

Christian & Company

MARINE SURVEYORS

STANDARD SURVEY

Client: Removed for privacy

Date of report: November 16, 2012

Our file #: 12 – 27741web

Current owner: Removed for privacy

This inspection was performed upon the request of the client listed above on November 12 & 13 2012. The vessel hauled on November 13, 2012 at Driscoll Boat works, 2500 Shelter Island Drive, San Diego, California and afloat on both days at Kona Kai Marina, Shelter Island Drive, San Diego, California.

VESSEL DESCRIPTION

Builder:	Kha Shing Enterprises Ltd. **	Doc. #:	Removed for privacy
Model/type:	Hartmann Palmer 92 / Monte Fino	ON #:	Removed for privacy
Year:	1995/1996 (model)	HIN:	Removed for privacy
Length:	91' 6" LOA * / 93.5 measured	Engines:	Two Caterpillar
Draft:	6' 1" *	Name:	Removed for privacy
Beam:	22' 3" *	Hailing port:	Newport Beach, CA
* specification manual		Weight:	204,600 lb. half load *
** U.S.C.G. documentation			185,000 lb. (travel lift's scale)
		Displacement:	87,000 lb. *

HULL & STRUCTURE

Keel & bottom: Molded fiberglass construction, unknown core, modified V-shape, three lifting strakes per side, hard chines, previously painted with anti-fouling paint

Topsides & transom: Molded fiberglass construction, unknown core, white gelcoat, black boot stripe, metal rub rail at hull to deck joint, hull to deck fastening method not visible

Decks & superstructure: Molded fiberglass construction, unknown core, white with gray paint particle nonskid deck surface

Deck hardware: Set of stern rollers and bits, swim platform safety rails, set of aft deck side boarding gates, set of bow rollers and bits, set of bits forward of amidships, fiberglass raised bulwarks forward, stainless steel bow rail, stainless steel safety rails on both sides of flybridge

Longitudinals/stringers: Fiberglass encased stringers, foam core (per vessel specification booklet), five longitudinals per side in VIP cabin bilge

Athwartships/bulkheads/frames: Plywood (apparently) bulkheads

Layout/interior components: Flybridge, pilothouse motor yacht. Integral swim platform

Marine Claims Assistance - Vessel Inspections

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aft with steps on both sides up to aft deck. Aft deck has dining area aft; double sliding door on centerline forward to saloon and steps on both sides forward up to flybridge. Flybridge has boat deck aft, seating and bar in the center and helm forward. Steps on both sides forward lead down from flybridge to walk around side decks with wing doors on both sides to pilothouse and foredeck. Interior aft on main deck is saloon with seating to port in two areas, dining table to starboard forward, galley to port forward, day head to starboard forward and steps up and forward to pilothouse. Spiral steps to starboard aft in saloon lead down to aft landing. Master stateroom aft of aft landing includes centerline berth and head aft with doors on both sides and shower enclosure in the center. Forward from aft landing is engine room. To starboard aft in pilothouse are spiral steps down to the amidships landing. Forward from the amidships landing is the VIP cabin with center island berth and ensuite head to starboard. Aft from the amidships landing is port side cabin with twin berths and ensuite head aft and starboard cabin with queen size berth and ensuite head aft. To starboard forward in pilothouse are steps down to crew landing/lounge. Crew lounge has sofa to starboard, galley area, head to port aft, cabin to port forward with bunk berths and captain's cabin to starboard forward with queen berth

Bilge: Holding water, oil in engine room and lazarette

Comments: The vessel was inspected while hauled and afloat. The hull bottom was visually inspected and randomly sounded. The hull bottom is in marginal condition. There is no anti-fouling paint remaining, the coatings are failing over much of the bottom. There are many small areas where gelcoat is missing, typically this damage results from scraping marine organisms such as barnacles off the bottom. There are a few small voids visible on the port forward strakes. There are osmotic blisters on the hull bottom; there are approximately fifty blisters between 3" and 4" in diameter. Due to the condition of the hull bottom blisters are hard to see. None of the blisters were probed, based on percussion testing they originate within the laminate. There is bronze plate forward of the starboard primary exhaust discharge, the purpose of this plate is beyond the scope of this survey. The transom zinc anodes are not corroding. The hull sides and transom were visually inspected and randomly sounded. The hull sides and transom are in satisfactory – marginal structural condition and marginal cosmetic condition. There is impact damage to the starboard hull side forward. The representative from National Liquidators stated that this damage occurred during the delivery of the vessel from Costa Rica, when an anchor became loose underway. The damage is over the first 18' of the hull, from below the waterline to half way up to the rub rail. Damage is deep into the fiberglass laminate on the bottom of the chine and strake. The starboard anchor receiver is scraped and rusty. The rub rail on the hull to deck joint at the bow has moved. Bedding is loose from between the rub rail and the hull to port forward. There is impact damage on the port bow, to a much lesser extent than to starboard. There are many localized coating failures on all external surfaces of the vessel. There are localized coating failures of the black stripe on the superstructure. There are scrapes on the rub rail on both sides of the hull. The most significant scrapes are to starboard forward. There are two longitudinal gouges in the starboard hull side forward of amidships, there are additional gouges aft which have been poorly repaired. There is a small area of failure in the white gelcoat, forward of the forward large oval window. There are stress cracks about the starboard boarding ladder receiver located below the starboard boarding gate. There are several small scrapes, dents and repairs about the transom and on the swim platform. Coatings on the bottom of the swim platform to

