Report of Marine Survey

1998 Formula 31 PC Cruiser
"Outnumbered "

HIN# XXXXXX

Prepared For:
XXXXX
April 18, 2008

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I. INTRODUCTION

SCOPE OF SURVEY

Acting upon the request of XXXXX (Eric, who was in attendance) this surveyor did attend onboard the 1998 Formula 31 PC Cruiser; "XXXXX," beginning on Friday, April 18, 2008 from 12:30 p.m. to 4:00 p.m. An "out-of-the-water-survey" was conducted at the sellers storage facility in Erie, Pa. The ship's papers were reviewed. The hull identification number (XXXX) was found on the starboard transom of the hull, The purpose of the survey, was to ascertain the physical condition and value of the vessel. A sea trial was not performed, the propulsion (engine) system was not tested, the engines were started (the vessel in winter storage). Moisture readings were taken to determine the moisture content within the fiberglass construction and referenced in the report. Test were performed with a Tramex Skipper-Plus Moisture Meter. The AC and DC electrical system was inspected to review the operation of the electrical system specified in this report only. Electronics (Instruments) were inspected in "power-up," mode only.

The weather on the day of the inspection was 67 degrees, sunny skies.

The vessel was surveyed without removal of any parts; including fittings, tacked carpet, screwed or nailed boards, anchors and chain, fixed partitions, instruments, clothing, spare parts, and miscellaneous equipment materials in the bilge and lockers, or other fixed or semi-fixed items. Locked compartments or otherwise inaccessible areas would also preclude inspection. The owner is advised to open all such areas for further inspection. Further, no determination of stability characteristics or inherent structural integrity has been made and no opinion is expressed with respect thereto. This survey report represents the condition of the vessel on the above dates, and is the unbiased opinion of the undersigned, but is not to be considered an inventory or a warranty either specified or implied.

CONDUCT OF SURVEY:

THE MANDATORY STANDARDS PROMULGATED BY THE UNITED STATES COAST GUARD (USCG), UNDER THE AUTHORITY OF TITLE 46 UNITED STATES COAST GUARD (USC) TITLE 33 AND TITLE 46 CODE OF FEDERAL REGULATIONS (CFR) AND THE VOLUNTARY STANDARDS AND RECOMMENDED PRACTICES DEVELOPED BY THE AMERICAN BOAT AND YACHT ASSOCIATION (ABYC) AND THE NATIONAL FIRE PROTECTION ASSOCIATION (NFPA) HAVE BEEN USED AS GUIDELINES IN THE CONDUCT OF THIS SURVEY.

This survey report is for the sole use of the requesting party. Others are not permitted to use this report and are not to rely upon the content of this report without payment to the surveyor, in the amount of an additional agreed upon fee, based on a reevaluation of the same factors: The surveyor shall have no liability for property loss damages, and no liability for punitive damages, all of which shall be deemed to have been knowingly and voluntarily waived upon use of this report. In no event shall legal liability of the surveyor exceed the fee paid by the requesting party for the issuance of this report, regardless of the number of claims or suits and regardless of whether under theory of tort, contract, warranty, products, outrage or otherwise.

The survey contains opinions and observations based upon the surveyor's skill, experience and training as a marine surveyor. Under no circumstances shall the report be understood to constitute a representation, guarantee, warranty, expressed or implied, of any kind as to the condition or soundness of the subject vessel, it's hull, engines, machinery, equipment or any part of a thereof, or the cost of effecting any repairs or modifications.

This survey recommends that the client engine surveyor, to inspect the other mechanical items onboard as needed. The client and engine surveyor is responsible researching mechanical equipment recalls and warranties on the vessel in this survey.

I. INTRODUCTION

VESSEL DESCRIPTION

"Outnumbered," is a 1998 , Formula 31 PC Cruiser. She is constructed of Fiberglass Reinforced Plastic (FRP). The hull design is a deep V hull finished in white gel coat, her topside and cockpit the same. The boot and sheer stripe is coral green. The interior is finished in off white FRP with coral green fabric over bulkheads joinery and upholstery.

