

Report of Marine Survey

on the

2007 Formula 45 Yacht

“ [REDACTED] ”



Prepared exclusively for [REDACTED]

By

Oceanic Yacht Surveys

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I. INTRODUCTION

Scope of Survey

The Marine Surveyor, Murray Kirzinger of Oceanic Yacht Surveys attended aboard the 2007 Formula 45 Yacht, '██████████', at the request of ██████████ the Client, beginning ██████████. The Survey was requested to determine the physical condition and value of the vessel so that a report on that topic could be submitted to ██████████

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In no event shall the legal liability of Oceanic Yacht Surveys or any of its employees or agents exceed the fee paid for this Survey Report, regardless of claims or suits and regardless of whether under theory of tort, contract, products liability, admiralty, or otherwise.

The survey will be conducted in accordance with generally accepted marine standards and criteria utilized in the marine surveying industry including but not limited to those standards presented by Transport Canada in notice TP1332E (04/2010), '*Construction Standards for Small Vessels*'.

The vessel should be prepared for survey by unlocking all compartments, unfastening all covers and removing all stores and excess equipment. Surveyor will not unfasten any covers. Locked compartments will not be inspected.

Machinery and equipment, including engines may be inspected while operating only when Client, Owner or Owner's representative is available to operate. Where an opinion on the internal condition of the engine(s) is required, engaging a qualified marine mechanic is recommended.

No destructive testing will be performed unless by written request of the Owner.

Sailing vessel rigging and spars will be inspected from deck level only. Working sails will be inspected during a sea trial from deck level only. Furled or bagged sails will not be inspected unless separate arrangements are made. Additional, more detailed inspection by a qualified rigger or sail maker may be recommended.

Determining the inherent stability characteristics of a vessel is outside of the normal scope the Survey Report being provided under this Contract. Unless specifically noted otherwise, there were no measurements or calculations performed during the Survey. The specifications listed within the report are believed to be correct; however, accuracy is not guaranteed. Recommend obtaining accurate measurements and performing calculations as desired or verifying all vessel specifications and capacities with the vessel's builder.

The Survey Report being provided under this Contract is not to be considered as any type of warranty, either expressed or implied and will not in any fashion express or provide any type of guarantee of the future condition or value of the vessel.

The Survey will include a thorough visual examination of the hull, machinery, systems, hardware, equipment and, rigging. The resulting Survey Report will contain a comprehensive description of the vessel and its systems, with photographs and will include a listing of '**Findings and Recommendations**' required for correction to reasonably ensure that the vessel is fit for its intended service.

Based on the type of survey provided, in this case a Condition and Valuation Survey, a statement of the vessel's '**Condition**' and '**Fair Market Value**' may also be included. These can be found in Section **V. Valuation**, beginning on page 33 of the Report. The contents of the Survey Report represent findings at the time of Survey and are provided in good faith, without prejudice.

I. INTRODUCTION (cont.)

DEFINITION OF TERMS

The terms and words used in this report have the following meanings as used in this Report of Survey:

APPEARED:

Indicates that a very close inspection of the related item was not possible due to constraints imposed upon the Surveyor (e.g. no power available, inability to remove panels or requirements not to conduct destructive testing, etc.).

SERVICEABLE:

Fulfilling its function adequately (usable at the time of Survey).

POWERED UP:

Power was applied only. This does not refer to the operation of any system or component, unless specifically indicated.

DEMONSTRATED:

Owner or owner's representative was available to demonstrate the operation of a system or component.

USE OF "A", "B" or "C":

Use of the letters "A", "B" or "C" in the body of this report will indicate that a finding will be listed in the "Findings and Recommendations" Section pertaining to the lettered item. Deficiencies, recommendations and observations will also be contained in the body of the Report.

The number of asterisks in this General Information section refers to the source of related information as follows:

** Per Manufacturer's Documentation

*** Per Registration Documentation

I. INTRODUCTION (cont.)

VESSEL DESCRIPTION

The vessel is a semi-enclosed cockpit and helm 'coupe' design with the coupe top open to the stern with a two head, two stateroom, galley layout below.

Upon boarding the vessel on the swim platform where the RIB is stored and the gas grill can be mounted, there are two steps up on the starboard side to the cockpit. The vessel has an after market custom extended canvas and isinglass enclosure completing the coupe top. Entering the cockpit through a zippered door opening in the isinglass presents an aft wrap-around seating area to port with removable tables that can also convert into sun-pads. Directly ahead and wrapping around to starboard is a molded cabinet and counter space that contains, below flip up covers, a sink with hot and cold water, a refuse container and removable cooler. Just aft of that is a covered electric grill with a fridge/freezer below. An electrical connection and mount for a downrigger are located farther aft on the starboard side wall near the entry gate.

Two steps up from the lower cockpit area is a long seating area along the port side and a double helm seat with bolsters to starboard. The sliding entry door into the cabin is just port of center with three steps up to the walk-through windshield between the sliding door and the helm. The foredeck has two large sunpads, the master stateroom hatch and access to the anchor locker containing windlass, foot-switches, wash down hose and anchor.

The side decks, although narrow, are passable and there are hand rails along the coupe top roof.

There are six steps down into the salon with the L-shaped galley to port and a U-shaped settee to starboard. There is a large refrigerator with freezer below at the aft end of the galley, dual sinks mid-way along the counter. On the other leg of the 'L' there is a two burner electric range under a flip-up cover with a convection/microwave combination oven under the range. The end of this lower cabinet contains a back-lit shelf for wine and liquor glasses and a small wine rack.

The settee can be converted into a double berth. There is an aft facing 40" flat screen TV mounted on the wall above the settee with a surround sound system. The centre section of the cabinets above the settee along the starboard side contain the surround sound unit and the satellite TV receiver. Under the settee there is a central-vac system, subwoofer for the surround sound system, outlet vent for the diesel furnace and the air

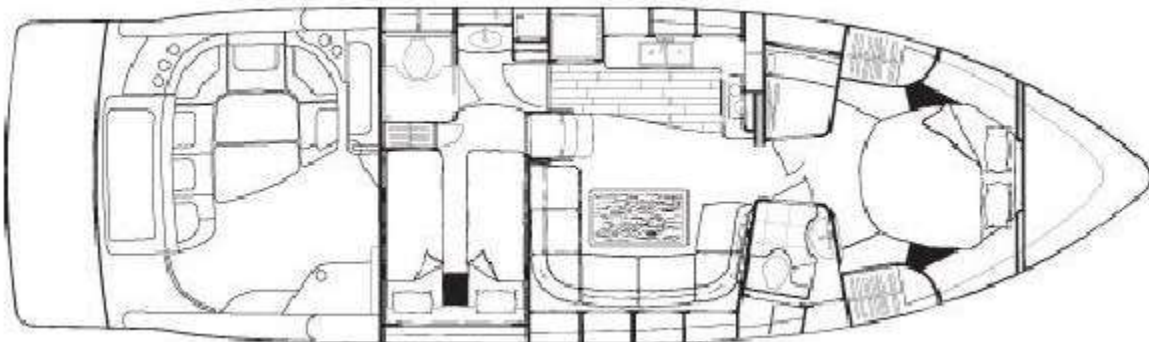
conditioner/heat pump unit that serves the salon and aft cabin. There are oversized port-lights on each side of the salon and translucent panels in the ceiling.

Aft, past the refrigerator is the door into the aft stateroom. To starboard are twin single bunks (convertible to a queen) and to port in the aft corner is the aft head/shower compartment. Beside that on the port side there is a separate counter in the stateroom with a sink and mirror. Adjacent and just ahead of the counter is the electrical cabinet for the 12V and 120V systems as well as the inverter plus the main breakers and engine solenoid switches. There is a TV mounted at the foot of the berth with DVD player in the hanging locker.

