



## NORCOAST MARINE SURVEYORS, INC.

JIM STEFFEN, AMS-SAMS<sup>®</sup>, CMI-IAMI<sup>®</sup>

Member ABYC, NFPA, MIAS

P. O. Box 936, Sitka, Alaska 99835

907-747-5394 Cell [REDACTED]

Inorcoast@gmail.com

www.marinesurveyor.com/norcoast/

Condition /Valuation, Purchase & Damage Surveys • Consulting • Audiogauge & Moisture Testing



**SURVEY# 1154281**

**DATE OF REPORT: 10/20/2015**

**VESSEL: F/V "LONE FISHERMAN"**

This is to certify that the undersigned Surveyor, at the request of Mr. Cory Harris and Lone Fisherman, Inc., did attend aboard the fishing vessel "LONE FISHERMAN", Official No. 954168, on 19 October, 2015, while it was hauled at Piston and Rudder Service, and on 20 October, 2015, while it was moored in the North Boat Harbor, both locations in Petersburg, Alaska, for the purpose of determining its condition, its current fair market valuation, and its general suitability for intended service regarding insurance and finance. The date of this report is the effective date of valuation.

### **GENERAL DESCRIPTION**

The "LONE FISHERMAN" (ex PACIFIC KNIGHT) is a welded steel combination fishing vessel of contemporary design. It is Jensen-designed, whaleback seiner-longliner-crabber with a raked stem, a single hard chine modified V-bottom, a full keel, and an elliptical stern. The vessel was built by the Peacock Boat Co. outside of Los Angeles, CA., in 1989.

The vessel is currently rigged for seine and longline fisheries and for fish tendering. It has two dry/flooded holds; the main hold is insulated and FRP lined with a reported capacity of 75,000 # of fish, and the aft hold is stainless steel lined with a reported capacity of 30,000#, both are in RSW refrigeration. The vessel carries a Stability Booklet dated 4/23/96, produced by Bruce A. Culver, P. E.

**VESSEL: F/T/V "LONE FISHERMAN"****Page 2 of 15****VESSEL LAYOUT**

The vessel is laid out as follows: foremost, beneath a raised foredeck, is a small stowage locker, aft is a forepeak with three tiered berths Port and three Starboard, overhead is an escape hatch, not operable from the forepeak, aft to Port and Starboard are hanging lockers. Aft, through a hinged door, is a master's stateroom to Port, with two berths outboard, a locker aft, and a sink inboard forward; aft is an enclosed scuttle leading below deck to the engine room, which is open, and well-lighted. Outboard are stairs leading above to the pilothouse, outboard-aft is an enclosed head with domestic toilet, sink, and a separate shower stall. To Starboard is the galley, with a large U-shaped dinette foremost, stowage in seat lockers and in small overhead cabinets, aft a U-shaped are with related cabinetry, outboard a double basin stainless steel sink, aft on the bulkhead the galley range, refrigerator, and the exhaust trunk. To Port on the aft bulkhead are two steps up to a hinged watertight aluminum door opening to the main deck.

The main deck is protected by a wood false deck, is drained by five 8 X 12" scuppers per side, and at the time of the survey was rigged for longline fishing with a MUSTAD automated baiting system in place. There is a longline hauling station foremost on the Starboard rail, ladders up to the pilothouse deck, centered aft is the main hatch, measuring 6' on a side with a 16" steel coaming and a 32" aluminum raised aluminum hatch cover. This hatch is flanked by two flush round watertight aluminum manhole hatches that also open to the main hold, which is insulated and fiberglass lined. Aft is the #2 hold hatch, 6' in breadth by 4' in length, with a flush aluminum hatch cover with watertight man hatch. This hold has a stainless steel lining. Both holds are fitted with aluminum bin boards and stanchions and RSW circulation piping.

Aft of the main deck is a poop deck, which is raised 16". Beneath it is a lazarette compartment with steering gear and stowage, with access by way of watertight manholes Starboard side and at center. Aft are integral fuel tanks outboard of a water tank. The poop deck was enclosed at the time of the survey by a heavy-duty aluminum bait shed filled with hook racks and the auto setting equipment. The bait shed has a tie-up rail about the perimeter of the top, two heavy-duty sliding doors in the front, and a curtain to close in the opening at the back.