"Outnumbered" is powered by Twin Mercury 7.4LX 454 cid 320 Hp engines, outdrives and Bravo 3 props. A Kohler generator provides AC power when off shore power.

She offers a open cabin featuring; forward and aft berths, U shaped dinette, full featured head and galley. 6 opening ports and 3 overhead hatches provide ventilation. Storage is provided with lockers beneath seating within the cabin. The roomy cockpit provides wraparound lounge seating, wet bar and access to the engine compartment. The swim platform provides ample room for boarding and features a shower with hot and cold running water.

The open bridge is offers a well designed helm for visibility, controls, navigational equipment and double wide seats when underway or lounging.

II. GENERAL INFORMATION

FILE NUMBER:	2008-0418- 0002
SURVEY PREPARED FOR:	XXXXX
NAME OF VESSEL:	Outnumbered
TYPE OF SURVEY:	Condition and Value/ Insurance
OVERALL VESSEL RATING:	**Above BUC Condition**
ESTIMATED MARKET VALUE:	**$ 84,000**
ESTIMATED REPLACEMENT COST:	**$207,500**
YEAR/MAKE/MODEL:	1998
BUILDER:	Formula 31 PC Cruiser Boats Inc.
YEAR BUILT:	1998
MODEL YEAR:	1998
MAKE OF VESSEL:	Formula 31 PC
MODEL OF VESSEL:	31 PC Cruiser
HULL IDENTIFICATION NUMBER HIN:	XXXXX
STATE REGISTRATION NUMBER:	PA- XXXXX (2008 Registration # XXXXX)
HAILING PORT:	Erie, Pennsylvania
OWNER:	XXXXX
OWNER ADDRESS:	XXX XXXXX Avenue XX, Pennsylvania XXXXX
PLACE OF SURVEY:	Sellers Storage facility, Erie, Pennsylvania
DATE/TIME OF SURVEY:	April 18, 2008, 12:30 a.m.- 4:00 p.m.
HULL MATERIAL:	FRP (fiberglass reinforcement plastic)
HULL TYPE:	Deep V/ Cruiser
LENGTH OVER ALL (LOA):	31’ Per Powerboat Guide
BEAM:	11’ Per Powerboat Guide
DRAFT:	3’2” Per Powerboat Guide
DISPLACEMENT:	11,730 Per Powerboat Guide
PROPULSION SYSTEM:	Two MerCrusier 7.4 LX, MPI,454 cid engine, per engine plate
FUEL TYPE:	Gas
FUEL CAPACITY:	180 US gal. per Powerboat Guide
AC POWER:	220 VAC, 50 Amps
DC POWER:	12 Volt DC
FRESH WATER CAPACITY:	50 US gallons per Powerboat Guide
HOLDING TANK:	40 US gallons per Powerboat Guide
INTENDED CRUISING AREA:	Lake Erie

II. GENERAL INFORMATION

DEFINITION OF TERMS

The terms and words used in this report have the following meanings.

APPEARS: Indicates that a very close inspection of the particular system, components or item was not possible due to constraints imposed upon the surveyor, i.e. power not available, inability to remove panels, or requirements not permissible to conduct destructive test.

FIT FOR INTENDED USE: Use which is intended by client.

SERVICEABLE: ADEQUATE: Sufficient for a particular requirement.

POWER UP: Power was applied to the device. This does not refer to the operation of any system or component unless specifically indicated. i.e. Radar unit powered up; radar was not specifically tested for programming etc.

Deficiencies will be listed under the appropriate heading and will be summarized under Section IV. FINDINGS AND RECOMMENDATIONS.

A. SAFETY DEFICIENCIES: Should be addressed before the vessel is next underway. These findings represent an endangerment to personnel and/or the vessel's safe and proper operating condition. Findings may also be in violation of U.S.C.G. regulations.