starboard are failing. The deck and superstructure were visually inspected and randomly sounded. The deck and superstructure are in satisfactory – marginal structural and cosmetic condition. The paint/gelcoat is blistered about the steps from the aft deck to the flybridge on both sides. The raised structure inboard of the starboard aft deck to flybridge steps exhibits soft sounds when percussion tested and is cracked. There are many problems with the flybridge coatings including paint cracks, blisters and prior repairs. The flybridge bench seats have blisters. The wood shelf below the forward flybridge locker is warped. There is soot about the transom, apparently from engine exhaust smoke. There are numerous cracks at the radii about the transom, aft steps and swim platform. There are soft sounds when percussion testing the center aft swim platform deck. The deck hardware including safety rails, mooring devices and hatches was visually inspected and most hatches and the port lights were opened and closed. Overall the deck hardware is in satisfactory – marginal condition. The port aft deck boarding gate has a loose hinge. Several of the aft flybridge safety rails are bent. There is no canvas on the flybridge bimini bows. The flybridge bar locker doors have been removed. The mooring bit to port of the pilothouse has shifted. The spa cover on the foredeck is deteriorated. The port anchor locker hatch's actuator is detached. The starboard forward cabin top locker hatch is off its hinges. The sliding door between the aft deck and the saloon exhibits rust on the topside to port and the latch mechanism is inoperative. The wood sub floor forward of the day head cabinet is deteriorated. The galley door does not slide well. There is water damage about both pilothouse wing doors. The pilothouse sole is soft. The structural reinforcements including the stringers and bulkheads were visually inspected and randomly sounded. The structural reinforcements are generally in "as-built" condition. The plywood sole, below metal plates, to starboard aft in the engine room, is delaminating. Two engine room deck supports located to starboard of center in the aft engine room bilge exhibit "paint shock" at junctions. This is usually indicative of movement. The wood shelves above and outboard of the port and starboard engine room fuel tanks are delaminated. Fiberglass on top of the port engine's port forward motor mount is cracked. There is corrosion on the steel motor mounts. There is high moisture and mould in the lazarette and transom lockers. Several of the exterior locker door latches are broken. The bilge is holding moderate water, the origin of the water is beyond the scope of this inspection. There is water and higher water lines in the master head bilge. A metal tank in this area has been partially submerged. There is water in the lazarette engine room bilge. There is oil in the lazarette and engine room bilge. The interior cabin spaces are in marginal – faulty cosmetic condition. Many of the finishes are original, there is extensive cosmetic damage, wear and water damage throughout the vessel. We could not open the sole hatches on the aft, amidships or forward/crew landings. The bilge was not inspected in these areas. The carpets are stained and worn. A smoke alarm located overhead in the amidships landing has rust stains and there are rust stains on the carpet below. Much of the upholstery is damaged. There are minor stains and damage to the side liner and the head liner in many locations. There is water damage below the port aft port light in the VIP cabin. There is significant wood deterioration overhead in the VIP head. There is water damage above and about the steps to the crew lounge. Various covers and locker doors have been removed. We did not get below any carpet which is tacked down, including in the staterooms. This survey is not a mould inspection. The condition of the coring, in the stringers, deck, and elsewhere as applicable, is beyond the scope of this inspection.

Summary: Marginal

MACHINE SYSTEMS

Main engines: Two Caterpillar, model 3412 (per prior survey), 1,200 h.p. each per prior survey, engine hour meters in the engine room: 3,332 to port and 3,484 to starboard, pilothouse engine hour meters: 4,836 to port and 3,357 to starboard

Engine application: Diesel, inboard, V-12, twin turbocharged

Serial Numbers: Not seen, 3JK00223 port and 3JK00224 starboard (per prior survey)

Transmissions: ZF model BW95P, ratio 2,751:1A, port serial number 2700, starboard serial number 2699

External/peripherals: Suitable application, satisfactory installation, two PTOs forward on starboard engine, emergency bilge water pickups forward on both engines

Engine controls: Hynautic hydraulic system, reservoir to starboard aft in engine room, pilothouse and flybridge stations

Exhaust systems: Wet system, flexible hoses, fiberglass tubes, hull bottom discharges aft in engine room, pressure relief discharges on both sides of transom

Propulsion gear/shaft logs: Bronze packing glands 43 x 35 four blade bronze counter rotating propellers, 3.35" (or metric equivalent) diameter propeller shafts, one bronze "V" strut per shaft, cutlass bearings in struts and propeller tubes

