

CONDITION AND VALUATION SURVEY REPORT

M.V. SEA EAGLE



(Privileged and Confidential)

Mark T. Perkins, AMS
Marine Surveyor
MARK T. PERKINS SURVEYOR, INC.

May 25, 2010
File No. 05251-S-10

2828 Staples Ave.
Key West, FL 33040
Tel. 305.296.7075
Fax 305.296.5130

EFTA00594229

SURVEY REPORT

M.V. SEA EAGLE

GENERAL PARTICULARS: A welded aluminum, twin inboard diesel powered, crew/dive motor vessel of conventional design with curved stem and transom stern.

OFFICIAL NUMBER: 666373

L.O.A.: 48.5' Reg.

BEAM: 15.5' Reg.

DRAFT: 6.6' Reg.

NET TONNAGE: 25

BUILT: 1984

BUILDER: Port Everglades, Florida

POWER: 2 - Detroit 871, naturally aspirated, 8 cylinder diesels.

HOME PORT: Key West, Florida

PRESENT AT TIME OF SURVEY: Mark T. Perkins

WATERS TO BE NAVIGATED: As per USCG COI

INTENDED SERVICE: Utility/charter

ACTUAL USAGE: Dive/charter 49 passengers

FOR THE ACCOUNT OF: Captain's Corner
125 Ann Street
Key West, FL 33040

NOTE: All capacities and dimensions are approximate. No investigation into ownership or title has been made.

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY

That the undersigned, Mark T. Perkins, at the request of Capt. Bill Grosscup, proceeded on the 25th day of May 2010 to the Conch Republic Seafood Docks, Key West, FL and there did attend the M.V. SEA EAGLE, while afloat at regular dock for the purpose of surveying particulars and condition of said vessel. The following survey represents the full findings of the attending surveyor on the date of survey, and is subject to the following limitations.

1. No withdrawal of shafting taken.
2. No opening of joinerwork, paneling, void spaces or tankage rendered.
3. No removals or destructive testing undertaken.
4. No disassembly of engines, machinery, electrical, plumbing or other equipment undertaken: assessment thereof is limited to what was externally visible or ascertainable from operation. Testing of propulsion machinery limited to dockside testing if afloat.
5. Survey does not contain a full inventory, and any items not mentioned, or items put aboard at a later date that would normally be included under insurance should be listed, and the list appended hereto.
6. A short sea trial was requested and conducted.
7. Tanks not fully pressed. No pressure testing undertaken.

Vessel specifications taken from provided literature only. No field measuring undertaken.

Contractual Limitations

1. Older boats. It is agreed that boats older than five years will not have all obvious cosmetic flaws listed on the survey other than the statement of condition in the summary. This includes nicks, dings, and minor scratches in the gel coat, worn upholstery, headliners, seat cushions, Bimini tops, dodgers or other worn gear obvious to the owner/purchaser at the time of his or her inspection, unless written requests are made for specific detailed information.
2. Limits of non-destructive survey. The essential function of pre-purchase/condition and valuation survey is diagnosis and discovery. The limits are the use of electronic or radio devices, percussion sounding and observation. **Pre-existing** damage especially to the keel area from improper blocking/handling may not be discovered during this type of survey. Thermal photography and other methods are available should the owner/buyer choose to employ them. Disassembly, core sampling, sectioning of engine bed stringers, stress testing or any other destructive testing procedure needs **written permission** from the owner and special considerations subject to negotiation. NOTE: Specifically excluded are illegal or dangerous installations deliberately designed to be hidden and unobservable. If illegal or dangerous items are observed they will be written in the report.
3. Specifically excluded are: rigging above deck level, internal components of engines or machinery, electronics and navigation equipment and any other item not addressed by name in the survey. Personal, decorative, or other items and installations: i.e. stereo systems, kerosene lamps, heaters, will not be inspected unless specifically contracted.

HULL CONSTRUCTION AND CONDITION

Welded marine grade aluminum with welded decks, beams, longitudinals, verticals and gussets. Customized welded aluminum dive platform and ladders. The hull underwent a complete re-finish in 2004 and the finishes are currently in average condition. The vessel was last hauled in June for her regular required USCG Certificate of Inspection survey and was issued a new Certificate valid until 2012. The running gear was re-fitted and all zincs renewed at that time. The hull was found to be in average condition overall as viewed while afloat with no signs of significant electrolytic deterioration or impact damage.

DECK ARRANGEMENT AND CONDITION

Welded aluminum decks and super structure with applied (2004) AwlGrip non-skid surfaces on all weather decks. Adequate freeing ports. Welded aluminum safety rails as per USCG/COI, tank racks and pilot house. Good access to engines and steering gear. Aluminum bulkheads as per USCG/COI. The decks were found to be clean and workable and in good condition overall.

INTERIOR ARRANGEMENT AND CONDITION

Enclosed head forward with manual MSD. Main cabin with seating, tables and wet and dry gear storage. Some deterioration of overhead mica covering and insulation. Pilot house with safety glass windscreen, seating, and control console.

MACHINERY

A visual inspection only was made.