On the raised foredeck is the anchor windlass, aft is a Portuguese bridge with a drop board at center, aft is the aluminum pilothouse. Inside is a large console, the main helm at center, primary control station and most electronics to Starboard with remote steering, secondary control station to Port with bench seat, aft at center a chart table with stowage in drawers beneath a settee / berth. Aft to Port are stairs leading down to the galley, and to Starboard is a hinged watertight door to the bridge deck, where is found a small domestic freezer, and the box mast. A deck locker, the life raft and EPIRB are carried on the top of the pilothouse and can be reached by way of a ladder.

**SURVEYOR'S NOTES**

The hull was sounded and ultrasonically tested as requested; with the exception of recommendations elsewhere in this report, shell plating, framing, and running gear where visible were found to be free of significant defects to include indentations, upsets, abrasion, and corrosion. See notes on following page.

The engine, propulsion system and auxiliaries were operated for evaluation. The main engine hour meter has been inoperable for some time and hours are estimated at 25,000 to 28,000 since a reported 2003 major overhaul. Based on appearance and available documentation, this machinery is assumed to be in satisfactory condition for normal use. For a more comprehensive evaluation of machinery, a mechanical survey is recommended.

Based on owner reports, in 2010 the vessel was sandblasted and painted top to bottom, the main hold was stripped, internals primed, and an insulated FRP lining was installed. At this time the shaft alley was blasted and painted, shaft bearings and intermediate shaft renewed and all shafting was realigned. The steering ram was reportedly rebuilt, and the lines were renewed, on-deck hydraulic valves and lines were refurbished, the anchor windlass was refurbished, and the main circulation pump was renewed. Work performed in addition to the aforementioned includes completion of rigging the vessel for seine fishing and installation of the MUSTAD auto baiting system in 2013. Three new WALTERS keel coolers were installed on main and auxiliary engines spring of 2015.

A fluid leak in the new Starboard side keel cooler was observed during survey, and was corrected by owners prior to relaunching.

FIRE ARREST Halon

**#1**

## NAVIGATION EQUIPMENT

**COMPASS** DIRIGO 6" card with 6/97 deviation table  
FURUNO SC-602 digital satellite-type

**RADIO 1** SHAKESPEARE VHF (master's cabin)

**RADIO 2** ROSS DSC 500 digital VHF

**RADIO 3** STEPHENS SEA 156 VHF

**RADIO 4** FURUNO FS 1501 Single Side Band

**OTHER** COBRA Model 146 GTL CB  
WDG6908, posted

**AIS OTHER**

**RADAR** FURUNO Mod. 1832 36 mile

**GPS / PLOTTER** ECHOTECH CTM 950 GPS / Plotter, W/ C-MAPs  
FURUNO GP 36 digital GPS

**FATHOMETER** FURUNO FCV 271 dual freq. color video  
Two SITEX FL-5 flashers

**AUTOPILOT** COMNAV #1101 with two #201 jog-remotes in wheelhouse, one on deck, one spare

**WATCH ALARM** HARRIS HelmaAlert & WATCH ALARMS INC.

**LIGHTS** Approved

**SPOTLIGHT**

**OTHER** Two HP Pavilion A10 notebook computers, one interfaced w/ GPS, one with USB GPS, running ROSE POINT Coastal Explorer navigation software  
WESMAR SS390E color sonar, no monitor, + inop.  
FURUNO FM2510 business band transceiver  
ICOM IC-25A and 229-H + MIDLAND aviation radios  
RAY JEFF Mod. 314 loudhailer, CONEX Tide Finder  
NEWMAR 3 station intercom, MSAT satellite phone  
Barometer, Chronometer, defog fan

## TANKS - FUEL AND WATER

**FUEL Dsl #2 CAPACITY** 6,350 Gal. **MAT'L** Steel

**LOCATION** 830 + 708 Gal. outboard in engine room  
2 X 1307 Gal. outboard main hold  
2 X 1099 Gal. outboard aft hold

**LINES** Hydraulic hose **VALVES** at tanks

**VENT LINES** Pipe, outboard

**WATER CAPACITY** 2168 Gal. **MAT'L** Steel

**LOCATION** 1 X 472 Gal. in bow  
2 X 903 Gal. at stern

**HOT WATER TANK** 30 Gal. DAYTON 220V domestic-type

**LOCATION** Stbd engine room

**OTHER** (1) 123 Gal. steel lube oil tank  
(2) 300 gal. steel hydraulic oil reservoir

**LOCATION** (1) Fwd end Stbd engine room fuel tank  
(2) Forward engine room

**TANK MOUNTS** Integral

**HOLDING TANK** NONE

## AUXILIARY ENGINE #2

**MAKE** ISUZU **MODEL** A-4JG1-PV

Serial # 8973053800

4 2002 / 2013

12V 1800

Natural W/ Main eng.