B. OTHER DEFICIENCIES NEEDING ATTENTION: Should be corrected in the near future so as to maintain standards and to help the vessel to retain its value.

C. SURVEYOR'S NOTES AND OBSERVATIONS:

Moisture Meter Readings: Indicates the level of moisture content within fiberglass or wood materials as tested in areas of a vessel's structure. This may include the deck, hull, bulkheads and other components affecting the strength and structural integrity. For the purpose of this survey, the test instrument is a Tramex-Skipper Plus Moisture Meter which provides the following, range one measurement scale.

Green	5%-13%	Favorable
Yellow	14%-18%	Warrants monitoring
Red	19%-30%	Warrants attention or investigation

III. SYSTEMS

HULL, DECK AND SUPERSTRUCTURE

HULL CONSTRUCTION:

TYPE: Deep V Hull

MATERIAL: FRP (fiber reinforcement plastic).

EXTERIOR HULL: White gel coat, with coral green boot and sheer stripe. The hull as observed from the ground appears in Above BUC condition for its vintage. Low moisture meter readings on the underwater surface. Percussion test indicated the hull in this area is serviceable.

TRANSOM: Observed elevated (25%-28%) moister readings around the upper trim tab fasteners and near the center line near outdrives (above and below the waterline). Percussion test indicated the transom has no delamination.
Recommend: {B-1} Investigate and repair as needed.

BULKHEADS: Poly Urethane sheet bulkheads bonded to hull with FRP.

STRINGERS: Engine stringer system (engine) stiffness, tap tested, appeared solid and serviceable.

BILGE: The bilge, accessed from the engine compartment, was dry and clean.

DECK CONSTRUCTION:

TYPE: White molded FRP with nonskid finish in Above BUC condition. The deck is solid without flexing with low level moisture readings.

COCKPIT: White molded FRP with non skid finish in Above BUC condition. The deck is solid without flexing. Moisture meter readings were low level. Serviceable.

HULL-TO-DECK JOINT:

TYPE: The overlap hull to deck joint, secured were observed from engine compartment. Serviceable.

BEDDING COMPOUND: The sealant compound (plexus bonding) had no appearance of water intrusion where viewed from the engine compartment. Serviceable.

DECK and FITTINGS:

BOW PULPIT : The bow pulpit (and hand rails) is made of 1" stainless steel, firmly secured and serviceable.

III. SYSTEMS

HULL, DECK AND SUPERSTRUCTURE

CLEATS: 6- 8" deck cleats, with backing plates (observed from engine compartment) are located on the bow, amidships and at the stern. Serviceable.

SCUPPER(S): Six scuppers are located in the cockpit deck and drains via above water thru-hulls. Two are located aft cockpit, mid cockpit, forward cockpit near the helm station. Appear serviceable.

SUPERSTRUCTURE:

MATERIAL: White molded FRP. The cabin topside did not have appearance of flexing, crazing cracking or delamination, moisture meter readings were low levels.

HOUSE TO DECK JOINT: The overlap house to deck joint is made up of one piece molded fiberglass, with rub rail and is dry and serviceable.

VENTILATION: There are 7 opening ports, 3 on each side of the cabin, One in the aft cabin, three overhead hatches. All opened and serviceable.

CABIN APPOINTMENTS

INTERIOR: The interior is white material over FRP (polyurethane sheets), bulkheads and headliner covered with coral green fabric. Cushions are similar in color and like new in appearance.

JOINERY/FINISH: The trim and fabric in coral green in like new in appearance.

WATER INTRUSION: Slight appearance **s**ighted on the cabin fabric hull liner, near the port side port, aft cabin. **s**tains are located away from the port's seal and believed to be from opening ports.

CABIN SOLE: The cabin sole is constructed of FRP, covered in beige carpet and in good condition.