Steering system/rudder ports: Hydraulic system, two actuators, tie bar, bronze packing glands, stainless steel (apparently) rudders, pilothouse and flybridge stations

Ventilation: Three engine room blowers

Generators: Starboard – 30 KW Northern Lights, model # M964/HE/30L, serial number 9642-13392, port 30KW Northern Lights, model # M964/HE/30L, serial number 9642-13391, generator hour meters: 7,594 to port and 7,229 to starboard

External/peripherals: Suitable application, satisfactory installation, sound boxes

Through hulls & components: Bronze through hulls, bronze ball valves, bonded

Location of through hulls as visible in travel lift slings: Port – two forward, two forward of amidships, two transducers and dynaplate forward of amidships, fin stabilizer amidships, five amidships with screens, two aft of amidships with screens, primary exhaust discharge aft of amidships, one aft, Starboard – primary exhaust discharge aft of amidships, fin stabilizer amidships, five with screens amidships, two transducers forward of amidships, two forward, bow thruster

Seawater systems: Reinforced hoses, double clamped connections

Bilge pumps: Submersible automatic pumps, one aft in engine room, one in lazarette,

one in master head, one in VIP stateroom

Comments: The engines and transmissions were visually inspected. A sea trial was taken, however the starboard engine would not start and only the port engine was tested underway. The apparent cause of the engine malfunction is electrical. The port engine was difficult to start and cranked slowly. Following the haulout, the port engine did not restart and the vessel was towed back to its slip. This survey is not a mechanical survey. Please consult with a qualified technician for greater detail as to the condition of the machine systems. The external surfaces and peripheral components of the engines and transmissions appear marginal. There are salt crystals covering the aft end of the starboard engine, transmission and bilge space outboard of the transmission. A funnel and hose are attached below the starboard engine's exhaust components; they were installed by the delivery crew. They were installed to collect water and route it into the bilge. The starboard engine's exhaust components are dark from heat. Prior exhaust discharges on the transom have been capped. The generators discharge through the same fittings as the engines (pressure relief), on both sides of the transom. Most of the engine instruments are inoperative. The flybridge instruments are weathered and many lenses are cracked. The port engine's flybridge instrumentation, including the engine oil, transmission oil and engine temperature was pegged while underway. There is oil on the drive belt forward on the port engine. The port engine controls functioned normally. The engine control reservoir located to starboard aft in the engine room is half full of fluid. The exhaust system is properly arranged and installed. The exhaust system is in faulty condition. In addition to the salt crystals about the starboard engine's exhaust system, there are salt crystals on the port engine's outboard exhaust tube. The propulsion components including the propellers, propeller shafts, struts and shaft seals were visually inspected. The propellers were percussion tested. The propeller shafts were observed while underway. Overall the propulsion components are in marginal – faulty condition. There is significant corrosion and missing metal on the starboard propeller. The propeller shaft zincs are wasted and the starboard zinc fell off while being pressure washed. There is rust internally on the propeller shafts. The steering system was visually inspected and test operated. The steering system functioned normally but the steering was "soft" at the flybridge wheel. There are water leaks at the rudder shaft seals. There is significant pitting on both rudders, primarily at the shafts. There is oil below the starboard steering actuator in the lazarette bilge. The engine room blowers were not tested. The generators were visually inspected, the port generator was test operated and loaded. The port generator functioned normally. The starboard generator is reportedly inoperative. The starboard generator's seawater pump is rusted and exhibits salt crystals. The starboard generator's exhaust hose is cracked and weeping rust. The starboard generator's metal exhaust elbow, forward of the generator, is corroded and encrusted with salt. This component is apparently leaking onto the starboard stabilizer. The port generator's coolant expansion tank hose is damaged and it is only partially accessible. The port generator's exhaust hose is cracked near the mixing elbow. There is corrosion on the port generator's exhaust elbow aft in the engine room. The port generator's seawater pump leaked water when the generator was running. There are wet absorbent rags below both fin stabilizers, they were not tested. As the starboard engine was not operated, none of the hydraulic system components were tested. Two PTOs for the hydraulic system are located forward on the starboard engine. The through hulls were visually inspected and several of the valves were manipulated. The through hulls are in satisfactory – marginal condition. We did not test the starboard generator's raw water intake through hull valve. The port engine's through

hull valve has no handle. We could not move the air conditioner raw water intake through hull valve. A through hull in the crew head has corrosion. A through hull in the VIP cabin bilge has corrosion. The seawater systems were visually inspected, very few components were tested. Overall, the seawater systems are marginal – faulty. The raw water supply hoses to the engines are stiff and cracked. Many of the air conditioning systems' hoses are cracked, aged and have rusted clamps. Discharge hoses located to port forward in the engine room are cracked. There are rusty clamps and fittings below the port engine's outboard exhaust components, which are leaking. A through hull valve outboard of the port engine has a loose handle, the valve may be broken. A hose in the starboard anchor locker is cracked. There are many corroded components in the VIP bilge including a rusty pump (waste discharge pump), hose clamps and fittings. Hoses in the crew head are cracked. One of the electric bilge pumps was briefly energized by the captain. Most of the electric automatic bilge pumps are submerged, including in the engine room, lazarette and VIP cabin. The automatic function of the bilge pumps appeared to be intermittent, and most of the switches are not in the "automatic" position. A hose is connected to a through hull to starboard forward in the engine room bilge; the hose is not in use or attached to anything on the other end.