Integral, start panel in engine room

Walters keel **EXHAUST** Dry Stack

Yes

**ENGINE HOURS** 47,781.1 metered, new engine at 39,228 hrs

**OVERHAUL** New engine 2012, original 2002 generator end

Auto shutdown **FIRE ARREST** Halon

Drives a NEWAGE / STAMFORD 30 KW, 208 V, 3Ø generator with alternator, cooling pump, RACOR 900 series fuel filter. Located Port engine room

## BATTERIES

NO.	SIZE	TYPE	LOCATION
1	8-D	12V marine	Pilothouse
4	8-D	8V marine	Stbd engine room
1	8-D	12V marine	@ Gen #1, Stbd Engine room
1	8-D	12V marine	@ Gen #2, Port Engine room

**TRAYS** Yes

**PROTECTED** All boxed, lower battery box cover removed, 32V bank

**DISCONNECT** Vaportight switch on pilothouse battery, rotary switch on 32V bank, none on others

## ELECTRICS

**WIRE TYPE** Stranded copper **VOLTAGE** 12V, 32V

**PROTECTION** Original SQUARE D breaker switch panels; 12-circuit 32V main panel in engine room, 6-circuit 32V branch panel in pilothouse, 16-circuit 12V panel in pilothouse, misc. switches

**FIXTURE TYPE** Protected

**AC CIRCUITS** Original SQUARE D breaker switch panels; Ship / Shore lockout-type selector panel and 26-circuit main distribution panel in engine room, 16-circuit sub-panel in pilothouse

**BONDING** Floating / complete

## HULL CONNECTIONS

**VALVES** One 6" butterfly, one 2" butterfly, two 2" and one 3" bronze gate; check valves on condenser and AC bilge pump overboard discharges; DC bilge pump discharge no valve or loop

**PIPING** Sched. 80 galv. steel, Sched. 80 PVC pipe and neoprene hose, good apparent condition

## STEERING AND SHAFTS

WAGNER hydraulic, T-5 ram (excessive movement at rudder)  
Wheelhouse; plus jog lever steering

5/8" plate steel, gusseted, with 3 1/2" stainless

4" cold-rolled steel  
Two babbit  
CUTLESS-type, very good condition  
64 RH 62 4-blade brz, very good condition  
3/4" X 4 X 8" T-bar rudder shoe with web guard

4 X 20# on hull, 8 X 20# on keel, 4 X 12# on rudder, prop nut, keel coolers

## FIRE FIGHTING EQUIPMENT

FIREBOY #200CG 20# auto Halon 1201

For space served; no tag

Engine compartment

**RELEASE** Automatic  
Dry Chem 1-A;10-B:C  
Tagged 1/2013  
Dry Chem 1-A;10-B:C  
Tagged 1/2013  
Dry Chem 1-A;10-B:C  
Tagged 1/2013  
CO2 5-B:C  
Tagged 1/2013  
Dry Chem 1-A;10-B:C  
Tagged 1/2013

Engine room and above galley range, tested

## REFRIGERATION

WHIRLPOOL domestic side-by-side refer / freezer;  
Domestic 10 cu. ft. chest freezer, upper deck  
IMS 35 Ton RSW refrigeration for main & aft holds;  
BITZER Mod. #6B4709PH-2NU semi-hermetic  
R507 compressor, titanium Hydrochiller. DYTEK  
ST-01800 digital thermometer. New May 2013

## DECK MACHINERY & RIGGING

**ANCHOR** 450# Navy-type  
**RODE** 38 Fathoms 5/8" chain (regalvanized), 45 Fathoms 5/8" stainless steel cable  
**WINDLASS** NORDIC 26-20R enclosed hyd. drum  
**MASTS** Steel freestanding box-type, sided 36", with crows nest, ladder, antenna tree  
**HOIST / WINCH** PULLMASTER M-8 topping winch for main boom  
**BOOMS** 7" steel seine type W/ power block trolley (MB)  
Two 4" steel sched 80 picking (PB 1 & 2)  
(each W/ 2" pipe stiffleg to mast)  
**HOIST / WINCH** Two PULLMASTER M-12 main & tip hoists (MB)  
PULLMASTER PL-4 double-ended vang (MB)  
BLOOM L-8 trolley winch (MB)  
ROTZLER TH-2 hoist, (PB #1)  
ROTZLER TH-2 hoist, (PB#2)  
Picking booms with manual topping lifts and vangs

