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NEW YORK



FILE 17-026765 CONDITION AND VALUE SURVEY REPORT

April 27, 2017

VESSEL: fv MISTY BLUE

OWNER / OPERATOR: International Sea Harvester (ISH) dba F/V MISTY BLUE LLC

This is to certify that EIMC's undersigned marine surveyor Stephen J. Murphy, NAMS-CMS. did attend to survey the subject vessel for general condition and value purposes as per the request of ISH's Mr. Sam Martin on behalf of whom it may concern. Our report on that survey is as follows:

SURVEY HELD: March 16, 2017 – Vessel hauled out at Promet Shipyard, Providence RI. **ALSO ATTENDING:** ISH Port Captain Jimmy Stock

UTILIZATION: The vessel was working as a commercial surf clammer running out of New Bedford MA before 2015. ISH purchased the vessel in 2015 and have kept it in the same service running out of the same location since then. The vessel's long-term Captain and Mate have both stayed on

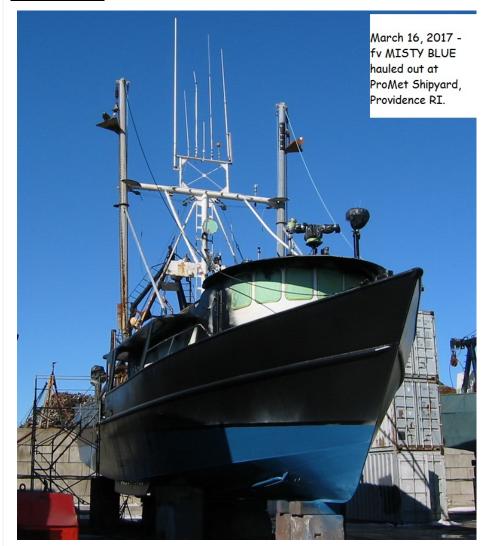
with the vessel through the purchase. As of now the vessel is making approximately two clamming trips per week running out of New Bedford and clamming through the Nantucket Shoals area. A typical trip includes approximately 20hrs round trip running time between New Bedford and the Shoals plus approximately 24hrs. on site clamming before the vessel is fully loaded. The vessel's current carrying capacity is 18 loaded cages with 16 stowed below deck and 2 stowed above. There is a 4-man crew (Captain + Mate + Two Deckhands) for each trip. The vessel's trips never take it any further than 3 hours from safe harbor.

LATEST DRYDOCKINGS / INSPECTIONS: ISH hauled the vessel out for maintenance and restoration in December 2016 and again at the time of survey. Work that has already been completed or will have been completed by the end of the current drydocking includes:

- Installing new windows all around the pilothouse.
- Renewing the A-frame hopper, the shaker/sorter, and the tanktop conveyer.
- Renewing the A-frame Y and sheave.
- Installing armor plate as necessary across the stern.
- Sandblasting and repainting the hull from the rubrail to the keel.
- Reconditioning the propeller and installing new zincs.

The vessel's topside finish coats will reportedly be a light gray once work is completed.

SURVEY PHOTOS



ESTIMATED VALUES: Based upon our survey observations and upon our understanding of the present market for similar size age construction-type and service-type vessels we have estimated the fv MISTY BLUE's current values to be approximately:

- \$3.0 Million TO REPLACE AND FIT OUT IN FULL WITH NEW.
- \$1.25 Million AS SEEN DURING SURVEY WITH SHIPYARD WORK COMPLETED UNDER FAIR MARKET CONDITIONS.



VESSEL PARTICULARS

Type: Steel-Hulled Western-Rigged Commercial Clammer

Carrying Capacity: 18 Cages – 2 Above Deck, 16 Below

Dimensions: 72ft. Registered Length x 22ft. Beam x 8ft. Depth

81 Gross Tons, 65 Net Tons

Built: 1996

Propulsion: Single screw 410hp, no kort nozzle

Official Numbers: USCG Document – 1043789

Call Sign - WDB5314

CONSTRUCTION

Materials: All-welded steel hull framing bulkheads decks superstructure topside machinery and attachments.

Compartments: The vessel is subdivided into five watertight compartments below the main deck. From forward to aft they are the Forepeak Void Space, the Tool Room, the Engine Room, the Clam Tank Compartment, and the Pump Room – Lazarette. A watertight door is installed on the bulkhead between the tool room and engine room. The Clam Tank Compartment is single skinned along both sides and along the bottom.

Tank Arrangements: Twin 4500-gallon saddle tanks are installed in the engine room wings. The port side tank is subdivided to carry 500 gallons of hydraulic oil and 4000 gallons of fuel. The starboard tank carries 4500 gallons of diesel fuel alone. The vessel's fresh water is carried in a tank in the forepeak bilge spaces. The Clam Tank Compartment is subdivided into an 8-cage port tank, a centerline companionway and shaft alley, and an 8-cage starboard.

