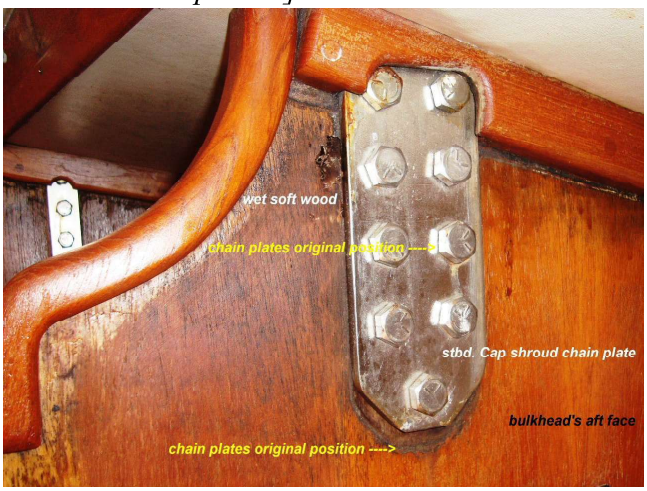
VESSEL: ***198x 33' sloop rigged sailboat***

* Partial survey xx-xx-2016; vessel blocked on-shore. The following is the list of Deficiencies, (not listed in priority order), that require correction.

1-- standing rigging chain-plate attachment failure at **stbd. cap shrouds & fwd. lower shroud**.
(chain plates (for port & stbd. cap and fwd. shrouds) are flat ss. plates; that pass through the deck and; are through bolted too separate teak over plywood bulkheads (which are tabbed onto the hullsides).
A) The two separate bulkheads (teak over plywood) that the stbd. cap & fwd. lower shroud's chain plates are secured too show wet - rotted - deteriorated (a blunt probe was easily pushed completely through the wet rotted wood) apparently due to water leaking in at the improperly bedded chain plates; and being trapped / retained between the ss. plate & its wood bulkhead),
B) these two shrouds are slack as; each chain plate has been displaced / pulled up apx. 3/8", from their original position: Rigging loads apparently have caused the chain plate to bulkhead throughbolts to be displaced / pulled upward; as the wet / rotted wood could not support the strain imposed by the standing rigging. *[Note: Situation comprises the standing rigging's integrity. Bulkhead structures need to be replaced, or possibly rebuilt with "sistered" in wood / other structures: Consult with rigging specialist and marine carpenter.]*



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1- C) the companion port-side chain plates need to be un-bolted removed from their bulkhead to

determine if there is any moisture & or deterioration behind them.
D) each chain plate should be inspected for crevice corrosion serviced as needed and polished / cleaned prior to installation & bedding.
Vessel should not be placed in service until chain-plate / bulkhead defects are resolved.
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2-- on hull NY State vessel registration sticker dated as expired 2009; therefore it is highly probable that the vessel has not been in active use with normal maintenance / care from the date.
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3-- seacocks (bronze Wilcox Crittenden barrel type) are "frozen"; each needs to be disassembled - cleaned - serviced (to be operational / easily closed -opened); replace as found needed.
Vessel should not be kept afloat (except for attended tests) until all seacocks are properly operational and condition of attendant hoses & clamps verified.
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4-- propeller (bronze; 2-fixed blades) shows blade .1/8" out alignment. (see Note# 5)
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5-- propeller shaft ss. 1" dia.
A) cutlass bearing (in bronze on skeg fitting): shows worn / excessive (> 1/8") play.
B) propeller shaft needs to be removed & inspected for wear / deterioration (from running with a worn - cutlass bearing); past experience shows that it is probable that the shaft will need to be replaced.
C) engine mounts (show rusted) need to be inspected w/ engine running underway (prior to cutlass bearing replacement) to determine if they require replacement.
D) propeller shaft / engine (post installation of serviced / new components) need to be carefully aligned.
E) shows black burn(?) marks section just fwd. of the stuffing box.
F) has excessive unsupported overhang; total of 9 ½" cutlass bearing exit to shaft end and; apx. 4 ½" cutlass bearing exit to propeller hub fwd. edge. (engineering accepted overhang dimensions are as follows: *"Propeller Overhang: The distance between the forward end of the propeller hub and the aft end of the last strut bearing shall be limited to one shaft diameter. This does not apply where the last bearing is installed aft of the propeller."* Pacific Marine & Industrial Division of Quality Pacific Manufacturing, Inc. Richmond, California) (Also see Note# 4 & 6)

continued on page 3

VESSEL: ***198x 33' sloop rigged sailboat***

continued from page - 2 -

6-- propeller shaft stuffing box (bronze drip type): A) rusted engine coupling and rust stains on prop shaft, stuffing box & frp. bilge / hull surfaces; indicate excessive sea water drip at the stuffing box.
B) unit needs to be cleaned and renewed along with cutlass bearing & prop shaft servicing.