AIR HANDLER: A Marine Air System, Model# VRP12K, Serial# C7M38035. Powered up.

HEAD: The head is a Vacu Flush toilet, Tank Watch holding tank monitor, shower, hot and cold pressurized running water, and vanity. Did not operate, appears serviceable.

LIGHT FIXTURES: DC cabin lights were in the cabin, galley, head and powered up.

GALLEY:

LOCATION: The galley is on the port side across from the dinette, aft the forward berth. Included is a two burner electric stove in the counter, hot and cold water (not tested due winterization). A microwave, blender, refrigerator and television built into the cabinet. all powered up.

III. SYSTEMS

CABIN APPOINTMENTS

REFRIGERATION: Manufactured by Norcold, and had the following identifying numbers. 10.404. Model# DES41, serial# 410896DF. Powered up.

PROPULSION

MAIN ENGINE
MAKE/MODEL: Twin MerCruiser 7.4 LX, MPI, 454 cid gas engines. Serial numbers:
Port engine: MPI XXXX
Starboard engine: MPI XXXX

The oil was to the full mark, and clean on both engines. The belts appeared in good condition on both engines. The Bilge beneath both engines were clean. The engines were started by the seller using outdrive engine flushers and idled without incident.

ENGINE GUAGES: The amp, oil, temperature gauges and tachometer are analog, located at the helm station powered up for both engines.

ENGINE HOURS: Port engine: 261.91 Starboard engine: 263.50 Generator: 254.8

CONTROLS: Quicksilver, smooth motion on transmission: forward-reverse range (engine off), the throttle operated freely. Serviceable.

ENGINE MOUNTS: Mounts, installed on a fiberglass laminate stringers on both engines, appeared solid for its intended purpose. The engine bilge was dry. Serviceable.

EXHAUST SYSTEM: Both engines have outdrive fresh water cooled exhaust system . The exhaust system appeared in good condition, hoses serviceable, double clamped at the riser. Serviceable.

BLOWER: Powered up and operational.

OUTDRIVES: Twin MerCruiser outdrives. Appeared serviceable. Owner reported bellows are original. Zincs have been replace with new on both outdrives.

Port serial #: OKXXXX (as appeared on engine I.D. plate)
OKXXXX (outdrive/skeg)
Starboard serial #: OKXXXX (as appeared on engine I.D. plate)
OKXXXX (outdrive/skeg)

Recommend {B-2} Investigate and inspect bellow prior to launch by a qualified engine surveyor.

PROPELLERS: MerCruiser Twin Bravo III, both appear serviceable. Serial numbers include:
Port XX-XXXXX-XX 28P Starboard XX-XXXXXX 28P
XX-XXXXX XX 28P XX-XXXXXX 28P

III. SYSTEMS

STEERING SYSTEM

MAKE/MODEL: Hydraulic like type steering, could not access. The wheel and outdrives turn full range to port and starboard. Serviceable.

COOLING SYSTEM

TYPE: Freshwater system. Serviceable.

WATER PUMPS: Good flow appeared from both engines outdrive when started. Serviceable.

SEACOCKS: The engines raw water intake seacock, opened and closed freely. Serviceable.

HOSES/CLAMPS: Appears in good condition, double clamped. Serviceable.

STRAINERS: Two Perko model 4935. Appears serviceable.

TRANSMISSION

MANUFACTURER: MerCruiser transmissions, both Serial numbers include:
Port: OKXXXX Starboard: OKXXXXX

TYPE: Direct drive.

TRANSMISSION FLUID: Did not observed.

CONTROLS: MerCruiser shifters, Mechanical, smooth motion through gears, operated by both the client and surveyor. Serviceable.

FUEL SYSTEM

FUEL TYPE: Gas.