FISHING EQUIPMENT

From aft to forward the vessel's topside fishing equipment includes:

- A 72" clam dredge and 300ft. of 8" clam hose (not on board at time of survey).
- An 8" steel pipe A-frame spanning the stern.
- One Gearmatic Haulback Winch mounted mid-height center on the A-frame.
- Dredge hopper and stainless steel cleaner/sorter mounted in way of the A-frame's base.
- One stainless steel conveyer (not on board at time of survey).
- Part worn wooden hatch covers (See Recommendations) in place over each clam tank.
- One 4-ton capacity hydraulic knuckle crane mounted on cabintop's aft end and reportedly seeing service transferring clam cages on and off the vessel.
- Cabintop mid-span carries a T-shaped main mast and twin 30ft. Fluted Outriggers with Pullmaster winches.
- All winch controls are set up at the pilothouse's starboard aft corner control station.







Fishing Equipment cont'd

The vessel's 5000gpm clam pump and the 450hp (estimated) Detroit 60 Series 6-cylinder turbo Diesel Engine are both mounted in the Pump Room. The engine is keel-cooled and 24-volt electric started.

GENERAL SYSTEMS / MACHINERY / EQUIPMENT

PROPULSION

Main Engine: Single 410hp Caterpillar Model 3408 turbo diesel – no recent rebuilds reported. Engine is 24-volt electric started and keel-cooled.

Drive Gear. Twin Disc Reduction Gear, Morse Cable Engine Controls, Hydraulic Steering with backup pump.

Exhaust System: Condition satisfactory overall – vertical lines through topside enclosure to cabintop muffler and tailpipe. Lines enclosure attachments and securements all in good order for a vessel this age and type service – no discrepancies noted. Exhaust wraps and lagging showing signs of age but still in fully serviceable condition.

Fuel System: Arrangements and conditions were noted as satisfactory, full complements for shutoff valves, Racor filters and fuel / water separators installed. All fittings securements and routing were also found to be in fully satisfactory condition with no discrepancies noted.

ELECTRICAL SYSTEM

Voltage AC/DC: Vessel carries 12-volt DC service powered by batteries to start its generator engines and to drive its basic ship's services. It has 24-volt DC service from a single battery bank to start the main engine. It has 110/220-volt AC service from its two generators and a shorepower hookup to drive the rest of its household services.

Generators: The vessel has a GM and an Onan generator. Each unit has its own 12-volt starting battery. Each unit's engine is keel-cooled.

Controls: All primary breaker controls and crossover switches are installed in good order inside the engine room. The secondary set of breaker controls are installed in the pilothouse near the dash.

Battery Installations: The 12-volt DC Ship's Service Battery bank and 24-volt main engine starting bank are both mounted in the engine room. A second 12-volt VHF Emergency battery is mounted in the pilothouse. Each generator carries its own 12-volt starting battery. All battery banks are fitted out with in-line battery switches. They are also boxed covered and secured in good order with no exceptions or discrepancies noted.

Battery Chargers: The generator starting batteries are recharged by alternators mounted on each generator engine. The rest of the battery banks are recharged by Constavolt Chargers mounted in the engine room and operating off power provided by the household's services.

PILOTING AND NAVIGATION

Helm Stations: Vessel's single helm station is the pilothouse helm. Pilot's range of visibility is good for traffic all around vessel but fairly restricted directly to aft in way of work deck activities. The security camera system, the callback speakers on deck, and the ability to shout directly through the cabinspace companionway all help alleviate this condition (See Rec's).

Nav/Com Electronics: Complement seen on board at the time of survey included

- WinPlot Software on two computers
- ComNav 1401 Autopilot
- Two Standard VHF Radios
- Standard Loudhailer at Winch Control Station with call back speakers on deck.
- Furuno NavNet Radar
- Furuno GP33 GPS
- Si-Tex GPS

CREW ACCOMMODATIONS

All accommodations and living spaces are on the main deck level. All living spaces and crew's quarters etc. are fully-furnished and outfitted.

Berths / Heads: Two 2-bunk berths plus a single full head with toilet shower and washbasin.

Galley / Dining: Galley fully fitted out and supplied to provide full food services for four to six man crew. Small dinette attached provides bench seating table and television for four.

SAFETY GEAR AND ARRANGEMENTS ETC.

Anchoring: Single 100lb. anchor with line mounted on foredeck and ready for emergency deployment.

Fire Fighting: Full complement of fully charged Type II portable extinguishers well-placed and mounted through living and machinery spaces – satisfactory arrangement and condition, no exceptions noted.

Bilge Pumps: Well-marked bilge manifold system in engine room carrying two in-line electric pumps and covering all compartments.

Alarms: Main Engine and High Water Alarm Systems for all compartments

Lifesaving:

Other: 8-camera security system covering deck and machinery spaces with two displays in pilothouse. Safety Drill Management is contracted out to a local subcontractor (See Recommendations).

ADDITIONAL EQUIPMENT AND MACHINERY

Welding Machine stowed in engine room.

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SURVEY NOTES – VESSEL'S GENERAL CONDITIONS

Bottom Inspection

During that inspection we noted the following: We were able to complete a full walk around hull bottom inspection at the time of survey.