ENGINES: 2 - Detroit 8V71NA, 8 cylinder, naturally aspirated, fresh water cooled, marine diesels with hydraulically actuated, counter rotating marine reduction gears and "Drive Saver" couplings. Primary (Racor 900FG) and secondary fuel filters. Serial numbers not visible. Welded aluminum engine beds with hard mount installations. Mechanical engine kill cables.

EXHAUST: Aluminum pipe, water injected to fiberglass mufflers.

PUMPS: 1- Engine driven bilge/fire to properly labeled, 5 station bilge/fire manifold system.
1 - 12v submersible bilge with auto switch.
2 - Manual bilge.
1 - Wash down 1-Waste transfer 1-Oil change

(Machinery cont.)

BATTERIES: 4 - 12VDC - 8D secured in acid proof FRP box in ventilated engine compartment to approved vapor proof switches.

WIRING: Thermoplastic covered boat cable gauged, routed, secured and connected as per NFPA 302 and ABYC Standards in effect at the time of construction. Commercial 12VDC breaker panel. 30 amp shore service fitted with marine connections and main breaker, serves only battery charger.

TANKS: 1 - 500 gallon welded aluminum, vented, bonded and secured.
2 - 25 gallon aluminum water
1 - 25 gallon PVC waste holding fitted as per USCG and municipal requirements

HULL PENETRATIONS: All valved, SS ball/bronze quarter throw seacock type

STEERING: Single station, single ram, Hynautic pressurized hydraulic.

INSTRUMENTATION: Each engine - RPM, Oil Pressure, Water Temperature, Volts, Gear Oil. Hours from meters: Port 7057.2 - Stbd 0292.2

ENGINE CONTROLS: Single station, dual lever cable type.

VENTILATION: Adequate natural and forced air in steering gear/engine compartment

LIGHTS: All required under International Rules.

COAST GUARD AND SAFETY EQUIPMENT

- 53 - Adult Type I PFD
- 6 - Child Type I PFD
- 1 - Fire pump/emergency bilge manifold system
- 1 - ACR 406 MHz EPIRB, rigged for rapid deployment on cabin top
- 2 - Approved life floats
- 3 - Type IV throwing device
- 5 - B-II dry chemical fire extinguishers
- 1 - B-I dry chemical fire extinguisher
- 2 - 10 LB A:B:C fire ext. in engine space
- 1 - Oil Discharge Plaque
- 1 - MARPOL sticker

(Safety cont.)

- 1 - Current 12 gauge flare kit
- 2 - High water alarms
- 1 - Emergency O2 system
- 1 - All notices, labels and warnings as required. Enrolled in DAN (Diver Alert network)

GROUND TACKLE

- 1 - 65 lb. Claw anchor
- 1 - 150' x 3/4" nylon rode
- 1 - 20' x 3/8" stainless steel chain
- 1 - Rock anchor

INVENTORY

- 1 - ICOM M 304VHF
- 1 - Ritchie 4" compass
- 1 - Garmin 340C video depth sounder
- 1 - JRC 1000 LCD radar
- 1 - Sony AM/FM/CD player and speakers
- 1 - Garmin 182C GPS
- 1 - Set Bose speakers

RECOMMENDATIONS

1. Protect Stbd side battery cable from chafe.
2. Clean outboard port side engine solenoid.
3. Protect stbd forward fuel hose from chafe.
4. Change out oil zorbant materials in bilge.
5. Clean battery tops.
6. Sanitize deck mats.
7. NOTE: All recommendation set forth in my survey # 11251-S-08/11.28.08 have been properly attended to.

VALUATION

It is the undersigned surveyor's opinion that the subject vessel, as equipped, and with the above recommendations attended, has a present day approximate value of \$150,000.00 (ONE HUNDRED FIFTY THOUSAND DOLLARS), and a present day new replacement value in excess of \$700,000.00 (SEVEN HUNDRED THOUSAND DOLLARS).

COMMENTS

The M.V. SEA EAGLE was found to be in good condition for a vessel of this age and service. She has been professionally maintained with quality components employed throughout and sees regular service within her prescribed navigational limits. No apparent conflict with NFPA 302 Guidelines, ABYS and U.S. Coast Guard Standards. The SEA EAGLE holds a current USCG Certificate of Inspection. Boarding is conducted alongside a fixed wooden dock with crew supervision. Security, fire and pump out services available nearby.

Financial and Insurance Survey: Is a condition and valuation survey for marine risk only. It informs the insurance underwriter and financial institution of the type and construction of the vessel, equipment and machinery. Items which comply and do not comply with the majority of accepted National Fire Protection Association (NFPA) 302 Standards, American Boat and Yacht Council (ABYC) Standards, Insurance Underwrite Standards and United States Coast Guard Requirements are listed. Generally, the vessel is not dry docked for bottom inspection, unless requested by the underwriter, yet the interior hull is observed where accessible and remarks are noted. A trial run is not conducted unless requested: however, if the owner is aboard it is recommended that engines be started to assure operation. Approximate current market value and replacement values are reported with the assumption that all equipment and machinery are fully operational. This type survey should not be misconstrued as being a full buyer's pre-purchase survey and is not intended to be assumed as such.