**RIGGING** Two PILKINGTON HD main boom vang snubbers  
MARCO seine deck winch  
Two BALLARD roller-type seine pursuing davits  
MARCO 28" seine power block with power wheel  
One 24" NORDIC longline hauler with SNARL  
GUARD and crucifier, on HD deck pedestal  
12' Longline wave wall with canopy, Port side main deck, with two enclosed 18" LED light bars

**OTHER** MUSTAD Mark III auto longline system, with racks, setting chute, crucifier, and auto baiter, new 2013

## PUMPS

<b>MAKE</b> RULE	<b>TYPE</b> Centrif	<b>DRIVE</b> 32V
<b>SIZE</b> 3700 GPH	<b>USE</b> Shaft alley bilge, manual	
<b>MAKE</b> RULE	<b>TYPE</b> Centrif	<b>DRIVE</b> 32V
<b>SIZE</b> 1100 GPH	<b>USE</b> Aft engine bilge, auto	
<b>MAKE</b> FLOMAX	<b>TYPE</b> Centrif	<b>DRIVE</b> 220V
<b>SIZE</b> 4 X 3"	<b>USE</b> Hold circulation, Em. bilge	
<b>MAKE</b> BANJO	<b>TYPE</b> Centrif	<b>DRIVE</b> 220V
<b>SIZE</b> 2 1/2 X 2"	<b>USE</b> Condenser cooling	
<b>MAKE</b> GRUNDFOS	<b>TYPE</b> Centrif	<b>DRIVE</b> 32V
<b>SIZE</b> 3/4"	<b>USE</b> Fresh water	
<b>MAKE</b> FLOMAX	<b>TYPE</b> Centrif	<b>DRIVE</b> 220V
<b>SIZE</b> 2 X 2"	<b>USE</b> Hold, transfer, bilge	
<b>MAKE</b> Unknown	<b>TYPE</b> Implr	<b>DRIVE</b> Manual
<b>SIZE</b> 1/2"	<b>USE</b> Oil change	
<b>MAKE</b>	<b>TYPE</b>	<b>DRIVE</b>
<b>SIZE</b>	<b>USE</b>	
<b>BILGE ALARMS</b>	Lazarette and engine room, no access for testing	

## STOVES AND VENTILATION

<b>HEATERS</b>	Three 110V fan-forced, in galley, wheelhouse, master's cabin, not in use; portable 120V heaters currently in use	<b>GALLEY STOVE</b>	JENN-AIRE 4-burner vented electric range SHARP Carousel microwave oven
<b>CABIN VENTILATION</b>	Doors and windows	<b>FUEL</b>	N.A. Adequate

## SAFETY EQUIPMENT

<b>SKIFFS</b>		<b>E.P.I.R.B.</b>	ACR RLB-32 406 MHz, Battery to 6/2016, static release to 8/2014
<b>RAFTS</b>	DBC 6 man SOLAS A static release to 2/2017	<b>TEST</b>	to 2/2016
<b>JACKETS</b>		<b>HORN</b>	Air
<b>SUITS</b>	5 adult survival suits (crew have own suits as well)	<b>BELL</b>	6"
<b>LIFERINGS</b>	One 24" with light & tether; two LIFESLINGS	<b>RAILINGS</b>	1 1/2" pipe at uppermost deck and low 2" stainless rail main deck
<b>FLARES</b>	SOLAS-type, 6 red to 11/2015, 3 parachute to 4/2016, 3 smoke to 1/2018	<b>OTHER</b>	All required placards, Emergency plan, First aid kit CO alarm in galley
		<b>SAFETY DEVICES EASILY ACCESSIBLE?</b>	Yes

## EQUIPMENT NOT OTHERWISE NOTED

Heavy-duty welded aluminum bait shed (3/8" shell, 3 X 3" angle frame with 4 x 6" longitudinals) on aft deck, enclosing MUSTAD longline system, also six 24" florescent and two LED lights, aft curtain, three-tier tie-up railing upper perimeter RATELCO Model 100-1828-D 20 amp 12V and QUALITY MARINE VMI 32202 20 amp 32V marine battery chargers FEDERAL PACIFIC MODEL SE 201D7.5F 7.5 KVA 3Ø shore power transformer

Four 1000 watt quartz (forward and deck) lights, Two 1000 watt sodium and two 1500 watt quartz forward fishing lights BRIDGEPORT 5 HP / 20 Gal. air compressor, (Seine boom doubles as compressed air receiver) LINCOLN 225 amp welder DEFENDER Model H 264-DVR video monitoring system with cameras in engine room, bait shed, and on main deck, viewable on ACER 19" flat screen monitor, pilothouse