Summary: Marginal – Faulty

TANKAGE

Fuel: 3,500 gallon capacity *, metal tanks, one in engine room bilge, one on each side of engine room with plastic sight level tubes

Fill & vent: Fill fitting on starboard hull side amidships, fill fitting at base of steps from aft deck to flybridge

Feed & return: Flexible hoses, dual Racor filters for main engines

Water: 750 gallon capacity*, deck fill fittings on both sides of swim platform, four 145 gallon (2mm thick) stainless steel tanks in lazarette

Holding: 600 gallon capacity*, deck fitting to port on swim platform, tank may be below master stateroom

Comments: The fuel system including the tanks, fill, vent, feed and return lines was visually inspected as installed. Where visible the fuel system components are in satisfactory condition. The condition and age of the fuel (and water) and the integrity of the tanks (fuel, water and holding) is beyond the scope of this survey. Please consider filling all tanks for a simple, practical test of their integrity. A metal fuel manifold and the bottom of the metal fuel tank located between the engines were partially submerged at the time of our inspection. The fuel hoses are not labeled per U.S. standards. There is fuel aft in the engine room bilge. The water pressure system functioned normally. The starboard water tank fill fitting has a temporary cap installed. The water tank fill hoses are cracked and at the end of their service lives. The flybridge sink drains into a bucket. A valve at the day heads sink is inoperative. No water flowed into any of the heads, their proper function is questionable. The heads function with air pressure. The flapper valve in the starboard head in the master stateroom is open. A sump tank located below the VIP cabin is not currently in use. Accuracy of tank level gauges is beyond the scope of

this survey. The location of all the tanks was not determined and no plumbing diagram was reviewed. There is a tank in the bilge below the master stateroom, its function was not determined.

Summary: Satisfactory – Marginal

ELECTRICAL SYSTEMS

AC system: Aft engine room panel includes two source selector switches, transformer output circuit breaker and AC voltmeter, 100 amp/125/250 volt shore power cord on electric cable caddy, 50A/125/250V shore power inlet to port on transom, 110 & 220 volt system

DC system: 8D wet cell 12 volt batteries – two aft of starboard engine, two aft of port engine, two inboard of starboard engine, 8D sealed 12 volt batteries, two inboard of port engine, 4D wet cell 12 volt batteries, two forward in engine room, three battery switches forward in engine room, two battery switches on main panel in pilothouse, 12 & 24 volt system

Wiring: Multi-strand wires

Circuit protection: G.F.C.I. outlets, main AC circuit breakers to starboard and port in lazarette, main distribution panel to port in pilothouse includes two AC source selector switches, main AC circuit breakers, branch AC & DC circuit breakers, one DC and three AC voltmeters, one DC and three AC ammeters, group of nine circuit breakers to port below pilothouse console

Comments: The electrical system including the shore power cord, shore power inlet, batteries, wiring, circuitry components and circuit protection equipment was visually inspected and some components were tested. Many components were not tested or did not function apparently due to modifications of the electrical system. Overall the electrical system is in satisfactory – marginal condition. The condition of the batteries is beyond the scope of this inspection but is questionable. The two batteries aft of the starboard engine are currently disconnected, dry and have corroded terminals. We found the batteries inboard of the starboard engine disconnected. There are two unused and unsecured batteries in the engine room. One of the batteries which is located forward in the engine room is broken. The 4D batteries located forward in the engine room are low on fluid. There are wing nuts used on several battery terminals. It was difficult to start the port engine, the starboard engine did not start, and these problems appear to be electrical in nature. The battery charger located on the forward engine room bulkhead was not energized on the first day of the survey; it became energized when the generator was started, before the generator was brought on line. The starboard generator is reportedly inoperative. The DC engine room lights are inoperative. The AC engine room lights have bulbs that are not covered. An AC source selector switch located aft in the engine room has no knob. There is a loose pump motor aft in the engine room. Many of the lights throughout the vessel, both externally and internally, were not illuminated. Many of the lights on the hardtop, over the aft deck, are corroded. There is tape over one light on both sets of steps between the aft deck and the flybridge. The microwave oven in the galley is rusted and damaged. There is a

loose AC electrical outlet to port in the saloon. There is dark discoloration below the forward galley cabinet, apparently emanating from a light fixture. This appears to have been an overheating incident. The Navnet and autopilot units on both the pilothouse and flybridge helms alarmed when they were energized. Many of the electronics did not energize. The air conditioner ducting hose is disconnected from the air conditioner unit below the port guest cabin. We did not test operate all of the air conditioning units. There are loose wires below the forward berth in the port guest cabin. There is a rusty light fixture in the VIP cabin bilge. Many overhead interior lights exhibit corrosion. There is rust on the terminal board in the locker outboard aft in the VIP cabin. The galley refrigerator is iced over.