- sandblasted clean and recoated with preservative at the time of our survey. Overall the midships sections port and starboard. the shellplate between hull frames running from the main deck to the chine through the damages distortions or deteriorated areas noted, and only light localized washboarding of Otherwise the shellplate was intact full run with no doublers in place, no significant hull bottom and sides appeared to be in generally good condition. There were some light The vessel's hullsides up to the deck edge and hull bottom full run had just been localized contact type distortions immediately in way of the keel's leading edges.
- and straight. bottom with no exceptions or discrepancies noted. Both stabilizers were fully attached Keel coolers were straight intact and apparently operational along both sides of the hull
- be in good working order with no damages distortions or exceptions noted or observed Regarding the Underwater Drive Gear – The propeller skeg and rudder etc. all appeared to

Topsides and Main Deck - Fishing Gear, Machinery, and Other Attachments

- The clam tanks' wooden hatch covers were weathered and worn (See Recommendations)
- The deck paint was blistered immediately in way of the lazarette hatch (See Rec's).
- no other significant exceptions or discrepancies noted and in apparent good operating order for a vessel this age and type service. There were All remaining topside clamming gear machinery and attachments appeared to be intact

in any of the topside or upper hullside surfaces. did not appear as if there were any significant damages or significant deterioration noted The port forward quarter bulwarks appeared to be lightly and broadly set in. Otherwise it

Below Deck – Machinery Spaces

- or discrepancies noted at survey. Through Hull Connections – Arrangement and condition both satisfactory, no exceptions
- discrepancies noted at survey. Exhaust Lines - Arrangement and condition both satisfactory, no exceptions or
- noted at survey. Fuel Lines - Arrangement and condition both satisfactory, no exceptions or discrepancies
- exceptions or discrepancies noted at survey. Electrical Wiring and Accessories - Arrangement and condition both satisfactory, no

Below Deck - Other Compartments, Bulkheads and Framing etc.

no deterioration or other exceptions noted. Lazarette – Overall condition satisfactory, housekeeping and maintenance in good order

Satisfactory complement of gear and practices arranged and laid out (See Rec's).





Noted Conditions cont'd

Cabin Spaces

 Well laid out, lightly aged but well-maintained and still fully serviceable, no discrepancies or exceptions noted.

Vessel Housekeeping and Maintenance

 Considered as satisfactory overall across the topsides as well as through the cabin and machinery spaces. Temporary localized discrepancies in same due to shipyard activity noted as such (See Recommendations).

CONCLUSIONS / RISK ASSESSMENT

4.

This survey report's opinions and conclusions were developed during our walk-through visual inspection of the fv MISTY BLUE and its observable conditions during its most recent maintenance and restoration haulout. Factors such as the vessel's age construction style current utilization and current operators etc. were being taken into consideration at the same time. None of the machinery was tested and nothing was removed to expose parts normally concealed. Furthermore it has been assumed that the vessel will be operated and maintained in a prudent safety-conscious manner from the time of our survey onward.

Based on the above, and on our survey experience with similar vessels, we believe that concerned underwriters etc. can safely consider the fv MISTY BLUE as a satisfactory risk for its current service as a commercial clammer. We also believe that compliance to the following FOUR RECOMMENDATIONS would improve the vessel's overall risk factor.

This report is based on the facts presently known to us and is being submitted without prejudice to the rights of whom it may concern. All findings and comments are subject to the underlying insurance policy conditions and/or provisions of the law. The right to amend or supplement this report at any time is reserved.

Limited Liability: It is expressly understood that all our services are rendered solely on behalf of the person or entity requesting same. Under no circumstances shall EIMC be liable for any consequential or indirect losses howsoever arising, nor to any person or entity other than the person or entity requesting such services. It is expressly understood and agreed that in any event, the liability of EIMC and of its employees, officers, or subcontractors is limited to the amount of fee charged for all services rendered to subject assignment, but not to exceed \$1,000.00. Any claim against EIMC shall be submitted to commercial arbitration in accordance with the rules of the American Arbitration Association of New York and must be submitted within 60 days of date of survey report or be time barred. The laws of the State of New Jersey shall govern all disputes and claims arising from the services of EIMC under this agreement.

Respectfully Submitted,
Stephen J Murphy, NAMS-CMS
EIMC – Marine Surveyors and Adjusters
Office Email

Cell Phone



RECOMMENDATIONS

- Replace the clam tanks' worn wooden hatch covers with new wooden weathertight hatch covers.
- Chip and grind blistered paint in way of lazarette's deck hatch back to sound material. Recoat the affected area with preservative and finish coats as necessary to blend in with the remainder of the topsides.
- Clean the vessel up and restow the disturbed gear as necessary to restore it to 'ship shape' after its shipyard work has been completed.
- Vessel operators may wish to consider making arrangements for either the vessel's Captain or Mate to train to become a Certified Safety Drill Instructor. As such that individual could set up and supervise a suitable 30-Day Safety Drill Program for all crewmembers. Part of the program should include the steps necessary to maintain a suitable line of communication between the vessel's pilot or winch operator and the activities on deck, or when all hands are on deck a frequent run forward to look for any developments in other vessel traffic in the immediate vicinity of the vessel.