TCI Ocean King D-6 digital product scale

MR COFFEE coffee maker, BLACK and DECKER toaster, SONY stereo CD deck with 10-disc CD changer and SIRIUS receiver, One 22" flat screen TV, SAMSUNG and BOSE players

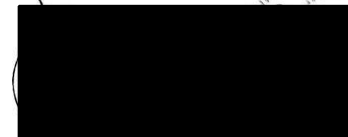
### APPARENT LEVEL OF CARE, MAINTENANCE AND VALUATION CONSIDERATIONS:

Good overall care; reported complete paint job 2010. Recent work includes refrigeration and newer MUSTAD longline system. Relatively high main engine hours. Vessel is a multi-fishery platform with good capacity in a market that until 2015 has been inflated by record salmon seasons and a lack of inventory for demanding buyers. Current market is lower due to increased inventory.

UNDERSIGNED UTILIZES MARKET APPROACH, SALES ANALYSIS METHOD, AND ONE OR MORE OF THE FOLLOWING: COST APPROACH, WITH INA / MARTIN DEPRECIATION SCALES. APPRAISAL GUIDES SUCH AS BUC, ABOS, NADA AND POWERBOAT GUIDE, MARKET SEARCHES, COMPARABLE SALES, INTERNET LISTINGS, AND INTERNAL DATABASES. ALL VALUES ARE CALCULATED FOR THE CONDITION AND LOCATION OF THE VESSEL AT THE TIME OF SURVEY, WITH ALL LISTED ACCESSORIES. REPLACEMENT VALUES ARE BASED ON CLOSEST EQUIVALENT VESSEL OF CONTEMPORARY (NEW) MANUFACTURE. THE UNDERSIGNED SUBSCRIBES TO THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE. (USPAP).

OPINION OF CURRENT ESTIMATED FAIR MARKET VALUE OF VESSEL AS EQUIPPED	\$1,350,000.00
OPINION OF CURRENT ESTIMATED REPLACEMENT COST NEW OF VESSEL AS EQUIPPED	\$3,200,000.00

SUBMITTED WITHOUT PREJUDICE



JAMES W. STEFFEN, A. M. S.

SURVEY # 1154281

PAGE 6 OF 15

**VESSEL: F/T/V "LONE FISHERMAN"****Page 7 of 15**

Upon compliance with starred (\*\*) Recommendations, and assuming prudent use by the operator under reasonable sea and weather conditions for a vessel of this size, this vessel should then perform satisfactorily within its physical limitations for the intended use of commercial fishing and tendering service on the coastal and inland waters of Southeast Alaska, as well as the waters of Western Alaska. **For further observations, see the RECOMMENDATIONS.**

### **ULTRASONIC TESTING**

Thickness measurements were taken with a CYGNUS Model 3 multiple-echo ultrasonic tester, Serial #543, with a 2.25 MHz Lemo .5" Standard probe. The meter is calibrated to NIST #821125008292, to comply with standards specified by the National Institute of Standards and Technology and systems compliance to Guide 25 of ISO 9000, MIL-STD 45662A, ANSI / ASQC-M1-1987 and OSHA 29CFR Part 1910.119, with an accuracy of +/- .002".

The hull inspection and ultrasonic survey conducted for the purposes of this report is in compliance with the methods outlined in the ABS Guide for Building and Classing Steel Vessels, Part 7 "Rule Requirements for Survey After Construction", Appendix 4, "Guide for Hull Thickness Measurement", and with the U S Coast Guard NAVIC 7-68 "Notes on inspection and repair of steel hulls." The surveyor is certified in accordance with SNT-TC-1A, Level II, limited.

#### **PORT SIDE**

Girth band #1; from keel to chine, 4" forward of the aft engine room bulkhead (ERB in photos), readings approx. 12-16" on center .238", .242", .242", .246", .248", keel cooler, .250", .250", .250", .252", .250".248", chine

Girth band #2; from keel to waterline, in fish hold area, 6' aft of aft ERB, readings approx. 12" on center .246", .242", .248", .250", .248", keel cooler, .246", .248", .246", .248", .248", .252", .250", .246", chine, .254", .258", .260", .262", .262", .230" in scaly area at waterline

Shell plate around forward transducer and to forward engine room bulkhead .242" to .244", keel side shell .252" to .258". Note .238" to .240" at shell plate adjacent keel and forward of aft engine room bulkhead, location of electric bilge pump.