Ahead of the salon through a center-line sliding door is the master stateroom. Immediately to port is a shower stall and to starboard is a head and vanity compartment. Past those is the center-line queen-size berth with four storage drawers below. There are hanging lockers on each side with a safe in the port side locker. There are opening port-lights on each side and a hatch above the berth. There is a TV/DVD combo on the wall facing the berth plus speakers connected to the salon surround sound system.

Formula is a family owned company. The family obviously takes pride in their product as the high-end level of materials and construction methods used can be seen throughout the vessel.

The vessel is designed and constructed for coastal cruising. The manufacturer's layout drawing is shown below.



Courtesy of Formula Boats

II. GENERAL INFORMATION

FILE NUMBER.....	██████████
NAME OF VESSEL.....	██████████
TYPE OF SURVEY.....	Condition and Valuation
OVERALL VESSEL RATING.....	Excellent
ESTIMATED MARKET VALUE.....	\$550,000.00 Cdn
ESTIMATED REPLACEMENT COST.....	\$1,300,000.00 Cdn
YEAR/MAKE/MODEL.....	2007 FORMULA 45 YACHT
DESIGNER/BUILDER.....	John Adams/Formula Boats
HULL IDENTIFICATION NUMBER.....	██████████
PORT OF REGISTRATION.....	██████████ ***
OFFICIAL NUMBER.....	██████████ ***
REGISTERED OWNER.....	██████████
OWNER'S ADDRESS.....	██████████ ██████████
PLACE OF SURVEY.....	Canoe Cove Marina, Sidney, BC
DATE OF SURVEY.....	██████████
HULL MATERIAL.....	FRP (Fibre Reinforced Plastic)
LENGTH OVERALL.....	48'2" (14.68 m)**
BEAM.....	13'11" (4.24 m)**
DRAFT.....	3'3" (0.99 m)**
CLEARANCE.....	17'4" (5.28 m)**
DISPLACEMENT.....	31,800 Lbs (14,242 Kg) Dry**
PROPULSION.....	Twin Volvo IPS 600 Diesels

III. CONSTRUCTION AND SYSTEMS

HULL & DECK

Hull Identification Number:

[REDACTED]

Hull Type and Construction:

- Modified Deep-V, planing hull with hard chines and lifting strakes.
- Solid FRP (fiber reinforced plastic) below the waterline and closed cell (Corecell**) sandwich core above the waterline.
- Hull's first two layers use AME 5001 Epoxy Vinylester resin**.
- Hull stiffness was reportedly provided by a one-piece fiberglass longitudinal & transversal stringer grid system liner, bonded to the hull with Methacrylate (Plexus) bonding adhesive**.
- White gelcoat, with black boot stripes and silver hull sides. Hull colour and boot stripes are painted (Imron**), not coloured gelcoat. Gelcoat and paint are in excellent condition with only minor oxidation at the stern (C1).

Hull Bottom:

- Vessel was in slings on a short lift.
- Hull bottom and sides below painted areas were percussion sounded with no irregularities discovered.
- No visible irregularities could be seen.
- Bottom paint is in serviceable condition.
- Engine anodes were new with other zinc's in serviceable condition.
- Water intake scoops and strainers were clean and intact.
- As hull had been out of the water for less than one hour, no moisture readings were attempted.

Bilges:

- Bilges were viewed in engine room, aft stateroom and forward via the in-floor lockers in salon and master stateroom.
- The forward in-floor lockers are spotless.
- The cabin bilge can collect water when the sump drain overflows which it appears to have done in the past as there are stains on the bilge gelcoat. The cabin bilge pump is

located here. The bilge pump powered up via the helm switch however the float switch did not immediately activate the pump **(A1)**.

-The engine bilges are reasonably clean and dry with two bilge pumps, float switches and high-level alarm. The high-level alarm sounded when tested. Both pumps powered up with the helm switch. The aft engine room bilge pump activated when the float switch was triggered however the forward engine room bilge pump did not **(A2)**.

-Bilges are drained through the stingers by limber holes lined with pipe/tubes. The pipe in the limber hole through the outboard starboard engine stringer extends past the edge of the stringer at an upward angle preventing complete drainage from that bilge section **(B1)**.



Swim Platform:

-Formula's patented electro-hydraulic platform/tender lift with dinghy chocks, integrated telescoping boarding ladder and gas BBQ pedestal mount.

-Platform controls are at helm, wired remote in aft trunk and on key fob.

-Demonstrated.

Deck:

-Deck is reportedly** FRP sandwiched on foam core (Corecell) with white gelcoat and diamond textured non-skid finish.

-Toe-rails are moulded in providing passable but not generously wide side decks.

-Rub-rails are white composite compression rail with stainless insert over the hull to deck joint.

-Hull to deck joint is a shoe box overlap type fit bonded with methacrylate (Plexus) adhesive** and then stainless steel through-bolted into aluminum flat-bar reinforcement every 12-18 inches (30-45 cm) where sighted.

-Deck has two translucent skylights, two reclining sun lounges, master stateroom hatch and anchor locker.

-Anchor locker under hatch cover at bow contains Bruce anchor (weight unknown), 200' chain**, chain counter (display at helm), Lewmar 12V windlass, foot switches and wash down hose. Anchor controls are also available at the helm. Port engine solenoid also activates power supply to the windlass.

- Stainless steel safety rails with mid-cable run from stern to the bow rail where the mid-cable meets a stainless steel mid-rail. Rails and cables are in serviceable condition.
- Deck was percussive sounded and checked with a moisture meter with no irregularities found.
- (B2), caulking/sealant around the two translucent skylights in deck just ahead of the base of the windscreen is showing some weathering and slight shrinkage in places. As noted, there is no evidence of moisture intrusion in to the deck.



Comments and Recommendations:

- The vessel has no visible list when at rest in the water.
- As this hull construction reportedly** uses vinylester epoxy resin in the two outer layers, the chance of osmotic blistering would be very rare after 11 years of service. No evidence of blistering was detected and no further investigation using more involved methods is recommended at this time.
- A1, recommend replacing cabin bilge pump float switch.
- A2, recommend replacing forward engine room bilge pump float switch.
- B1, recommend trimming limber-hole pipe flush with stringer and resealing to stringer.
- B2, recommend removing old sealant around translucent skylights and resealing with 3M 4000 Fast Cure UV Sealant**.
- C1, recommend polishing gelcoat at stern of the vessel before significant chalking occurs.

EXTERIOR EQUIPMENT

Cockpit/Aft Deck Equipment:

- The cockpit includes a wet-bar sink, Gaggenau electric grill, U-Line refrigerator/freezer, 30,000 BTU reverse cycle HVAC unit, under counter cooler and trash bin.
- The U-Line was powered up and operating properly.
- The electric grill powered up and the cockpit HVAC unit achieved the set temperature.
- The sink has hot and cold running water.
- The aft enclosure is a recently added after-market, custom made with an extended roof-line that shows as new.
- Twin helm seats both have flip up bolsters. Seating is high grade vinyl throughout cockpit with no tears or wear sighted.
- U shaped seating in rear has under seat stowage and removable/dropdown tables with sun-pad cushions sighted in starboard stowage cabinet.
- Snap in Berber style carpet is in serviceable condition however rubber backing is beginning to break down in places **(C2)**.
- A mount for a Scotty downrigger and 12V power outlet is installed near the stern on the starboard side of the cockpit. A downrigger with integrated rod holders was sighted in the aft under-bench stowage. A pushbutton circuit breaker, properly labelled, was sighted in the 12VDC helm panel (not tested).
- Large aft trunk accessible from swim platform held gas BBQ and pedestal, life ring, safety bag of life jackets, two folding chairs, platform lift remote control and cleaning supplies. BBQ was not demonstrated.
- Courtesy lighting on the stern above the swim platform and in the aft of the cockpit can be activated at the helm, at the stern near the entry gate and with the key fob.
- Four fenders in covers are on deck stored between railings and superstructure.
- At least six mooring lines were sighted.
- Five stainless steel horn style cleats (10 inch) per side plus pop-up cleats on the swim platform and smaller stern cleats on aft side of the platform. All were solidly mounted and serviceable. Very slight rust stains at the base of several. Pop-ups move freely.