TANK TYPE: Two tanks, one on the port side, one on starboard provide a reported capacity if 180 U.S. gallons of fuel (Powerboat Guide). The tanks are located mid cockpit, aft the starboard helm seat and under the port lounge sink with minimal access. An inspection port under the lounge sink provide limited viewing of the top of the tank. Tank information inaccessible on the starboard tank. The Port tank is a Florida Marine Tank, Model FMT-93-P-TB dated 4/1997. Tank size recorded at 93 U.S. gallons.

LOCATION: Port and starboard, aft the engine compartment beneath the cockpit, see above.

FILL PIPE: Located at the Starboard & port cockpit side deck near the transom. Both fuel fittings were properly labeled "Gas." viewing limited due to non access to identify bonding.

III. SYSTEMS

ELECTRICAL SYSTEMS

D.C. SYSTEM:

VOLTAGE: 12 volt system. Serviceable

BATTERIES: Three- group 27 Deep Cycle batteries are located in the port side engine compartment supporting starting and house functions. One group 24 maintenance free battery starts the generator, the age and information is information was not accessible. The main house and starting batteries had dry cells making questionable their quality and lifespan. The voltmeter reported a charge of 13.1 volts for the three batteries. Battery three needs a protective cover on the un-grounded terminal.
Recommend {B-3} Investigate quality of batteries, replace as needed. Install a protective cover on battery# three on the positive terminal.

Battery#	Manufacturer	Group size	CCA	Secured/Plate	Comments
One	Interstate	27	600	Yes	2 dry cells
Two	Interstate	27	600	Yes	6 dry cells
Three	Interstate	27	600	Yes	2 dry cells
Generator	Unknown	24	Unknown	Yes	Sealed

BATTERY SWITCH: The main battery switch is a Pro Mariner, installed next to the batteries. Serviceable.

BATTERY CHARGER: A Pro Mariner**,** model SS50, 30 amp, to 140 Volt AC 60 Ohm, 13.8 nominal DC volts supporting 3 battery banks. Powered up.

PANEL: The 12 VDC breakers are located in the starboard and aft the dinette: Serviceable.

Main switch	Overhead cabin lights	Head pump	CO sensor	Water pump
Voltmeter	Accent lights	Waste system	Stereo	Refrigerator

A.C. SYSTEM:

SHORE POWER: 2- 125 VAC/30 amp. Hubbell receptacle is located on the starboard transom.
one main powered up.

INLET:
SHORE POWER: Hubbell, 125VAC 30 amp cord observed. Serviceable. Second one in storage not observed.

GALVANIC ISOLATER: MerCruiser, dual units, serial number 1847A1 0907X2, located starboard side of the engine battery compartment. Appears serviceable.

GENERATOR: A Kohler, gas powered generator is located in the forward compartment of the engine room, serial number 468069, model 6.6LSZ with 254.8 hours. Did not power up, owner confirm it operates.

III. SYSTEMS

ELECTRICAL SYSTEMS

SEACOCKS: The generator engine raw water intake seacock, opened and closed freely, good hose, double clamped. Serviceable.

BONDING SYSTEM: The AC was bonded to thru hulls with a green non-current carrying ground to thru hulls located in the engine compartment. DC bonds observed on engine block.

PANEL: 120 VAC breakers are located below the 12 VDC breaker panel: Serviceable.

Volt meter	**Main# one**	Water heater	**Main# two**	TV/VCR
Amp meter	Battery charger	Polarity	Outlets	Polarity
Vacant	Air conditioner	Vacant	Stove	Vacant

OUTLETS: All AC outlets operated. The GFCI outlets in the head and galley when tested did not trip.
Recommend: {A-1} Investigate and repair as needed.

FRESH WATER SYSTEM

WATER TANKS: Plastic tank located under the forward berth, made of plastic as viewed from the berth deck plate otherwise inaccessible. Information plate not identified, T Bird #142 written on tank. Reported as 40 U.S. gallons. The water pump is a Sur Flo Diaphragm # 2088-4230-241 rated at 2.8 G.P.M. powered up.

WATER TANK FILL: Located on the bow aft the anchor windless. Serviceable.