Above upper side of shaft alley wall, moving aft of sea chest, .242", .240", .240", .242", .226", .216", .186", .188", .198" at Girth band #2, then .198", .210", .220", .226", .246", and steady .244" to .250" well aft. Along lower shell plate in shaft alley, .242" to .246" well aft, at end of keel .240", then in a short girth band aft of the lazarette bulkhead, .224", .230", .226", .222", .230", .200".

#### **STARBOARD SIDE**

Girth band #1; from keel to chine, 4" forward of the aft engine room bulkhead (ERB in photos), readings approx. 12-16" on center .230", .238" above keel, .242", .242", keel cooler, .246", keel cooler, .250", .250", .250", .254", .250", .250", .250", chine

Girth band #2; from keel to waterline, in fish hold area, 6' aft of aft ERB, readings approx. 8-12" on center .242", .244", shaft alley wall, .230", .242", .222", .236", .248", .236", .250", .250", .250", .248", .250", .254", .242", .246", chine, .254", .258", .262", .262", .262", .262", .262" at waterline

Inside sea chest (with missing cover): Generally .246" to .254", with exception of .208" to .214" in upper forward corner. Minor coating failure. Note .230" to .238" at shell plate adjacent keel and forward of engine room bulkhead, location of electric bilge pump.

Along / above upper side of shaft alley wall, moving aft of keel cooler, .242", .238", .230", .230", .238", .238", .246", .246", steady .246". Lower shell plate above keel spot checked, .242", .240", .244", .244", multiple .246", .244", .248", .254", .254", .250" at end of keel, .250" aft of lazarette bulkhead, then .248", .244".

#### **SUMMARY**

Good overall readings, with minor deficiencies at shell plate in shell plate immediately forward of aft engine room bulkhead, where a 12V bilge pump has been located, in the area outboard of the main fish hold shaft alley, primarily Port side, also at aft side of forward lazarette bulkhead, primarily Port side.

**VESSEL: F/T/V "LONE FISHERMAN"****Page 8 of 15****NOTES ON VALUATION**

The valuations made in this report are exclusive of expendable items, removable personal equipment, possessions, spare parts, stores, bunkers or other consumables. The effective date of the valuation corresponds to the issue date of this report.

There are three accepted approaches used in appraisal analysis:

- **COST APPROACH:** Based on the proposition that the informed purchaser would pay no more for an asset than the cost of producing a substitute new asset with the same utility as the subject asset. When the subject asset is not new, the current cost to replace it must be adjusted for all forms of depreciation as of the effective date of the appraisal.
- **INCOME APPROACH:** Considers the value of the asset in relation to the present worth of future benefits derived from its ownership, and is typically measured through the capitalization of a specific level of income. This is the least common approach used in the valuation of vessels since it is difficult to isolate income attributable to the asset alone.
- **COMPARABLE SALES APPROACH:** Also known as Market Approach. Involves the collection of market data pertaining to the subject asset being appraised. The primary intent of the market approach is to determine the desirability of the asset and recent sales or offerings of similar assets currently on the market in order to arrive at an indication of the most probable selling price for the asset being appraised. If the comparable sales are not exactly similar to the asset being appraised, adjustments must be made to bring them as closely in line as possible with the subject asset.

The undersigned has used a Market Approach, Sales analysis method for the appraisal of value. Market value is defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a) *Buyer and seller are typically motivated;*
- b) *Both parties are well informed or well advised, and acting in what they consider are their best interests;*
- c) *A reasonable time is allowed for exposure in the open market;*
- d) *Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and,*
- e) *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

***-American Society of Appraisers, The Uniform Standards of Professional Appraisal Practice, 2015 edition-***

This market approach for vessels makes use of appraisal guides such as BUC, ABOS, NADA and POWERBOAT GUIDE as appropriate for exact make and model or closest equivalent production vessels, as well as SOLDBOATS actual sales database, broker listings, and internal sales databases, all with appropriate adjustments for vessel age and condition, accessories, and location. Replacement values are based on closest comparable vessel of contemporary (new) manufacture.

**CERTIFICATION OF REPORT**

- The undersigned is an Accredited Marine Surveyor according to the requirements of the Society of Accredited Marine Surveyors (SAMS). He is an associate member of the American Society of Appraisers, conforming to the Uniform Standards of Professional Appraisal Practice (USPAP).
- The undersigned marine surveyor has personally inspected the subject vessel.
- The undersigned has no financial interest, or contemplated future interest, in the vessel appraised, nor does the surveyor have a personal interest or bias with respect to the parties involved. Fees charged for the appraisal are based on a standard fixed fee and are not contingent on the reporting of a predetermined value.
- The values set forth in this report are presented as the surveyor's considered opinion, and are based on the data, professional analysis, opinions, and conclusions set forth in this report.

