Surveyor's Certification:

Captain J. Anthony Brown, CMS, AMS

Certified with:
National Association of Marine Surveyors (NAMS) Certified Marine Surveyor, CMS Seal #118-680
Society of Accredited Marine Surveyors (SAMS) Certified Marine Survey, AMS Seal #219

I hereby certify that -

1. The statements and opinions expressed in this report are correct to the best of my knowledge and belief, subject to the understanding that necessarily some information reported is from sources that are believed reliable as mentioned in **"Limiting Statements"**.
2. I have no present or prospective interest in the vessel that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
3. This report was developed and drafted accordingly to the *"Uniform Standards of Professional Appraisal Practice"* guidelines.
4. This report is based on the personal inspection and research of the undersigned marine surveyor.

LIMITING STATEMENTS OF LIABILITY:

This survey report is considered to be the sole property of the owner, as it was made at their request and for their account. Because of the ease in which information can be inadvertently or intentionally altered or loss; an *inviolate true copy* is customarily on file in our office.

Prior to using this report, all outside parties are advised to read it *carefully* and use it only after agreeing to these *Limiting Statements*. Outside parties are cautioned to consider their own particular needs. The intent of this report is to offer a margin of assurance and not "insurance".

It should be understood that the subject vessel was sighted without conducting neither UT *non-destructive test* for hull and frame thicknesses, nor the benefit of dock-side testing or conducting sea trials. Nor was the electronics or machinery and fittings, etc. tested for tightness or proper operation. Nor by not opening up all places which are ordinarily concealed, or perhaps places with limited vision, or areas that may have been obstructed from view, or not made available for inspection.

By the very nature of the inspection and research involved; we declare that every possible defect or concern relating to the subject vessel's safety, its use, its condition or value, etc., may not have be found or addressed.

The values given in this appraisal are for the stated valuation date only, and only for the stated purpose. They are gross values and do not consider brokerage fees, marketing costs, shifting or relocation costs and security, etc.

In accepting this report, it should be understood that the safety of the vessel and its crew is an ***on-going-affair.*** No warranty is expressed as to its condition, seaworthiness, or suitability for service. No guarantee can be given that these opinions of value will be sustained or that they will be realized in an actual transaction. Upon request, we could conduct a more detailed inspection and research into its values and safety, etc.

Equipment identification and descriptions are for the purpose of general identification of major items and does not include every single item.

This report is based on the inspection of the attending surveyor. Also, as situations warrant; information may be used from outside sources that are considered to have reliable information. Sources, such as from the various certificates and papers on board and also from individuals and industry professionals who are considered to have given reliable and accurate information. Therefore this report is limited in this respect.

The appraisal was done without regard to any possible problems associated with the Americans with Disability Act (ADA) or violations of the ADA.

Any legal defense, court, attendance, or deposition preparation related to A. B. Marine Consulting, Inc. or the attending surveyor's involvement will be considered a new and separate billable assignment.

SURVEYOR'S NOTES:

General Comments -

Additional photographs are on file and may be made available upon request.

Please contact us at survey@abmarine.net or www.abmarine.net should there be a question or if we can be of further assistance.

Survey made, signed, and submitted without prejudice to the rights and/or interests of whomever it may concern.

Captain J. Anthony Brown, CMS, AMS

Distribution -

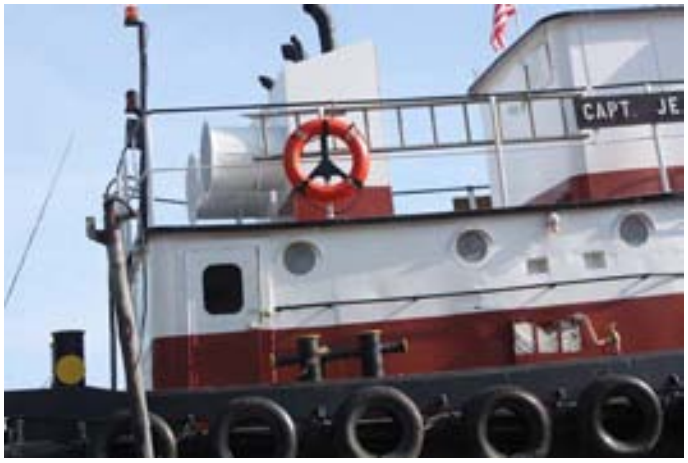
Jasonhathaway1@gmail.com

PHOTO GALLERY (SEE NEXT PAGE)

PHOTO GALLERY:

Atop Pilothouse –

Deckhouse –



Lower Hull -

Pilothouse –

Bunk Room –

Galley –

Bathroom –

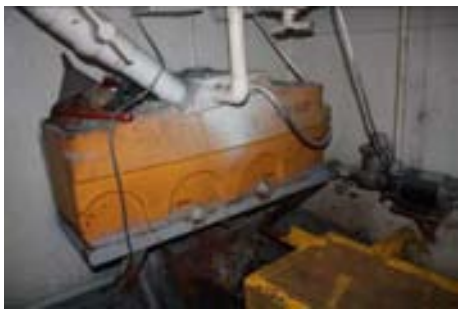
Misc Equipment –


Machinery Space -









Compartments –

Forward Compartment -

Steering Compartment -

End of Photo Gallery