HOT WATER TANK: Seward 120 V.A.C., 6 gallon tank. Serial # 840307, model 5700. Did not test.

SANITATION SYSTEM

HEAD: The toilet is a Vacuflush system. Accumulator pump is a Seabird S19647. Holding tank is on the port side in the engine compartment, made of plastic, information inaccessible relative to manufacturer specs, Reported as 19 U.S. gallons . Macerator pump is a ITT Jabsco, model 18590-000, with corrosion at its mount. Did not operate.
Recommend: {B-4} Inspect and repair as needed.

HOLDING TANK MONITOR: A Tank Watch III tank monitor is located in the head and powered up.

BILGE PUMP: A Rule 2000 heavy duty bilge pump with a Sure Ball Float switch is in the engine room bilge. Powered up.

THRU HULLS: Drains for the galley and head sink, and the shower appear to share a common above water thru-hull located at the port transom.

III. SYSTEMS

ELECTRONIC AND NAVIGATION

VHF: Standard Omni. Powered up.

GPS: Garmin 182. Powered up.

DEPTH SOUNDER: L-Depth, Low range 3500 Powered up.

COMPASS: Richie compass. Serviceable.

STEREO: Pioneer. Powered up.

TRIM TABS: Powered up.

MAIN BRIDGE PANEL: The following controls were located at the helm and powered up.

Nav. lights	Cabin lights	Panel lights	Courtesy lights	Engine hatch	Fume Detector
Horn	Bilge pump	Wipers	Blower	Windless	

SAFETY EQUIPMENT

PFD (Personal Flotation Devices): Did not observe.

THROWABLES: Did not observe**.**

FIRE EXTINGUISHERS: Three fire extinguishers are onboard, their gauges indicate full charges .

Manufacturer	Type	Model#	Serial#	Location
Halogen	Halogen	FW200/FE241	--	Engine Compartment
Kidde	Dry Chemical	Mariner FE141	000257	Galley
Kidde	Dry Chemical	Mariner 5.6	466179	Port Locker-cockpit

VISUAL DISTRESS SIGNALS: Did not observe.
Recommend: {A-2} Purchase if needed PFD's, Throwables and Visual Distress signals.

SOUND DEVICES: Horn located on bridge cabin. Powered up.

NAVIGATION LIGHTS: On deck navigation lights were observed and operated.

"OIL DISCHARGE," PLAQUE: The plaque is installed in engine compartment.

"TRASH DISPOSAL," PLAQUE: Onboard, mounted in the galley.

III. SYSTEMS

SAFETY EQUIPMENT

CARBON MONOXIDE DECTECTION: Onboard.

BLOWER: Powered up.

GROUND TACKLE

ANCHOR: The anchor is made by Bruce and is approximately 20 lbs. Did not observe the anchor rode. Anchor is serviceable.

WINDLESS: Located on bow, Manufactured by Lewmar, and model# not identified. Powered up.

ADDITIONAL EQUIPMENT AND ACCESSORIES:

MOORING LINES: Did not observed.

FENDERS: Did not observed.

CANVAS: Coral green in color on the bimini. aft and side curtains canvas trimmed the same with plastic. All in above good condition.

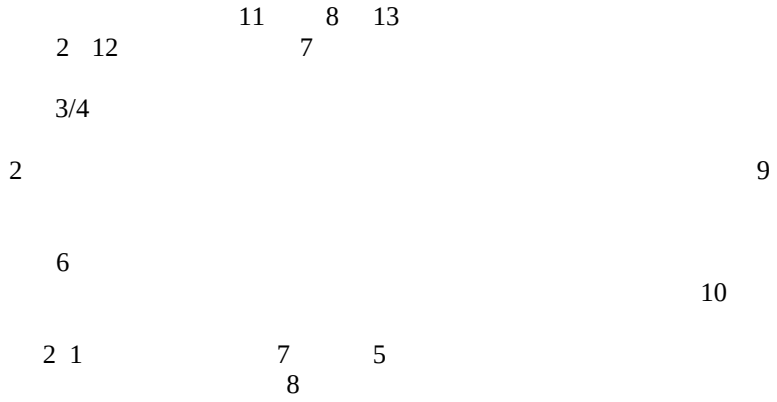
TRAILER: Not a part of the evaluation is the Eagle, Tri axial trailer shown in the photographs of this survey. The trailers specifications is as follows and identified on the specification plate located at the front of the trailer. The value believed, per BUC is near $5,000.