This report is prepared for the exclusive use of the client whose name and address appear herein, and it is not transferable without the client's permission. The intended users of this report and appraisal are the client and those lenders and underwriters considering financing or insuring this vessel for this client only. This report by itself may not contain all the components necessary for a pre-purchase decision, and other potential buyers are specifically excluded as third party users.



VESSEL: F/T/V "LONE FISHERMAN"

Page 9 of 15

This is a Limited Report of Survey. It sets forth the apparent condition of the vessel, including hull, machinery, equipment, fittings, and gear, to the best of the Surveyor's ability without removal of bulkheads, panelings, ceilings, or other portions of its structure, without the opening of its machinery or its auxiliaries for internal examination or their operation for performance study, and without the scaling of masts or rigging. It represents the Surveyor's honest and unbiased opinion, based on his opinions, experience, and work within the marine industry. The Surveyor accepts no responsibility for omissions based on information that has not been brought to his attention, nor for errors based on information not normally discoverable while acting with due diligence, nor for any conditions that may arise from said errors or omissions. In submitting this survey, it is understood by all parties concerned that this survey is not to be considered a guarantee of its accuracy, nor does it create any liability on the part of the Surveyor arising from the reliance on the information contained herein.

## **RECOMMENDATIONS**

**LEGAL REQUIREMENTS:** These findings may constitute a violation of USCG or State regulations. They should be addressed before the vessel is next underway.

- \*\*1. Fixed and portable fire extinguishers are to be given the annual inspection and tagged by a qualified service provider. Gaseous extinguishers must be weighed in order to be tagged. (USCG Rule 37 Annex IV, ABYC A-4.Ap.5.4.2, Ap.6.3, and NFPA 302:10:9-1.1)
- \*\*2. The 406 MHz EPIRB is to be updated with a new battery and static release. Registration to be updated. Fishing vessels 36' or more in length with negative buoyancy, and operating outside three miles from the Territorial Base Line must carry a Category 1 satellite EPIRB. (46 CFR 28.150, 46 CFR 25.26, 47 CFR 80.1061 (f))
- \*\*3. Prove audible / visual high water bilge alarms for the engine and lazarette compartments operable as required for fishing vessels 36' in length and greater. Installation must allow for periodic testing of the float switches. (46 CFR 28.250)
- \*\*4. The vessel is to be equipped with a pump capable of draining the lazarette compartment under all service conditions. (46 CFR 28.255)

**SAFETY REQUIREMENTS:** These findings may constitute an endangerment to personnel and/or affect the vessel's safe and proper operating condition, according to current voluntary standards. They should be addressed before the vessel is next underway, or within the stated timeline.

- 5. The fixed gaseous engine room fire extinguisher is to be given the annual inspection and tagged by a qualified service provider. Gaseous extinguishers must be weighed in order to be tagged. (USCG Rule 37 Annex IV, ABYC A-4.Ap.5.4.2, Ap.6.3, and NFPA 302:10:9-1.1)

**IMMEDIATE ATTENTION:** These items should be corrected prior to continued vessel operation.

NONE

**DIRECTED ATTENTION:** These items should be corrected in the near future to help the vessel maintain its current value and safe and proper operating condition.

- \*\*6. Excessive movement observed in the rudder hydraulic connection. The T-Ram unit is to be evaluated and repaired as found necessary prior to offshore operations.

WHEN THE STARRED (\*\*) RECOMMENDATIONS ON THIS PAGE ARE CORRECTED, AND WHEN OPERATED BY A KNOWLEDGEABLE, CAPABLE AND PRUDENT SEAFARER, THIS VESSEL, AS CURRENTLY EQUIPPED, CAN BE CONSIDERED AN ACCEPTABLE PHYSICAL RISK FOR THE PURPOSES OF USE, SALE, INSURANCE, AND FINANCE, AND WELL SUITED FOR THE STATED INTENDED USE. RECOMMENDATIONS NOT SO NOTED DO NOT AT PRESENT SIGNIFICANTLY DETRACT FROM THE SUITABILITY OR SAFETY OF THE VESSEL, AND ARE TO BE SATISFIED WITHIN A REASONABLE PERIOD OF TIME, OR AS OTHERWISE NOTED.