This survey is for the use of the named account only.

The market value appearing in this report is based on an average selling price of a vessel of this type and size according to materials at hand, considering all extras and accessories on board fairly depreciated, and is intended for insurance and financial evaluation but is not intended to influence the purchase or non-purchase of the vessel.

This survey is based on my opinion of the facts presented and discovered with no warranty either specified or implied thereof. Latent defects which cannot be determined without the opening up or removal of sheathing, joiner work, deck covering, and/or the assembly or disassembly of machinery, plumbing, engines, wiring, or other parts of this vessel are not intended to be covered by this report.

SUMMARY

Upon completion of the aforementioned "Recommendations" it is the opinion of this surveyor, that the M.V. SEA EAGLE would be considered a good marine and fire insurance risk.

NOTE: While the Officers and Surveyor, MARK T. PERKINS, INC., use their best endeavor to insure the correctness of all reports and certificates and opinions expressed, let it be known, understood and agreed in accepting this report that no representative or agent of MARK T. PERKINS, INC., is - under any circumstances - to be held responsible or liable for any error in judgment, inaccuracy, oversight or mis-statement in conducting survey and issuing of report covering the above named M.V. SEA EAGLE.

I, the undersigned, certify that I have no interest, present or contemplated, in the vessel described in this report and that, subject to the implied assumptions herein contained and the limiting conditions stated herein, all statements in this report are true to the best of my knowledge, belief and opinion.

Report made, signed and submitted without prejudice to rights and/or interests of whom it may eventually concern.

Respectfully,

MARK T. PERKINS, INC.

Signed electronically

Mark T. Perkins, AMS
Marine Surveyor



STERN VIEW AT REGULAR DOCK



STBD BOW VIEW



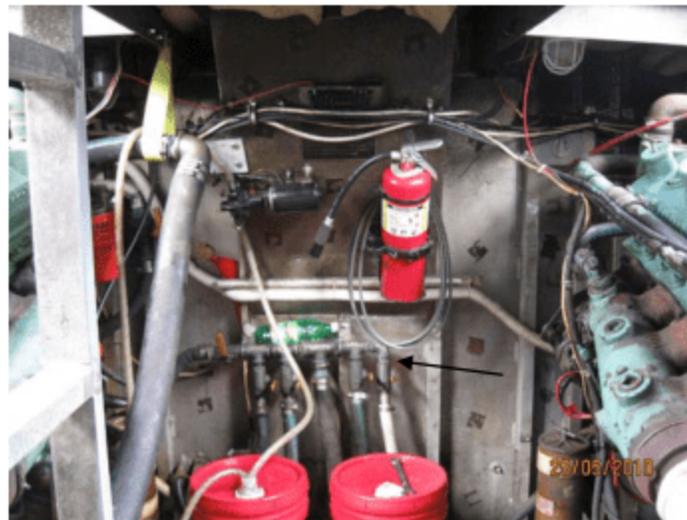
STBD ENGINE INSTALLATION



PORT ENGINE INSTALLATION



TYPICAL SHAFT ALLEY AND DRIVE SAVER COUPLING



EMERGENCY BILGE PUMP MANIFOLD CONTROL



BATTERY INSTALLATION/STAND PIPES TO BE INSPECTED



PROTECT FROM CHAFE/STBD ENGINE



EMERGENCY ENGINE DRIVEN BILGE PUMP



CLEAN SOLENOID CONNECTIONS



PROTECT FROM CHAFE/AFT STBD ENGINE



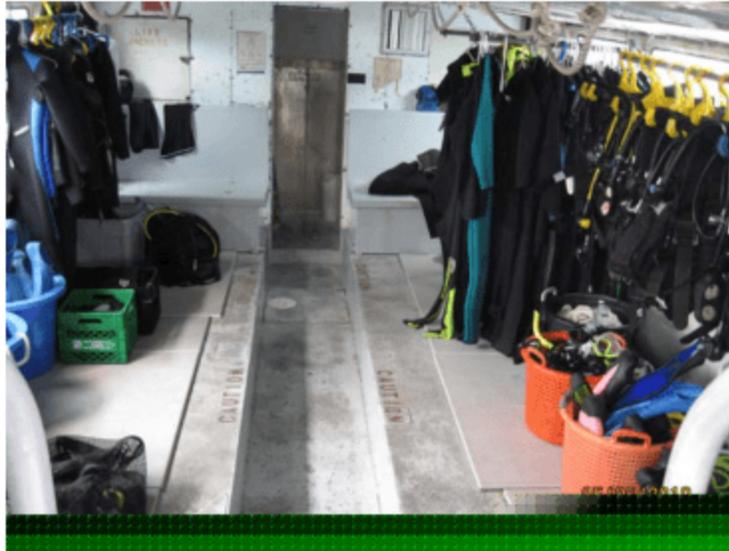
PORT SIDE STEERING GEAR



STBD SIDE STEERING GEAR



TYPICAL CONSTRUCTION/SCANTLINGS/BILGE CONDITION



MAIN CABIN WET LOCKER

WHEELHOUSE