VIN#
Model#
GVWR: 18,000 lbs.
Net capacity: 15,516

III. SYSTEMS

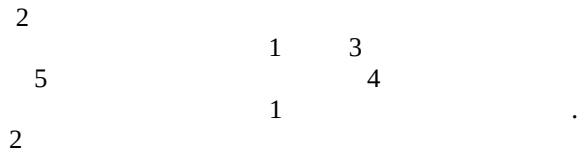
THRU HULLS

THRU HULLS: Above Water line (identified)
(diagram not to scale, NOT TO BE USED for exact location of fittings)



1. Bilge pump- electric
2. Scupper drain
3. Galley sink drain
4. Head sink drain
5. Generator exhaust
6. Shore power
7. Fuel fill
8. Fuel vent
9. Water tank fill
10. Water tank vent
11. Blower
12. Pump Out
13 Holding tank vent

THRU HULLS (identified): Below Water line (diagram)
(diagram not to scale, NOT TO BE USED for exact location of fittings)



1. Engine intake
2. Outdrives
3. Generator intake
4. Depth sounder
5. Drain

IV. FINDINGS AND RECOMMENDATIONS

DEFICIENCIES: Noted under "SAFETY," should be addressed before the vessel is next underway. These findings represent an endangerment to personnel and/or the vessels safe and proper operating condition. Findings may be also in violation of U.S.C.G. regulations. Deficiencies noted under "OTHER DEFICIENCIES," should be corrected in the near future so as to maintain standards and to help the vessel to retain its value. Deficiencies will be listed under the appropriate heading and will be summarized under Section IV. "FINDINGS AND RECOMMENDATIONS".

A. SAFETY DEFICIENCIES
B. OTHER DEFICIENCIES NEEDING ATTENTION
C. SURVEYORS NOTES AND OBERVATIONS

Serviceable indicates deficiencies not noted new or like new.

A. SAFETY DEFICIENCIES:

Findings: {A-1} The GFCI outlets in the head and galley when tested did not trip.
Recommend: Investigate and repair as needed.

Findings: {A-1} PFD's, Throwables and Visual Distress signals were not observed.
Recommend: Purchase, if needed PFD's, Throwables and Visual Distress signals.

OTHER DEFICIENCIES NEEDING ATTENTION:

Findings:{B-1} Observed elevated (25%-28%) moister readings around the upper trim tab fasteners and near the center line near outdrives (above and below the waterline). Percussion test indicated the transom has no delamination.
Recommend: Investigate and repair as needed.

Findings:{B-2} Twin MerCruiser outdrives, the owner reported the bellows are original.
Recommend: Investigate and inspect bellow prior to launch by a qualified engine surveyor.

Findings:{B-3}The main house and starting batteries had dry cells making questionable their quality and lifespan. Battery # three does not have a protective cover on the un-grounded terminal.
Recommend: Investigate quality of batteries, replace as needed. Install a protective cover on battery# three on the positive terminal.

Findings:{B-4}. Macerator pump has corrosion at its mount.
Recommend: Inspect and repair as needed.

SURVEYORS NOTES AND OBSERVATIONS:

None.

V. SUMMARY AND VALUATION

STATEMENT OF OVERALL VESSEL RATING OF CONDITION

It is the surveyor's experience that develops an opinion of the **OVERALL VESSEL RATING OF CONDITION,** after a survey has been completed and the findings have been organized in a logical manner.