**VESSEL: F/T/V "LONE FISHERMAN"****Page 10 of 15****RECOMMENDATIONS Continued...**

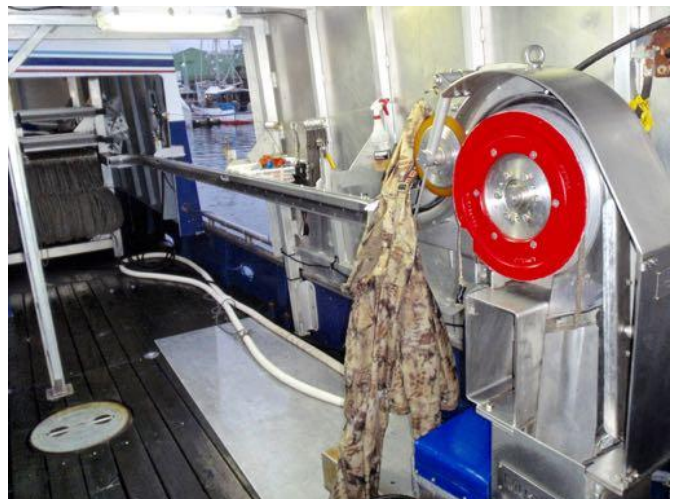
**DIRECTED ATTENTION:** These items should be corrected in the near future to help the vessel maintain its current value and safe and proper operating condition.

- \*\*7. A battery disconnect switch is to be installed in the #1 generator cranking motor supply circuits, and mounted in a readily accessible location as close as practicable to each battery bank. (ABYC E9.9.10.c)
- \*\*8. Secure draped engine room bilge pump control switch, which is adrift in upper bilge area. Secure electrical wiring draped into engine room bilge.
- \*\*9. Replace cover on hydraulic clutch control box, circulation pump junction box, and refrigeration soft start control box, in engine room, after removing corrosion from contact surfaces.
- 10. Abandoned box keel cooler taps in engine room are sealed with temporary DC plugs. Permanently secure all box keel taps.
- \*\*11. Replace covers on lower battery boxes, 32V system, engine room.
- 12. Renew missing Starboard side sea chest cover.
- 13. Corrosion noted on inboard surfaces of Port sea chest. Scale and paint sea chest interior and measure metal thickness to ascertain need for metal replacement.

**RECOMMENDATIONS:** These findings are descriptions of items noted that are of non-structural or cosmetic nature, or which fall under a longer timeline for repair. Corrections to these items will normally enhance the value of the vessel and/or preclude future deterioration of condition or value.

- 14. Remove foam packing pellet debris from bottom of lazarette compartment, and put loose stowage that could damage systems in heavy seas into storage racks.
- 15. Main engine has failed black paint coating to hide soot. Engine room in need of cleaning and painting due to soot from prior exhaust leak. Further, scale and paint corroded areas and new keel cooler piping as found necessary.
- 16. Repair broken circulation piping in aft hold as found necessary. Renew with Sched. 80 PVC or galvanized steel.
- 17. Paint failure and minor corrosion in lower corners of lazarette compartment, to be renewed. Tank void also with interior corrosion as indicated by UT testing. Renew interior bilge coatings.
- 18. Engine room soundproofing is in need of upgrading.
- 19. Secure minor oil leak in main engine reduction gear PTO housing.
- 20. Remove all residential-type twist-on wiring connections found in the engine room with approved marine connectors.

<p>WHEN THE STARRED (**) RECOMMENDATIONS ON THIS PAGE ARE CORRECTED, AND WHEN OPERATED BY A KNOWLEDGEABLE, CAPABLE AND PRUDENT SEAFARER, THIS VESSEL, AS CURRENTLY EQUIPPED, CAN BE CONSIDERED AN ACCEPTABLE PHYSICAL RISK FOR THE PURPOSES OF USE, SALE, INSURANCE, AND FINANCE, AND WELL SUITED FOR THE STATED INTENDED USE. RECOMMENDATIONS NOT SO NOTED DO NOT AT PRESENT SIGNIFICANTLY DETRACT FROM THE SUITABILITY OR SAFETY OF THE VESSEL, AND ARE TO BE SATISFIED WITHIN A REASONABLE PERIOD OF TIME, OR AS OTHERWISE NOTED.</p>
--











**UT testing Port, forward keel to aft engine room bulkhead**



**Between girth bands along shaft alley wall and keel**



**Stern section, Port, and bottom of tank void bottom**