Coupe Top:

- Coupe top creates a semi-enclosed cockpit open to the aft which is finished with a canvas (Sunbrella) and isinglass enclosure.
- Large power sunroof was demonstrated.
- Center walkthrough windshield has sliding window with five position lock, demonstrated.
- Handrails along the top for side deck passage are solid and reasonably well placed.

- Antennas mounted include Raymarine 48" open array radar, KVH 4 satellite dome, Volvo Penta Dynamic Positioning dual GPS, Raymarine GPS, VHF and WIFI. All were powered up except WIFI. Mounting appears serviceable as viewed from standing on the side deck.
- Large curved windscreens are polarized and include center walk-through opening and two large wipers with integrated washers. Powered up.
- Windows are set in structural powder coated aluminum** frames that make up a portion of the coupe top structure. Frames are through bolted to the FRP with backing plates** however none were visible. Sealant/caulking is in serviceable condition.
- FRP top meets the deck at the aft portion of the top. The top is bolted to the deck with large stainless bolts that can be viewed behind a cover plate, demonstrated. The backing plates used below the connection** are not visible. The sealant/caulking is in serviceable condition.
- Textilene vinyl mesh windshield shades were sighted in the salon floor locker. They present in serviceable condition.

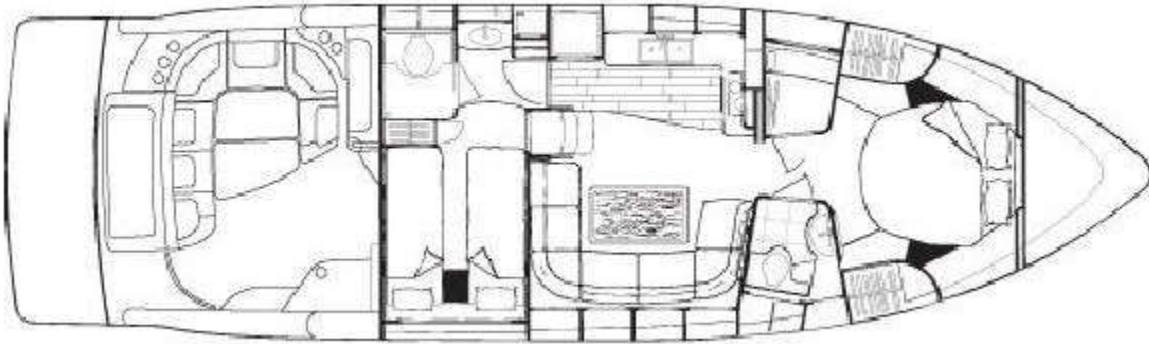
Comments and Recommendations:

- (C2), recommend replacing cockpit's snap in carpet within the next season or two.

INTERIOR EQUIPMENT & FINISHING

Layout:

-Layout drawing below is courtesy of Formula Boats;

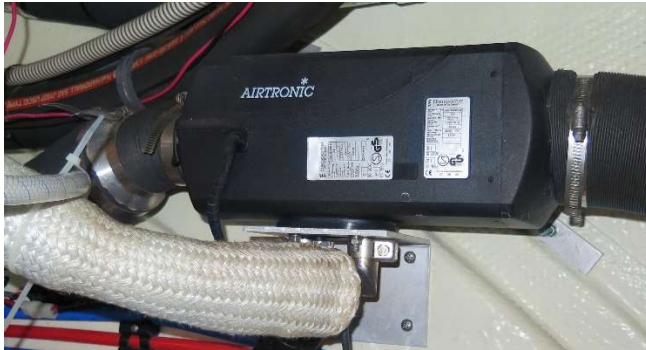


- Salon with U shaped convertible dinette to starboard and galley to port. Master stateroom and en-suite forward with guest stateroom and day head aft.
- Master stateroom has queen size berth. Aft stateroom twin berths that are convertible to a queen.
- Dinette is convertible to a double berth.
- Master en-suite includes large shower stall separate from the head and vanity compartment.
- Day head has integral head/shower compartment with separate vanity.

Equipment:

- Both heads are electric vacuflush that were powered up and serviceable.
- Refrigerator is a Nova Kool with freezer below. Both sections were serviceable.
- Galley sink is double basin undermount stainless steel with Tangent single lever faucet and spray nozzle, serviceable.
- Cooktop is dual element electric under a flip up cover (with safety switch), powered up.
- Below cooktop is a Tappan convection/microwave oven, powered up.
- Extraction fan is integrated into overhead cabinets above cooktop, powered up.
- 40" Samsung HD Smart TV with Bose surround sound system and satellite receiver, powered up.
- Salon is equipped with 16,000 BTU Marine Air reverse cycle HVAC unit that also serves the aft stateroom. Powered up and achieved set temperature.
- CentralVac outlet in salon with hose and brushes stored under dinette seating. Powered up.

-Salon is equipped with an AirTronic Diesel furnace (located in engine room) that also services the cockpit with an Espar control in the salon. Powered up.



-Master stateroom is equipped with 7000 BTU Marine Air reverse cycle HVAC unit. Powered up and achieved set temperature.

-Port side hanging locker in master stateroom contains electronic safe. Not tested.

-(C3), Master en-suite shower mirror exhibits slight de-silvering.

-Master stateroom has TV/DVD player mounted on wall. Powered up.

-Master stateroom has 'zone 2' speakers for Bose system mounted on walls. Tested when Bose system was powered up.

-Aft stateroom has TV mounted at foot of aft bunk with DVD player in aft locker. Powered up.

-All interior lighting powered up.

-All faucets sealed with no drips and sufficient water pressure was developed by the Shurflo 12V on demand pump and accumulator located beneath the storage locker under the forward bunk in the aft stateroom.

-The single water intake for the reverse cycle HVAC units is located in the cabin bilge compartment below the aft bunk. Beside the bilge compartment is the pump compartment with separate pumps for each of the three HVAC units. All three pumps powered up when HVAC units were powered up.

Finishing:

-Interior gloss finished cherry cabinetry with 'push to lock' button latches throughout, in serviceable condition. Drawers are made with dove-tail joints. Interior doors are of matching gloss finished cherry.

-Galley has built-in and back-lit wine glass and bar glass holders with a small wine rack at the end of the counter behind a glass door.

-(C4), Sliding door into master stateroom is slightly warped vertically creating misalignment of the latch when closed. There is a full-length mirror mounted on the stateroom side of the door which may be the cause of the warp.

- Headliners and walls are faux leather in serviceable condition with no tears or wear sighted.
- Dinette seating is Ultra-Leather** in serviceable condition with no tears or wear sighted.
- Oversized salon port-lights, master head and aft stateroom port-lights have pull up/down pleated shades in serviceable condition with no tears or wear sighted.
- Master stateroom port-lights have pleated curtains in serviceable condition with no tears or wear sighted.
- Master stateroom hatch has OceanAir integrated screen and shade in serviceable condition.