The grading of condition, develop by **BUC RESEARCH**, and accepted in the marine industry, for a vessel at the time of survey, determines the adjustment to the range of base values in the **BUC USED BOAT PRICE GUIDE** for a similar vessel sold within a given time period, as a consideration to determine the Market Value.

The following is the accepted marine grading system of condition.

EXCELLENT (BRISTOL) CONDITION is a vessel that is maintained in mint or "Bristol" fashion-usually better than factory new. Loaded extras, a rarity.

ABOVE BUC CONDITION: Has had above average care and equipment, with extra electrical and electronics.

BUC CONDITION: Ready for sale, requiring no additional work and normally equipped for her size.

FAIR CONDITION: Requires usual maintenance to prepare for sale.

POOR CONDITION: Substantial yard work required and devoid of extras.

RESTORABLE CONDITION, enough of hull and engine exists to restore the boat to useable condition.

As a result of my investigation, as shown in the **SYSTEMS** and **FINDINGS AND RECOMMENDATIONS** section of this **REPORT OF SURVEY,** and by virtue of my experience, my opinion is the following rating.

OVERALL VESSEL RATING: ABOVE BUC CONDITION

V. SUMMARY AND VALUATION

1) The "**FAIR MARKET VALUE"** is the most popular price in terms of money which a vessel should bring in a competitive and open market under all conditions requisite to a buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by the undue stimulus. Implicit in this definition is the consummation of a sale of a specified date and the passing of the 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 each acting in what they consider their own best interest.
c. A reasonable time is allowed for exposure in the open market.
d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto: and
e. The price represents a normal consideration for the vessel sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Therefore, after consideration of the reliability of the data, the extent of the necessary adjustments and condition of the vessel, it is your surveyor's opinion that the **ABOVE BUC VALUE** of **"OUTNUMBERED ,"** is **$84,000.**

2.The "**ESTIMATED REPLACEMENT COST "** indicates the retail cost of a new vessel of the same make and model with similar equipment offered by the same manufacturer. **"ESTIMATED REPLACEMENT COST' of "OUTNUMBERED ," is $207,500.**

METHOD OF CALCULATION: BUC Research provided replacement cost.

V. SUMMARY AND VALUATION

SUMMARY:

In accordance with the request for a marine survey of the vessel "Outnumbered **,"** for the purpose of evaluating its present condition and estimating its FAIR Market Value and Replacement Cost. I herewith submit my conclusion based on the preceding report, "Outnumbered **,"** was personally inspected by the undersigned on April 18, 2007 and was found to be well constructed appointed and comfortable vessel. Vessel is considered to be suitable for its intended use of recreational Great Lakes cruising.

SURVEYOR'S CERTIFICATION:

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and in my personal unbiased professional analyses, opinions, and conclusions. I have no present or prospective interest in the vessel that is the subject of this report, and I have no personal interest or biased with respect to the parties involved, My compensation is not contingent upon the reporting of a predetermined value, direction in value, direction in value that favors the cause of the clients, and or the amount of the value estimate. The attainment of a stipulated result, or the occurrence of a subsequent event. I have made a personal inspection of the vessel that is the subject of this report.

The report is submitted without prejudice and for the benefit of XXXXX .

ATTENDING SURVEVOR:_____DATE:_____

VI. PHOTO PAGES

Port view

Helm station view

VI. PHOTO PAGES

Port hull @ bow

Starboard hull @ bow

VI. PHOTO PAGES

Head-port side

Galley- port side

Fore berth

Dinette-Stbd. side

VI. PHOTO PAGES

Aft-starboard qtr berth

Power panel

Engine compartment

VI. PHOTO PAGES

Kohler generator

Battery banks/Halon fire protection

Macerator- base corrosion

Bridge canvas-view aft

II. HIN NUMBER

US XXXXXXXXX