Summary: Satisfactory – Marginal

SAFETY AND LIFE SAVING

Portable fire extinguishers: Dry chemical units with 8/2010 tags include – one in engine room, one in galley, two in master, one in starboard guest cabin, one in port guest cabin, one in VIP cabin

Fixed fire system: Fireboy CG2-1000, FE-241, two bottle unit in engine room, 6/94 installation, no inspection tag with date

Flotation devices: One life ring, various PFDs

Horn/distress flares: Air horn, no flares seen

Navigational/anchor lights: Separate sidelights, stern light, masthead/steaming light, all around/anchor light

Anchor & ground tackle: Two Navy type anchors, unknown size, chain rode

Other equipment: Smoke alarms, alarm panel

Comments: Safety equipment for fire fighting protection appears satisfactory, however the portable extinguishers have inspection dates of August 2010 and there are no visible inspection stickers or tags on the fixed extinguishers in the engine room. We did not test the air horn. We did not see distress signal flares aboard. Personal flotation devices appear suitable for near coastal use. The navigational and anchor lights are properly arranged, installed and functional. The ground tackle including the anchor and rode was visually inspected as installed and appears satisfactory. The entire length of the anchor rode was not inspected and should be inspected prior to use. Two lights on the alarm panel flashed consistently, they were “<DC19V” and “check SW”.

Summary: Satisfactory – Marginal

ACCESSORIES

General equipment: Nine starboard oval opening port lights, intercom, Sea Recovery water maker, engine mounted instrumentation includes electronic tachometer, oil pressure, fuel pressure, ammeter, oil temperature, water temperature and hour meters, eight Cruisair air conditioner units forward in engine room, internal sea strainers, Wesmar fin stabilizers, engine room camera, forward engine room electric panels include six DC voltmeters, capstan circuit breakers, generator controls and instruments (temperature, oil, hours and volts), four AC voltmeters and two AC hertz meters, Guest 2611 battery charger, oil change system, Dolphin 24V 80A battery charger, Microphor air compressor and tank, 40 gallon water heater, Acme power transformer, exterior courtesy lights, aft deck hardtop lights, two Maxwell 2200 electric stern capstans, aft deck bench, two tables and six chairs, aft deck sink, transom shower, transom water spigot, water pressure inlet, TV/telephone inlet, second water pressure inlet, sump collector and pump (aft), water pressure pump and accumulator tank (lazarette), Norcold DC 0040 refrigerator (aft deck), U-line icemaker (aft deck), flybridge tender chocks, hydraulic tender davit, fiberglass arch with stainless steel arch on top, two flybridge dinettes, fiberglass bar with six pedestal chairs, flybridge bimini top bows, flybridge bar has sink, icemaker, Norcold DE0051 refrigerator, Sencar flybridge stereo/CD, two flybridge pedestal helm chairs, flybridge helm console includes set of engine instruments (digital tachometer, engine oil psi., transmission oil psi., temperature and volts), ICOM IC-M302 VHF, Furuno Navnet unit, Furuno DGPSGP-37 WAAS navigator, B & G Network Quad, Simrad AP22 autopilot, Furuno hailer, thruster controller and Ritchie Powerdamp compass, two Maxwell hydraulic windlasses, three windshield wipers, U-line icemaker (saloon), electric saloon window blinds, two saloon sofas, dining table, Mitsubishi TV, B & K AVR505AV receiver, Crestran video controller and equalizer, Sharp VCR, Sony Sat HD300 satellite TV receiver, day head has sink and vacuum type head, G.E. microwave oven, G.E. 4 burner electric stove, G.E. Profile oven, G.E. monogram dish washer, double galley sink, garbage disposal, Compact All trash compactor, G.E. Monogram refrigerator/freezer with icemaker, Stidd pilothouse helm chair, pilothouse bench seat, two electrical converters below pilothouse helm console, pilothouse engine instrumentation includes two digital tachometers, two engine oil pressure, two temperature, two transmission oil pressure, two volts and two engine hour meters, Furuno GP-90 GPS navigator, ICOM IC-M802 VHF, Sea Tel satellite TV controller, B & G Network Quad, Wesmar CPS1000 gyro controller, rudder angle indicator, Logic electronic compass, HPS bow thruster, Furuno RP-100 radar plotter, Furuno radar, Panasonic video monitor, Furuno Navnet unit, Simrad AP20 autopilot, two Tank Watch IV tank level monitors, Horizon LH5 hailer, three fuel tank level gauges, spotlight, telephones, foredeck spa, ICOM IC-M126 DSC VHF (not installed), master head includes: two toilets, two sinks and shower enclosure, Sharp TV, three guest heads have vacuum type heads, sinks and shower enclosures, numerous satellite TV boxes, Secor stereo/CD, Secor stereo/CD, VIP love seat and vanity, two Sharp TVs, crew lounge includes 4-burner G.E. electric range, sink, Norcold DE0061 refrigerator, Miele TI463 clothes dryer and a Miele W1213 clothes washer