Comments and Recommendations:

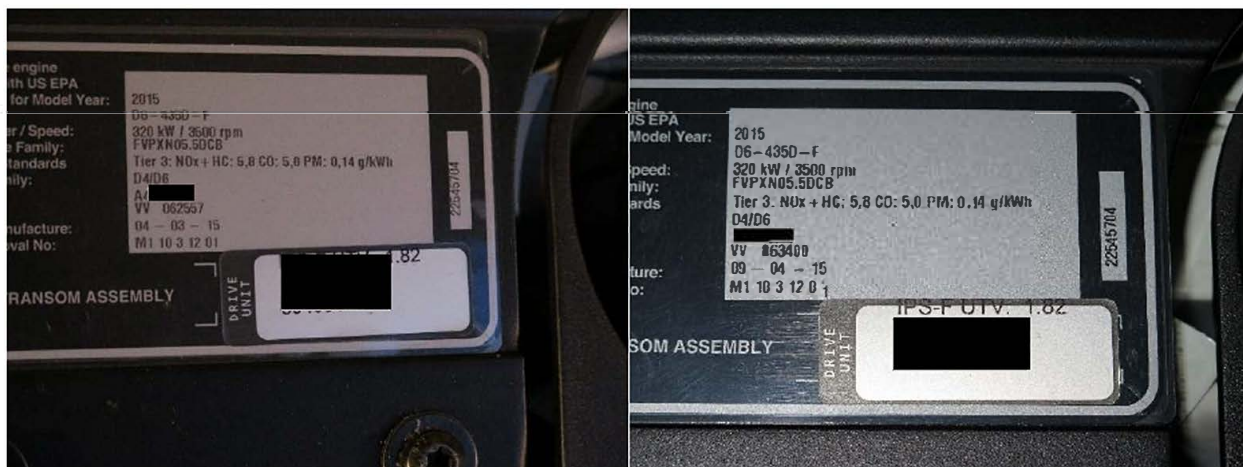
- 40" Samsung HD Smart TV and Bose Lifestyle 48 are both upgrades from original equipment. Original equipment** was 37" SD Dell TV and Bose Lifestyle 18 system (without hard drive).
- Construction materials and finishes are above average quality.
- C3, consider having the mirror in the master shower refurbished if deemed important.
- C4, consider contacting Formula Boats to determine if the warped condition of this door has been a common occurrence with this model and if there is a factory recall or recommendation.

ENGINES & DRIVES

Main Propulsion Engines:

-Twin Volvo D6-435-F series inline six cylinder supercharged, turbo-charged and aftercooled 435 Hp (320 Kw) diesel engines.

-As shown below, engine serial #'s are, Port: [REDACTED] and Starboard: [REDACTED]. Also note manufacture dates are in 2015. Vessel underwent complete re-power in early 2016 which will carry Volvo warranty on all recently installed Volvo systems (engines, drives, controls and instrumentation) until early 2021. Original engines from 2005 were D6-435-B's, from ships log.



- Engine oil was near full on the dipsticks for both.
- Based on the ships log and writing on the engines filters, oil and filters had been changed at 121 hours for both engines. Engine hours at time of survey were 132 on both.
- Engines fired up immediately with no excessive smoke or vibration.
- No oil, coolant or seawater leaks were observed.
- Numerous data sets, including but not limited to, engine speed, hours (132/132), oil pressure and temperature and coolant temperature, can be displayed on the Volvo EVC (Electronic Vessel Control) display at the helm (demonstrated). An engine synchronizer is also integrated into the EVC system as well as a multitude of alarms**.
- Engines have closed cooling systems with seawater intakes and outlets with seacocks on the IPS pods. Seawater cooled exhaust exits underwater through the rear of the pod.
- Drive belt guards were not removed. Belts appeared serviceable where sighted.
- Engines can be shut down at the helm with the keys and in the engine compartment with 'Auxiliary Shut Down' buttons on the upper port side of each engine (not tested).
- Engine mounts are serviceable with no apparent wear or observed movement.
- Engines require 24V starting circuits.
- Engines were demonstrated within the confines of the marina from the travel lift to the boathouse. Not under full load.

Transmissions:

-Transmissions are integral with the Volvo pod drives, in this case IPS 600-F's, and are matched to an engine serial number for warranty purposes. The serial number of the IPS Pod can be seen on the engine ID plate as well as on the transmission. The numbers should match. As can be seen above on the photos of the engine ID plates, the transmission serial numbers are Port: [REDACTED] and Starboard: [REDACTED] matching those on the transmission plates, as required (see below). These are therefore the original transmissions installed with these engines with the 2016 re-power.



- Based on ships logs, the IPS oil was changed in each side at 48 hours. Oil in IPS drives serves both the pod and the transmission.
- Oil levels were on the dipstick's full mark. Oil was clear and had no unusual odor in both cases.
- Gear ratio as indicated on engine and transmission ID plates is 1.82:1
- Oil coolers, mounted on rear of the engines, show no signs of overheating or leaking.
- Trolling valves are not available on IPS drives however a Low Speed Mode option is available allowing clutch slippage to achieve speeds down to ¼ normal idle speed. This vessel is equipped with that option although there is nothing visible to observe on the exterior of the transmissions. The option was demonstrated.

IPS Pods and Propellers:

- Propeller shaft seals on IPS pod drives can only be inspected by a Volvo IPS certified mechanic. Propeller shaft seals on IPS pod drives are critically important to life and serviceability of the drive. Check drive oil levels and oil condition regularly. Oil that appears 'milky' is a sign that a propeller shaft seal is failing, and water has intruded into the drive. Immediate repair is required. Oil that smells of burned almonds is a sign of internal mechanical issues or of a failing or plugged oil cooler. Immediate investigation and repair is required.
- IPS pods were part of the re-power completed in early 2016
- IPS pods are painted with Petit anti-fouling spray. Coating is in serviceable condition.

-New (from 2016 re-power) propellers were removed during short lift and replaced with spare propsets that had been cleaned and sprayed with Petit anti-fouling paint.



-‘New’ propellers are serviceable but require cleaning, light sanding and new anti-fouling paint.

-There are also one more additional set of propellers as spares that have been cleaned and sprayed with Petit anti-fouling paint. These show minor pitting but remain serviceable.

Engine and Transmission Controls:

-The IPS-F series has the upgraded joystick and the throttle/shift controls that became available beginning with the ‘D’ series. This vessel would have been originally equipped with ‘B’ series transmissions and controls in 2007.

-These controls in addition to the joystick, have provisions to include the Low Speed Mode, as noted above, and Volvo’s Dynamic Positioning System (DPS), a GPS ‘virtual anchor’. In addition to being equipped with the Low Speed Mode option, this vessel is also equipped with the DPS option. There is also a ‘Sport Fish Mode’ available for extra control when backing down on large game fish. This vessel is not equipped with that option.

-In addition to the recent re-power as a high value upgrade, these two additional options represent significant incremental value, as discussed in the Valuation section.

-The large multi-function Volvo EVC display at the helm was also part of the re-power upgrade. This display was not available in 2007.



-Amongst many other things, transmission oil temperatures and pressures can be displayed on the EVC display.