(see Note# 4 & 5)

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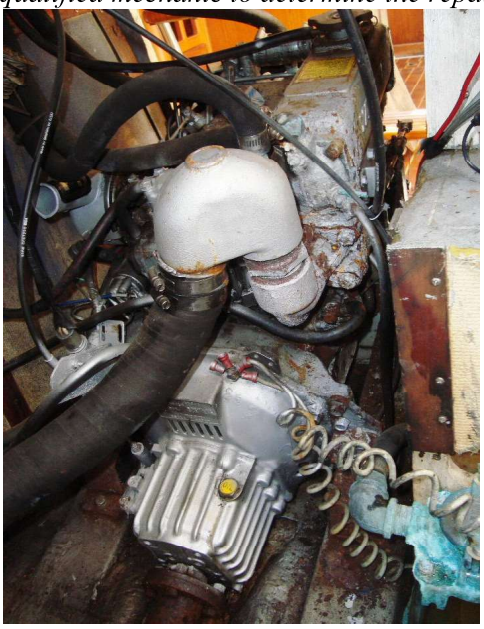
8-- engine (Yanmar freshwater cooled diesel):
A) crankcase lube oil shows thick & black colored (appears as not changed prior to vessel lay-up).
B) cooling system hoses show stiff / old.
C) fresh water side of heat exchanger (accessed @ pressure cap) appeared "dry" no anti-freeze fresh water evident; inner surfaces @ pressure cab showed rust residue.
D) engine mounts show rusted.
E) external surfaces of heat exchanger / exhaust manifold & cast iron exhaust riser elbow show rust stains.
Note: Service history and time when last in use are unknown (see *NOTE# 1)*: Engine (under observation) needs to be run w/ vessel under way to help determine its operational status / condition and needs to be inspected by a qualified mechanic to determine the repairs / service required to have engine in proper operating condition.*



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VESSEL: ***198x 33' sloop rigged sailboat***

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9-- diesel fuel system (as vessel's service / use history are unknown; see *Note# 2); condition of the fuel supply and tank cleanness need to be determined / verified prior to placing vessel in service.

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10-- ss. support post (in cabin between the headliner-to-galley cabin top) is adrift / broken away at its on counter top socket.

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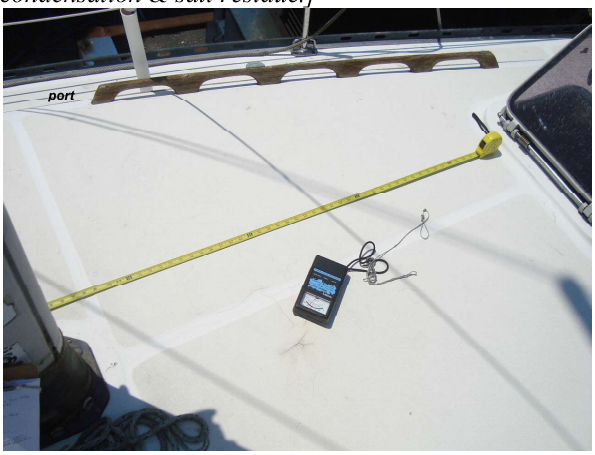
11-- cabin top deck area fwd. of the mast pass-through too the aluminum framed hatch (sized apx. 50"-54" L x 46" - 54"W) between teak grab rails:
A) shows highly elevated moisture readings (meter @ 60-95) indication moisture intrusion into the core.
B) shows through gel coat cracks (cause undetermined) area sized apx. 12" x 12" which as percussion

sounded produced a slight dull-soft sound report. *[Consult with a marine frp. repair technician for additional assessment of the condition and advice regarding remediation / repair.] [Moisture readings via Tramex Skipper Plus meter; set on Range# 1, scale reads 0 - 100, 0 - 25 is the "dry-range". Metered surfaces appeared free of surface condensation & salt residue.]*



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NOTE: In order to determine the engine & transmission, running gear and steering system current operational status and the water-tight integrity / status of underwater through-hulls - transducers - other item; the vessel (under broker's supervision & observation) needs to be launched & test-run.

-End of Notes-

Submitted in good faith and without prejudice,

Frank Abbey

FRANK T. ABBEY // Member A.C.M.S // Certified Marine Surveyor; ACMS Certificate# 0181

Conditions of Report Acceptance

This survey was prepared; for the benefit of the named client; to determine the vessel's condition and approximate market value. The survey was conducted utilizing methods of non-destructive testing; and is based upon a visual inspection of the vessel; i.e. without removing panels, joinery etc., or disassembling / removing any machinery, to expose parts normally concealed. The survey is not rendered as a warranty, but and opinion of the above signed surveyor as to the condition of the vessel and equipment ONLY on the survey date. The Surveyor does not warrant or guarantee the performance, stability or characteristics of the vessel or its machinery and accordingly shall suffer no liability for errors or omissions or for not being able to properly evaluate parts. Our liability for any loss or damage arising out of this inspection and report, shall be limited to the fee paid for the services rendered herein. No reference in the report should be construed to indicate compliance of any equipment with manufacture's specifications. Recommendations (which are not meant to imply that All Deficiencies have been identified) are based upon standards set forth by the American Boat and Yacht Council and United States Coast Guard; in addition some comments may be based on the general experience of the Surveyor. The request and / or use of the survey shall constitute agreement of the Preface and above Conditions.

NOTE: Ultimate responsibility for, the vessel's Safe operation & maintenance and Safety of the crew & passengers, lies with the Owner and Master.