SUMMARY

The vessel is a fiberglass motor yacht manufactured in Taiwan. The vessel is equipped with two diesel engines and two diesel generators. The vessel has the style of Italian boats built at that time. The undersigned previously surveyed the vessel in June 2004, information in that survey suggests that the owner at that time had purchased the vessel three years prior in Florida. That survey also stated that the vessel had been operated to California on its own bottom and that the engines, transmissions and generators were likely original. Based on a brief review of that survey report the vessel was basically sound and functional at that time, however it did exhibit numerous cosmetic deficiencies. The vessel's condition has significantly deteriorated since that time. The vessel was reportedly repossessed in Costa Rica and the delivery took twice as long as anticipated. It is reported that the engines overheated if the vessel was run over ten knots. The vessel exhibits significant deferred maintenance, water damage internally, mechanical deficiencies, electrical deficiencies, plumbing deficiencies, physical damage to the starboard hull forward and gross neglect. The vessel is not currently suitable for use. The basic hull structure appears sound, with the exceptions noted.

Overall Summary: Marginal – Faulty

Standard Form Key: All systems are rated based upon their appearance, ratings include: Not examined, Not applicable, Faulty, Marginal, Satisfactory, Good, Excellent.

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VALUES

ACTUAL CASH VALUE

Removed

NEW REPLACEMENT VALUE

Removed

INVESTMENT

N/A

The actual cash value is the value that our research approximates the selling price of this vessel should be, at the time and place of our inspection. Consideration is given to vessel's condition, geographic location, published listings and guides, comparable sales and listings, and market conditions. The new replacement value is the cost of this or a similar, **new vessel**, comparably equipped. The investment is the reported investment including purchase price and significant upgrades. No values include maintenance costs, storage or tax. In most instances the data found while researching the value is stored in our file for this survey. We primarily use market value analysis methodology for determination of value.

Comparable sales:

1996 80' Mangusta 80 Overmarine (\$699,545)
1995 92' Falcon (\$900,000)
1998 88' Versilcraft \$228,942)
1998 84' Italversil (\$756,781)

Comparable listings:

1995 92' Falcon 92 \$947,566 (DM Yachts)
1998 92' Guy Coach 92 \$635,950 (AL. OR. s.n.c.)
1995 92' Falcon 92 \$572,355 (Nikos Odysseas Papadakis)

Many other comparable sales and listings were considered and are contained in our office folder. The most significant aspect of this appraisal is the condition of the vessel.

RECOMMENDATIONS

These recommendations are the surveyor's ideas and suggestions for addressing deficiencies with damaged or suspect components or systems found during survey or general improvements. The primary recommendations address safety items, structural issues, operational issues or deficiencies which the surveyor determines are of greater importance or more expense than secondary deficiencies. For instance, items that pose a risk to passenger safety or immediate property damage are listed under primary deficiencies and cosmetic concerns are addressed under secondary deficiencies. Most of the recommendations have been addressed in the comments and usually they are discussed at the time of the inspection.

PRIMARY

1. Maintain the fixed and portable fire extinguishers per N.F.P.A. recommendations.
2. Provide federally required, approved and current distress signal flares.
3. Service and prove the smoke alarm system properly functional.
4. Address the flashing lights on the alarm panel, apparently indicating low DC voltage and seawater accumulation.
5. Replace the G.F.C.I. outlet located aft in the engine room; it did not trip with a tester.
6. Address the significant deficiencies in the DC electrical system, specifically test and prove all batteries properly functional, properly install batteries and comply with A.B.Y.C. recommendations and assure the charging system is properly functional.
7. Replace the broken battery switch forward in the engine room.
8. As modifications have apparently been made to the electrical system, assure that the electrical system is in compliance with A.B.Y.C. recommendations (or similar standards) and that it is functional per convention with source selector switches and circuit breakers functioning as labeled.
9. Service and prove the DC engine room lights properly functional.
10. Provide covers for the AC engine room light bulbs, eliminate the personal injury risk.
11. Either provide the switch handle for the AC source selector switch aft in the engine room or replace the switch as necessary.
12. Address the corrosion of the lights on the hardtop over the aft deck, service to eliminate the source of the corrosion, replace lights and related equipment such as wires, junctions, controllers etc... as needed.
13. Replace the galley microwave and prove it properly functional.
14. Determine if there is any electrical damage to or near the light fixture below the forward galley cabinet, repair any electrical component damage. Clean and paint the darkened area to allow detection of any future failures.
15. Service the electronic package and prove it properly functional, replace components if/as necessary. Very few components functioned. The Navnet unit and the autopilot alarmed when energized. Determine the prior function of the wires which are loose below the forward berth in the port guest cabin, reconnect or prove the wires de-energized.
16. Replace the rusty light fixture in the VIP cabin bilge space.