Steering:

- "Fly-By-Wire" Steering Control with IPS Joystick Pod Control is integral with the IPS system.
- IPS pods have an integrated steering backup system.
- Drive steering angle provided by Volvo EVC rudder position indicator gauge, additional helm gauge and the Raymarine autopilot display can also show rudder angle.
- Trim tabs are QL/Volvo electric 12V blade style.
- Steering system is integral and fully contained in the IPS drives. There are no observable moving parts to assess. The only assessment made was on the vessel's correct and appropriate response to helm input.

Comments and Recommendations:

- Steering system operated properly at low speeds from travel lift to boathouse. Vessel was not sea trialed.
- This vessel was re-powered two seasons ago with the same model of propulsion system, Volvo IPS-600's, but the latest version (at that time) of that model being 'F' series versus original equipment 'B' series.
- The re-power included everything Volvo on the vessel, not just the engines, plus several new added features/options that were not available when this vessel was manufactured. New propellers (Volvo T3 propsets) were also installed. The original propsets plus a spare propset were retained resulting in this vessel having five (5) sets of propellers.
- This type of upgrade will add significant value to the vessel as discussed in more detail in the Valuation section of this report.
- Contact certified Volvo technician to determine if there are any factory recall/warranty items requiring attention. Ship's log indicates transmission sensors were replaced as a factory recall.

- The ships log has record of oil changes in the main engines and transmissions at shorter than manufacturer's recommended intervals, indicating a high level of care and attention.
- Reverso oil change system is installed for both main engines and the generator.

FUEL SYSTEMS

- Main engines, generator and furnace run on diesel from two tanks.
- Tanks are 175 US Gallons (approx. 681 litres) each**
- Tanks are aluminum, braced with rubber padded aluminum brackets, located port and starboard below the cockpit deck, ahead of the main engines.
- Fuel fills are located on stern quarters. Both are properly grounded with integral venting.
- Fuel fill hoses are USCG A2, ISO 7840A2 grade and fuel supply lines are USCG A1, ISO 7840A1, as required.
- Fuel crossover valves are installed and properly labelled.
- Primary fuel filters for main engines are Racor 900-MA fuel/water separators installed with shut-off valves. Primary fuel filter for the generator is a Racor 500-MA installed with shut-off valves.
- All three primary filters show clean fuel with no water or sediment.



- Main engines have Volvo engine mounted secondary filters and fuel priming buttons.
- Generator has Westerbeke engine mounted secondary filter.
- Volvo fuel coolers are integral with the D6 engines.
- Analog fuel gauges at the helm with digital fuel gauges and fuel flow rate data included in the EVC system.

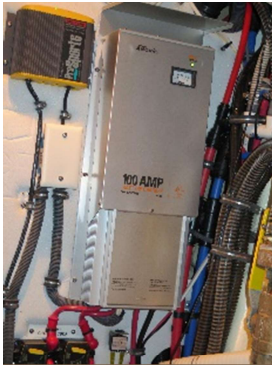
Comments and Recommendations:

- Spare primary and secondary fuel filter cartridges are stored onboard.

ELECTRICAL SYSTEMS

DC System:

- Ships DC systems are 12V with the exception of 24V main engine starting circuits.
- House batteries are two 4D AGM (Absorbed Glass Mat) 210 Amp Hour each.
- Main engine starting batteries are two (each engine) group 27 flooded lead acid with one of the same for generator starting.
- There is another 12V battery for the windlass that was not sighted.
- All batteries sighted were checked with a digital heat gun for overheating with no irregularities.
- Battery chargers are 100 Amp Charles Industries and 6 Amp ProMariner.



- Charles Industries charger gauges indicate proper operation. No gauges on the ProMariner charger. Chargers appear serviceable as all batteries tested at 13.2 volts.
- Volvo ECV display indicates both main engines are equipped with 12V alternators operating properly at +/- 14V.
- 12V wiring appeared to be well supported and secured, where sighted. Chafe gear was sighted at key friction points where viewable.
- 12V outlets at the helm and staterooms tested at 13.2 volts.
- The main DC breakers and branch breaker switches were installed in the main panel located in the aft stateroom and a panel in the engine room. There is a panel of push button breakers at the helm. All breakers and switches were labelled.

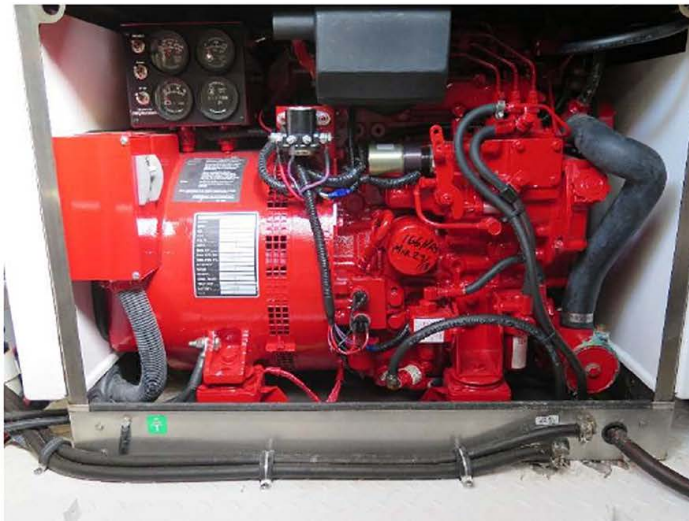
AC System:

- 50A 120/240V shore power inlet with Glendinning Cablemaster. Controls are on the transom adjacent to the Cablemaster outlet and on wireless remote key FOB. Glendinning powered up in both directions.
- One 50A to 30A pigtail adapter and one 30A to 15A pigtail adapter.
- The main AC breakers are installed in the main electrical panel in the aft stateroom along with all branch circuit breakers, voltage gauges, and slide bar type selector. All breakers were labelled.

- AC system includes Fail-Safe 50A Galvanic Isolator**.
- AC outlets were tested using a UL Listed Circuit Tester. All GFCI protected outlets tripped at their test buttons, where sighted.
- AC electrical outlet polarity was checked and found to be wired correctly.
- Appeared serviceable for intended use, where sighted.

Generator:

- Westerbeke 12.6BTD three-cylinder diesel powered in sound shield. Serial numbers Engine: [REDACTED] and Generator: [REDACTED]
- Generator instrument panel installed at the generator (showing 168.2 Hrs).
- Oil level was normal on the generator's oil sump dipstick. Writing on filter and ship's log indicate last oil change was at 166 hours
- The coolant header tank's and recovery expansion tank's levels were normal.
- Raw water-cooled exhaust with Primex Silencer plastic composite muffler.
- The generator operated under load from all three HVAC units as required.
- (C5), One LED generator power indicator light is not working. Circuit power can be ascertained from the voltage gauge directly below the faulty LED indicator.
- Specifications include 12.6 Kw, 120/240V, single phase at 1800 RPM, see below.



SPECIFICATION	50 HZ.	60 HZ.
MODEL	10.4BTD	12.6BTD
RPM	1500	1800
KW	10.4	12.6
KVA	10.4	12.6
VOLTS	230	120/240
AMPS	45.2	105/52.5
ENG. HP	15	20.5
ENG. SER. NO.	[REDACTED]	
GEN. SER. NO.	[REDACTED]	
PF/PHASE	1 / 1	
WIRES	4	
RATING	CONT.	
INSUL. CLASS	H	
TEMP. RISE	105C @ 40C	
BATTERY	12VDC	
C.I.D.	107.2	



- There is a small amount of external corrosion (see photo above) on the heat exchanger where the finger zinc is inserted (**B3**).
- No oil, coolant or seawater leaks were observed with (B3) as a possible exception.