17. Address rust and corrosion on the terminal board in the locker to port aft outboard in the VIP cabin locker, eliminate the source of the rust, replace corroded components.
18. Address the gross deficiencies on both engines' exhaust systems. Deficiencies include heat damaged components to starboard, leaks on both sides and the considerable amount of salt crystals accumulated in the starboard aft engine room area. Eliminate any and all leaks, replace components as necessary.
19. De-water the bilge throughout the vessel, service and prove all bilge pumps functional in the automatic mode. Eliminate any water leaks.
20. Service both generators' raw water pumps, eliminate any water leaks and prove them properly and reliably functional.
21. Service the generators' exhaust systems; replace hoses, elbows and any other components as necessary. Eliminate any and all leaks, clean stains to allow detection of any future leaks.
22. Test and prove all through hull valves properly functional and through hulls suitable for continued use. Several valves were stiff, many valves were not tested and several through hulls exhibit corrosion on the interior of the vessel. The port engine's through hull valve has no handle. We could not move the air conditioner cooling water intake through hull valve. The through hulls in the crew head and VIP bilge exhibit corrosion. A through hull valve outboard of the port engine has a loose valve which is likely broken.
23. Many of the hoses throughout the vessel require replacement; the following list is a partial list of hoses which require replacement. All plumbing should be carefully traced, inspected and serviced as necessary. Among hoses which exhibited problems are the raw water cooling hoses to the engines, air conditioning hoses, discharge hoses to port forward in the engine room, a hose in the starboard anchor rode locker, hoses in the crew head and hoses in the VIP bilge area.
24. Service or replace the rusty clamps and fittings located below the port engine exhaust leak. After cleaning the rusted salt on the starboard transmission and starboard aft in the engine room, address corrosion which may be revealed in this area.
25. Service as a result of oil on the port engine's drive belt. Eliminate the source of the oil.
26. Eliminate the apparent leak at the starboard steering actuator, clean oil from this area to allow detection of any future leaks.
27. Service and prove both engines properly functional, the starboard engine did not start during the survey.
28. Service and prove all engine support equipment including instrumentation and alarms properly functional. Replace flybridge instruments which are weathered.
29. Service and prove the steering system properly functional, it responds slowly at the flybridge station.
30. Replace the starboard propeller as it is extremely corroded. Replace the sacrificial zinc anodes on both propeller shafts in the very near future.
31. Address pitting on both rudders.
32. Address the general state of corrosion in the VIP bilge including a rusty waste discharge pump, hose clamps and fittings.
33. Service and prove the starboard generator properly functional, it is reportedly inoperative.
34. Service to eliminate the water leaks at the rudder shaft seals.

35. There is significant and extensive cosmetic damage to the vessel externally, primarily as a result of coatings failure. There are blisters, cracks, discoloration and prior repairs visible in numerous locations, address as necessary. Among the areas where this condition was noted are: about the steps from the aft deck to the flybridge, the exterior of the flybridge, on the flybridge seats, about the black stripe on the superstructure and numerous other small localized flaws.
36. Damage to wooden components including soles (sub flooring), shelves and overhead components were found in numerous locations. The extent of this damage is beyond the scope of this survey but damage noted during the survey includes the following: wood shelf below the forward flybridge locker, foredeck spa cover, sub floor forward of the day head cabinet, pilothouse sole, components by both pilothouse wing doors, below the port aft port light in the VIP cabin, overhead in the VIP head, about and above the steps to the crew lounge, the starboard aft in the engine room sole above the starboard propeller shaft seal and wood shelves above an outboard of both engine room wing fuel tanks. Address these components and perform more detailed inspections to address other similar components which were not discovered. Eliminate the source of the water to prevent a repetition of this type of damage.
37. Repair the box structure on the flybridge inboard of the steps between the aft deck and the flybridge to starboard. This area is cracked and soft when percussion tested.
38. Repair the damaged aft flybridge safety rails.
39. Provide a suitable means for re-boarding the vessel.
40. Repair the damaged mooring bit to port of the pilothouse.
41. Replace the port anchor locker hatch actuator.
42. Reinstall the hinges on the starboard forward cabin top locker.
43. Service or replace the sliding doors between the aft deck and the saloon, there is corrosion on the doors and the latch mechanism is inoperative.
44. The hull bottom is in poor condition, there are numerous gelcoat flaws, it is unfair and there is gross coatings failure. Properly fair, prep, prime and recoat with anti-fouling paint. Repair osmotic blisters.
45. The transom zinc anodes are not corroding, address appropriately.
46. Determine the purpose of the bronze plate on the starboard hull bottom forward of the primary exhaust discharge, this plate was noted on the 2004 survey.
47. The rub rail at the bow is loose. Address the loose rub and any problem with the hull to deck joint in this area as necessary.
48. Repair the large area of damage on the starboard bow, reportedly from the anchor, and the similar but lesser damage on the port bow. The damage on the starboard bow is approximately 18' long x 4' high and includes damage to the anchor strike plate.
49. Determine the significance of the loose fiberglass at the port engine's outboard forward motor mount, address appropriately. Inspect, clean and service all steel motor mounts and address deficiencies as necessary.
50. Repair the swim platform deck, there are soft sounds when percussion testing the center aft area.
51. Open the sole hatches in the aft landing, amidships landing and crew lounge/landing, inspect the bilge in these areas and address deficiencies.
52. Service as a result of rust stains on the smoke alarm and amidships landing, replace this alarm as necessary. Eliminate the source of the water.

53. Address the potential corrosion to the metal fuel manifold and metal fuel tank in the engine room bilge and the metal tank in the master stateroom bilge. The engine room tanks are currently partially submerged and the tank in the master bilge has been partially submerged.
54. Clean the fuel from the engine room bilge, service to eliminate any fuel leaks.
55. Inspect fuel hoses, replace if/as necessary. The fuel hoses are not labeled per U.S. standards.
56. Provide a suitable permanent cap for the starboard water tank fill fitting.
57. Replace the water tank fill hoses, they are cracked and at the end of their service lives.
58. Service and prove all heads and the waste system properly functional.
59. Determine the prior function of the sump tank below the VIP cabin and return it to service if/as necessary.

SECONDARY

1. The carpets are stained and worn, replace or clean as desired.
2. There is significant damage to upholstery throughout the vessel, replace or repair as desired.
3. There is minor damage to the side liner and headliner, repair or replace as desired.
4. Various covers, cabinet doors etc... have been removed; reinstall.
5. There are small voids in the port forward lifting strakes (hull bottom) repair as desired.
6. There is coating failure on the bottom, starboard side of the swim platform, and repair as desired.
7. The port aft deck boarding gate is loose on its hinge, secure the hinge.
8. Return the canvas to the flybridge bimini bows.
9. Service the galley sliding door and prove it properly functional.
10. Determine if any bilge spaces are concealed by tacked down carpet, access any concealed bilge spaces and address deficiencies.
11. Clean waterlines from the bilge, including below the master stateroom to allow detection of any future water accumulation events.
12. Repair the stress cracks on the receivers for the boarding ladder below the starboard aft deck wing gate.
13. Address the shock damage to the coatings on the two starboard aft engine room deck supports, repair if necessary.
14. Address the mould and high moisture in the lazarette and transom lockers.
15. Address the various damaged exterior locker door latches.
16. Clean the soot from the transom and aft on the vessel.
17. Address the minor cosmetic issues including cracks in the radii, dings and prior repairs about the swim platform and aft steps, etc...
18. Address surface rust on the interior of both propeller shafts; eliminate any leaks into the shafts.
19. Assure that the engine control system is properly serviced; the reservoir was half full of fluid. Eliminate any leaks and refill the reservoir.
20. Address any damage on and about the starboard fin stabilizer, saltwater is leaking onto it from the generator's exhaust system above.

21. Determine the prior function of the through hull to starboard forward in the engine room bilge, a hose is connected to the through hull but the other end of the hose is unused. We strongly encourage capping or plugging the through hull to eliminate any liability or reusing the hose if necessary.
22. Service to eliminate any oil leaks from the fin stabilizers, replace the wet absorbent rags to allow detection of any future oil leaks.
23. The air compressor cycled during the survey. Service the air pressure system to eliminate any leaks.
24. Service all lights functional both internally and externally as needed. Address corroded lights, address light fixtures which are taped over, prove the lights, switches and systems properly functional.
25. Remove the loose pump motor aft in the engine room. Clean the engine room which is full of unsecured components.
26. Properly secure the loose AC electrical outlet to port in the saloon.
27. Reconnect the ducting hose which is disconnected from the air conditioner below the aft berth in the port guest cabin.
28. Service as necessary to eliminate the icing over condition of the galley and crew refrigerators.
29. The flybridge sink drains into a bucket, modify as desired.
30. One valve in the day head sink is not properly functional, service and prove it properly functional.
31. Due to the condition of the vessel there were many systems that were not tested, among the items which were not tested are the following: intercom, water maker, engine room blowers, oil change system, fin stabilizers, water heater, water pressure inlet, sump pump, davit, exterior refrigerators, icemakers, flybridge grill, all entertainment devices, windlasses, all lights, electric blinds, air conditioners, galley equipment, smoke alarms, alarm system, many electronics, windshield wipers, spotlight, horn, spa, hydraulic system and starboard engine and related components.

This survey sets forth the condition of the vessel and components, as specifically stated only, at the time of inspection and represents the surveyor's honest and unbiased opinion. The submitting of this report should not be construed as a warranty or guaranty of the condition of the vessel, nor does it create any liability on the part of Christian & Company or the individual surveyor. No part of the vessel was disassembled or removed and no assumptions should be made as to the condition of concealed components. Specifics were obtained from sources available at the time of inspection and are believed correct, but are not guaranteed to be accurate.

Christian & Company, Marine Surveyors, Inc.



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S.A.M.S. – A.M.S. # 301

November 16, 2012
Date

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