Inverter:

- Xantrex SW Series, 1800 Watt Sine Wave Inverter auto-engages when AC power supply is interrupted. Demonstrated.



Comments and Recommendations:

- B3, clean corrosion from generator's heat exchanger insert plug area and observe for possible seawater leakage. Remove plug and re-seal if deemed necessary.
- C5, non-functioning LED is a convenience item as power supply can be ascertained from voltage gauge directly below LED. Consider having a certified marine electrician repair LED if deemed necessary.

WATER SYSTEMS

Fresh Water:

- There is one aluminum 100 US gal** (389 litres) freshwater tank located centreline amidships under the aft stateroom locker.
- Tank mounting method is not visible.
- Water tank overflow/vent exits the hull under the starboard bow.
- Pressure is provided by a ShurFlo 12 volt demand type pump and accumulator with an in-line strainer.
- Fresh water piping is red & blue plastic PEX type (Cross-linked Polyethylene) tubing.
- The water level gauge on main electrical panel appeared serviceable.
- Dock-side hose connection at the port transom.
- On the main control panel, under the water-tank gauge, there is a 3-position switch for City Water/Tank Fill/Water Pump that activates solenoid valves and the water pump as required. Verified the switch will activate/de-activate power to the ships fresh water pump only to test for sufficient water pressure. Water pump is serviceable. City water was not hooked up to test solenoid switching for that setting..
- Fixtures are all single lever high quality in heads, showers and galley.

Hot Water:

- Seaward Products S-1900 marine grade 120 volt with integral heat exchanger connected to port engine with isolation valves.
- Capacity is 20 US gal (78 litres) indicated on manufacturer's tag.
- Water heater is relief valve protected.
- Water heater is serviceable.

Gray Water:

- Whale Gulper 220 – 12V, graywater sump pump, tank and floatswitch. Powered up.
- Molded plastic head sink in master ensuite with stainless steel aft head sink.
- Molded shower stall in master with molded integrated shower stall/head compartment in aft stateroom.
- Dual basin stainless steel sink in galley.

Black Water:

- Type III MSD Waste System (utilizes a holding tank or similar device that prevents the overboard discharge of treated or untreated sewage).
- Two electric vacu-flush heads and separate vacuum generators.
- Aluminum blackwater (sewage) holding tank with 40 US gal** (155 litre) capacity.

-Macerating type overboard discharge pump, and deck pump-out fitting. Powered up.

Comments and Recommendations:

-Recommend cleaning the graywater sump tank periodically and checking float switch operation. See cabin bilge comments on pages 9 and 10.

-The vessel's operator is responsible for determining what type of MSDs (marine sanitation devices) and allowable discharge, if any, are prohibited & permitted by law in the location of the vessel's intended use. Laws in the Pacific Northwest of the USA differ from Canadian law.

NAVIGATION EQUIPMENT & ELECTRONICS

Cockpit & Helm:

- Two (2) Raymarine E-120, 12" Multi-Functional Navigation Displays, with GPS Chartplotter, DSM-300 Network Sonar/Fishfinder, Radar overlay and 3-D charts. Powered up.
- Raymarine 72 Mile 48" Open Array Marine Radar. Demonstrated.
- Raymarine 6001 autopilot with hand held remote. Powered up.
- Raymarine ST60+ multi-function display. Powered up.
- Volvo EVC display. Powered up.
- Ritchie compass. Serviceable.
- Satellite Marine Weather Receiver, reportedly integrated into the Multi-Function Navigation Display but no subscription. Contact the satellite weather service provider for service/activation, if required.
- ICom VHF radio with DSC button (**A3**). Powered up.
- Kenwood AM/FM/CD stereo with remote CD changer, six (6) speakers, 200 watt amplifier and subwoofer. Powered up.
- Port side MFD can display satellite TV feed with TV sound produced through Kenwood stereo. Demonstrated.

Cabin:

- Samsung 40" Smart HDTV, powered up.
- Bose Lifestyle surround sound system includes four speakers and subwoofer, powered up.
- KVH4 satellite antennae and Bell satellite receiver, powered up.
- Toshiba 20" TV/DVD combo in master stateroom, powered up.
- Bose 'Zone 2' speakers in master stateroom, demonstrated.
- Sharp 16" TV with separate DVD player in aft stateroom, powered up.
- Standard Horizon submersible hand held VHF radio in charging stand in salon by dinette, powered up.

Comments and Recommendations:

- A3, register vessel for DSC (Digital Selective Calling) on cockpit VHF radio if not already completed. Complete an MMSI application form available from Industry Canada. Contact the Industry Canada District Office nearest you for more information.

- DO NOT TEST this Distress Alerting feature, there is no test feature, and in fact it is an offence under both the Canada Shipping Act and the Radio communication Act to send a false distress message.

SAFETY EQUIPMENT

- Six (8) life jackets sighted in aft starboard cockpit cabinet.
- One (1) Type IV - U.S.C.G. Approved Throwable Device (ring) sighted in transom trunk.
- One Safety bag with life jackets sighted in transom trunk.
- Fireboy-Xintex fixed fire suppression tank in the engine compartment with automatic thermal and manual activation and override switch. Kidde B/C Size 1 fire extinguisher in galley with guage showing 'Full'. No current annual inspection tags were observed.
- 12 Gauge Day/Night Visual Distress Signals. An adequate number of current dated flares were observed. Hand held battery powered distress signal sighted in cockpit, note, this device is USCG approved but not approved by Canadian Coast Guard.
- 12 Volt DC Electric Air Horn. Powered up.
- 'No Oil Discharge' placard was found properly displayed in the engine room.
- The U.S.C.G. International and Inland Navigation Rule Handbook was observed onboard.
- The engine/machinery space appeared to have adequate ventilation as built. Provided by a power blower in the engine compartment and by cowl vents.
- Two (2) First Aid kits were observed onboard. Highly recommend renewal of any outdated medical supplies **(B5)**.
- Two (2) Carbon Monoxide Detectors. Test sounded.
- ACR Electronics RCL-100D search light with URP-102 remote controller. Powered up.
- One (1) Bilge High Water Alarm. Test sounded.
- Three (3) Rule 2000, 12V Bilge Pumps with float switches. All three powered up with manual switches at helm. The cabin bilge pump powered up via the float switch only after repeated activation attempts **(A1)**. Aft pump in the engine room powered up when the float switch was triggered but the forward pump did not **(A2)**.
- A manually operated hand bilge pump was located in the under the forward bench of the aft cockpit seating area.

Comments and Recommendations:

- A1, recommend replacing cabin bilge float switch.
- A2, recommend replacing forward bilge pump float switch in engine room.

TENDER

- Mercury Model 350 rigid fiberglass bottom inflatable RIB with Mercury 25 Hp 4 stroke outboard motor.
- Hull Identification Number (HIN) [REDACTED].
- Engine Model Number F25E and Serial Number [REDACTED].
- Tender is equipped with St. Croix seat and helm, Raymarine A5 Chartplotter/Fishfinder, manually controlled electric bilge pump and 10 lb anchor on 25' rode with 5' chain.
- Battery is wired for connection to battery tender.
- Bilge pump and Raymarine powered up properly.
- RIB appears to be in excellent condition with only a few rub marks on tubes.
- Tender is not equipped with navigation lights or horn.
- Tender cover is of fabric matching the aft enclosure.



- Tender is not registered (**B4**). Any motorized vessel with 10 Hp or more is required to provincially registered.

IV. FINDINGS & RECOMMENDATIONS SUMMARY

DEFINITION OF CATEGORIES

‘A’ Category:

- Recommendation to correct an important, critical safety concern.
- To be completed prior to the vessel’s next use.

‘B’ Category:

- Recommendation to correct a non-safety deficiency that may, as an example be either an issue that may affect the performance of the vessel or an issue that may negatively affect the value and/or insurability of the vessel over time.

‘C’ Category:

- Recommendation to correct an issue that may be considered minor or cosmetic in nature and should not affect the vessel’s performance, usability or insurability.

‘A’ CATEGORY RECOMMENDATIONS

- A1**, as noted on pages 10, 11 and 30 of the report, the cabin bilge pump float switch did not activate the pump and should be replaced.
- A2**, as noted on pages 10, 11 and 30 of the report, the forward engine room bilge pump float switch did not activate the pump and should be replaced.
- A3**, as noted on page 28 of the report, the vessel’s cockpit VHF radio DSC function should be registered with Industry Canada. Complete an MMSI application form available from Industry Canada. Contact the Industry Canada District Office nearest you for more information.

‘B’ CATEGORY RECOMMENDATIONS

- B1**, as noted on pages 10 and 11 of the report, the pipe in the limber hole through the outboard starboard engine stringer extends past the edge of the stringer at an upward angle preventing complete drainage from that bilge section. Recommend trimming limber-hole pipe flush with stringer and resealing to stringer.
- B2**, as noted on page 11 of the report, caulking/sealant around the two translucent skylights in deck just ahead of the base of the windscreen is showing some weathering and slight shrinkage in places. Recommend removing old sealant around translucent skylights and resealing with** 3M 4000 Fast Cure UV Sealant.

-B3, as noted on page 25 of the report, there is a small amount of external corrosion on the heat exchanger where the finger zinc is inserted. Recommend cleaning corrosion from generator's heat exchanger insert plug area and observe for possible seawater leakage. Remove plug and re-seal if deemed necessary.

-B4, as noted on page 31 of the report, the tender is not registered. Any motorized vessel in Canada with 10 Hp or more is required to provincially registered. Recommend registering tender.

'C' CATEGORY RECOMMENDATIONS

-C1, as noted on pages 9 and 11 of the report, gelcoat and paint are in excellent condition with only minor oxidation at the stern. Recommend polishing gelcoat at stern of the vessel before significant chaulking occurs.

-C2, as noted on pages 12 and 13 of the report, snap in Berber style carpet is in serviceable condition however rubber backing is beginning to break down in places. Recommend replacing cockpit's snap in carpet within the next season or two.

-C3, as noted on pages 15 and 16 of the report, master en-suite shower mirror exhibits slight de-silvering. Consider having the mirror in the master shower refurbished if deemed important.

-C4, as noted on pages 15 and 16 of the report, the sliding door into master stateroom is slightly warped vertically making it harder to slide and creates misalignment of the latch when closed. Consider contacting Formula Boats to determine if the warped condition of this door has been a common occurrence with this model and if there is a factory recall or recommendation.

-C5, as noted on pages 24 and 25 of the report, on main electrical panel, one LED generator power indicator light is not working. Circuit power can be confirmed on the voltage gauge directly below the faulty LED indicator making the non-functioning LED a convenience item only. Consider having a certified marine electrician repair LED if deemed necessary.

V. VALUATION

CONDITION

Discussion and Rating:

It is the Surveyor's (in training) experience that develops an opinion of the OVERALL VESSEL RATING OF CONDITION, after the Survey has been completed and the findings have been organized in a logical manner.

The grading of condition developed 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 with extras, a rarity).

"ABOVE AVERAGE CONDITION", has had above average care and is equipped with extra electrical and electronic gear.

"AVERAGE 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 usable condition.

As a result of the Survey, as shown in the REPORT OF MARINE SURVEY & FINDINGS AND RECOMMENDATIONS sections of this report and by virtue of my (soon to be acquired) experience, my opinion is:

Excellent Condition

If one could separate Bristol from Excellent with Bristol being a vessel with no flaws at all and Excellent being a vessel far above the condition of it's peers then this vessel is in Excellent condition. There are a few signs of the vessels age (e.g. cockpit carpet rubber backing) preventing a Bristol result but the significant improvements and upgrades, most

notably a recent re-power including drive and control options, with warranty until 2021 elevate this vessel's condition beyond Above Average to Excellent.

FAIR MARKET VALUE

Discussion:

There are no comparables available for a 2007 Formula 45 Yacht with newer engines, drives and options still under warranty, with those options only becoming available several years after the vessels original launch.

Although the Dynamic Positioning option was developed by Volvo Penta in 2010, commercial availability wasn't until the next model year and few if any Formula 45 Yachts were sold with this option prior to 2012. The Low Speed Mode option became available in a similar time frame. The only Formula 45 Yacht listed on Yachtworld with Volvo Dynamic Positioning is a 2015 model year with 523 engine hours for \$687,000 CDN (sale pending).

Even though the re-power was completed in 2016, the subject vessel of this survey could be valued much like a 2012 model with those options because that would be the earliest model year a similarly equipped 45 Yacht could be available. This vessel is older, a 2007, however, a 2012 vessel will not have any warranty remaining, countering some or all of that value difference. All of this vessel's Volvo components are under warranty until 2021.

There are two 2012 models in the USA currently listed on Yachtworld. One has 245 engine hours and is listed for \$679,000 CDN while the other, with 576 engine hours, is listed for \$512,000 CDN. Neither has the Dynamic Positioning nor the Low Speed Mode options. The subject vessel has these high value options, only 132 engine hours and three years of Volvo warranty remaining making it potentially more valuable than the 2012's above.

Arguably, the subject vessel should also be compared to a vessel with similar engine hours and remaining warranty. The 2015 model with the Dynamic Positioning option mentioned above would fall into that category for warranty but has many more hours. 2016 models (same warranty period remaining) with low hours are listed in the \$800,000 to \$900,000 CDN range. These vessels are nine years newer and have other options and décor not available in 2007, making them more desirable than a freshly re-powered 2007 model so the 2007 should be valued below \$800,000.

Another method would be to estimate the value of a well maintained low original hour (under 500 hours prior to re-powering) and boathouse kept, if one could be found, 2007 IPS powered model and add the estimated cost of a re-power. There are a few high hour

(up to 1900 Hrs) 2007's on the market priced between \$320,000 and \$380,000 CDN. There are several others priced between \$410,000 and \$450,000 CDN. Based on that this vessel, prior to re-power would likely be valued at \$400,000 CDN and the cost of re-powering would be in excess of \$200,000 CDN. For somewhere over \$600,000 CDN this vessel would have zero engine hours and Volvo warranty until 2023.

All three methods support the current Fair Market Value provided in this report.

The "FAIR MARKET VALUE" is the most probable price in terms of money, which a vessel should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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 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 Canadian 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.

Estimated Fair Market Value is determined using a cross reference of data from Soldboats.com, BUC Used Boat Pricing Guides, NADA, Yachtworld.com, other online sales listings or dealers. Adjustments are made for condition and related equipment. The Estimated Market Value is for the vessel in its condition on the date or dates of the Survey, prior to any repairs or maintenance.

Estimate:

After consideration of the reliability of the data, the extent of the necessary adjustments and condition of the vessel, it is the Surveyor's opinion that the "FAIR MARKET VALUE" of the subject vessel is:

Est. Market Value: **\$550,000 CDN**, Five Hundred and Fifty Thousand Canadian Dollars.

Estimated Market Value includes all upgrades, spare parts inventory, spare propellers, safety equipment and tender.

REPLACEMENT COST

Estimated Replacement Cost is determined using a cross reference of data obtained from Boat Dealers and other online resources.

The "ESTIMATED REPLACEMENT COST" indicates the retail cost of a new vessel of the same make/model with similar equipment offered by the same manufacturer. The "ESTIMATED REPLACEMENT COST" of the vessel is:

\$1,300,000 CDN, One Million and Three Hundred Thousand Canadian Dollars

Surveyor's Certificate

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 are my personal, unbiased, professional analyses, opinions and conclusions.

I have no present interest in the vessel that is the subject of this report and I have no personal interest or bias with respect to the parties involved.

My compensation is not dependent upon the reporting of a predetermined value or direction in value or direction in value that favors the cause of the client, 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.

This report is submitted without prejudice and for the benefit of the client only, as outlined in the Scope of Survey section beginning on page 3 of this Report and as outlined in the Term and Conditions of the Survey Contract, a copy of which is included in the Appendix of this Report.

Murray M. Kirzinger:
(Signature)

As this vessel, [REDACTED] is owned by Murray and Kathleen Kirzinger, this certificate, for this report, is completely Null and Void and is provided solely for completeness of the example survey provided on the Oceanic Yacht Surveys website for the benefit of prospective clients.

APPENDIX

Marine Survey Contract (copy of signed original)

OCEANIC YACHT SURVEYS

Survey Contract

Date: [REDACTED] **Job reference** (if applicable): [REDACTED]

Client: [REDACTED]

Address: [REDACTED]

Phone #: **Cell #:** **Email:**

Vessel's Owner: [REDACTED]

Address: Same as above.

Vessel Location: Canoe Cove Marina, Sidney B.C.

Proposed Survey Location (1): Canoe Cove Marina

Agreed Survey Date (2): [REDACTED], **Survey Type/Purpose (3):** Condition & Value

Year/Make/Model: 2007/Formula/45 Yacht

Power X or Sail__, **Engine(s): # 2**, **Fuel: Gas__ or Diesel X**, **LOA (4):** 48 ft

Vessel Access Particulars: Vessel in locked boathouse, Owner to meet at marina

Survey Report Requirements (5): e-mail within 5 business days

Quoted Fee (6): \$ [REDACTED] **(Acceptance of Contract on Last Page)**

Contract Information Notes:

- (1) Client is responsible for all arrangements and payment of vessel movement to, and haul-out at, the agreed survey location. Client's presence during the survey is recommended.
- (2) Cancelling of an accepted Contract within 15 days or less of the Agreed Survey Date is subject to a charge equal to 50% of the Quoted Fee.
- (3) Types of survey available include; Valuation, Pre-Purchase, Insurance, Damage, New Build or Incident Investigation. If not familiar with of survey types, specify reason survey is required.
- (4) Vessel LOA is a factor in the Quoted Fee. If stated LOA differs from manufacturer's published LOA, manufacturer's published LOA will be used.
- (5) Our standard reporting practice is to provide a report emailed to the Client in PDF format within 3 to 5 business days of the vessel survey date, providing the Quoted Fee has been paid. Notice is required of a report delivery deadline, if one exists. Hard copy of the report can be provided at a cost of \$35 per copy. The delivery will leave our office within 3 to 5 business days of the vessel survey date, providing the Quoted Fee has been paid. Other report publishing requirements and costs can be discussed and quoted separately.
- (6) Quoted Fee is valid for 30 days. Quoted fee is in Canadian Dollars and is exclusive of all taxes (GST/HST and where applicable PST). Quoted Fee is due and payable prior to commencement of the physical survey of the vessel. ***Survey Report will not be issued prior to receipt of payment.***

Terms and Conditions

The Survey Report provided as a result of this Contract is for the exclusive use of the Client identified in this Contract and cannot be duplicated or disseminated, in whole or in part without the written consent of Oceanic Yacht Surveys. The Survey Report is protected by Copyright, ©. Should any third party rely, under any circumstances, on the contents of the Survey Report there will be no liability offered or expressed by Oceanic Yacht Surveys.

The survey will be conducted in accordance with generally accepted marine standards and criteria utilized in the marine surveying industry.

Oceanic Yacht Surveys or any of its employees or agents shall have no liability for consequential damages, no liability for personal injury damages, no liability for property loss damages, no liability for punitive damages, all of which shall be deemed to have been knowingly and voluntarily waived upon use of the survey report.

In no event shall the legal liability of Oceanic Yacht Surveys or any of its employees or agents exceed the fee paid for this Survey Report, regardless of claims or suits and regardless of whether under theory of tort, contract, products liability, admiralty, or otherwise.

The standards presented by Transport Canada in notice TP1332E (04/2010), '*Construction Standards for Small Vessels*', will be used as guidelines while conducting the survey.

The vessel should be prepared for survey by unlocking all compartments, unfastening all covers and removing all stores and excess equipment. Surveyor will not unfasten any covers. Locked compartments will not be inspected.

Terms and Conditions (continued)

Machinery and equipment, including engines may be inspected while operating only when Client, Owner or Owner's representative is available to operate. Where an opinion on the internal condition of the engine(s) is required, engaging a qualified marine mechanic is recommended.

No destructive testing will be performed unless by written request of the Owner.

Sailing vessel rigging and spars will be inspected from deck level only. Working sails will be inspected during a sea trial from deck level only. Furlled or bagged sails will not be inspected unless separate arrangements are made. Additional, more detailed inspection by a qualified rigger or sail maker may be recommended.

Determining the inherent stability characteristics of a vessel is outside of the normal scope the Survey Report being provided under this Contract.

The Survey Report being provided under this Contract is not to be considered as any type of warrantee, either expressed or implied and will not in any fashion express or provide any type of guarantee of the future condition or value of the vessel.

The Survey will include a thorough visual examination of the hull, machinery, systems, hardware, equipment and, rigging. The resulting Survey Report will contain a comprehensive description of the vessel and its systems, with photographs and will include a listing of '**Findings and Recommendations**' required for correction to reasonably ensure that the vessel is fit for its intended service. When required based on the type of survey provided, a statement of the vessel's '**Fair Market Value**' will also be included. The contents of the Survey Report represent findings at the time of Survey and are provided in good faith, without prejudice.

The Quoted Fee is for service provided up to and including the delivery of the Survey Report. Delivery of the Survey Report to the Client represents the completion of this Contract. Minor clarifications of the Survey Report contents may be provided upon request at no additional charge within 5 business days of the Client receiving the Survey Report. Any other additional services can be provided for an additional fee at industry standard rates.

If the Client wishes to terminate the Survey prior to completion of the physical survey due to unsatisfactory findings, the Contract can be terminated at that point upon payment equal to 60% of the Quoted Fee and no Survey Report will be issued.

The parties agree that in the event of a dispute arising from the terms of this Contract or from the survey resulting from this agreement, that the parties shall submit themselves and their dispute to binding arbitration to be conducted by an arbitrator selected by the parties. In the event the parties are unable to agree upon such selection, then each party shall select an arbitrator and those two arbitrators shall select a third arbitrator. Any person who is not a member of the International Institute of Marine Surveyors shall be disqualified to serve as an arbitrator. The cost of arbitration shall be borne between the parties as determined by the arbitrator(s) in its (their) sole discretion.

Any legal matters arising as a result of this Contract will be addressed in and according to the laws of British Columbia, Canada.

Terms and Conditions (continued)

By signing below the Client acknowledges that the Client has read, understands and agrees to the Survey Contract, the Contract Information Notes and the Terms and Conditions as presented above.

Client's Signature: _____ Date: _____

Printed Name: XXXXXXXXXX