Colin Mallard South

Dip Mar Sur

M.I.I.M.S.

Yacht & Cargo Surveyor

Member of The International Institute of Marine
Surveying.

CONDITION REPORT AND OPINION OF VALUE FOR INSURANCE WALNUT 24 th July 2017



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SUMMARY.

This document is a General Condition Report and valuation for insurance on the

nb Walnut

Carried out by the undersigned and is a statement of the factual condition of the vessel as seen at the time of the survey. As stated in the body of the Report, the subject vessel was a 56ft narrow boat age 1974.

The vessel, as inspected, was found to be well built using good marine quality materials and good boat building practices. The overall structure was found sound although full examination was limited at the time of the survey due to the presence of internal fittings, permanent ceilings and linings but, where examination was possible, as stated, the structure was found good.

LIST OF RECOMMENDATIONS AND SUGGESTIONS.

- 1. New engine stop is to be fitted.
- 2. Fit a monitoring Galvanic isolator to the earth of the shore power.

Above to be done as soon as possible.

Conclusion

In our opinion, therefore, the subject vessel was found at the time of the survey in generally good structurally and mechanically riverworthy condition, an insurable risk under the Institute of London Underwriters Yacht Clauses for use on canals and rivers subject to the above recommendations being carried out. The buyer has bought the vessel as a project and will be re-fitting her internally.

Opinion of Value.

To establish a valuation, the overall condition and inventory and any other aspects that might affect the value has been taken into account. Comparison has been made with other vessels of a similar type and style recently advertised for sale. From an average of advertised prices and or publicised sale prices, deductions and additions have been made for the defects and/or level of equipment noted in the survey report.

Based on the recent survey, the fair market value with unencumbered title is assessed as being in the region of £ 16,000.00.

Subject to recommendations being carried out.

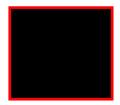
This valuation is based on opinions only and not a representation of fact, nor does it carry any guarantees of the particulars of information on which the opinions are based. It assumes a willing buyer and seller and generally conducive market conditions. In preparation of this valuation, the undersigned accepts liability to the instructing client only and to no other party. It should be noted the valuation does not take into account the possible cost of repairs following damage to the vessel, which may exceed the valuation provided within this report. Further enquiries should be made to establish a reinstatement valuation in this respect. The value given above should not be confused with the replacement value, which may be considerably higher, particularly in the case of rare or unusual vessels. Yours faithfully,

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Signed:...

Colin Mallard South Dip. Mar. Sur, M.I.I.M.S. R.M.S.

THE VESSEL.



Dear Sir

24th July 2017

This is to confirm that, at your request, and subject to the conditions obtaining at the time, the undersigned attended the:-

Walnut

On a trailer at Stanstead Abbots and there effected, without opening up, a General Condition Survey of the hull. Weather sunny.

This work was carried out in accordance with the following:-

- a) Our Standard Contract of Employment.
- b) The Code of Practice for Small Craft Surveys published by the International Institute for Marine Surveying.

Type of Vessel.

The vessel was a transom sterned, chine bottomed, wall sided, single screw narrow boat of all welded mild steel construction. Fitted with a shaft driven Diesel engine.

Principal Dimensions.

These were given by the owner as follows:-

Length Overall 56 Ft over the hull only, Breadth Overall 6 Ft 10 ins Draught 2 Ft 0 Ins

Speed.

It was estimated that the vessel had a speed at full power of about 5 knots.

Registration.

63631

Builders and Date of Build.

Springer 1974

Construction.

The vessel was constructed from what was shipbuilding quality low carbon (mild) steel.

The vessel was of all welded construction and the side, bottom and accommodation block shell were carvel plated with flush seams and butts. The primary supporting structure, frames, stringers, floors etc were inaccessible and their scantlings could not be measured. The superstructure was constructed of steel. Scantlings average and typical for this type and size of vessel.

General Statement on the Condition of the Survey.

The vessel was found in commission as a pleasure motor narrow boat.

Within the limits of the access available the following was found:-The vessel was found on a trailer at the above site. This restricted access to bottom plates see ultrasonic chart.

The boat was viewed from a distance at various angles and no apparent or obvious signs of major longitudinal or transverse deformation or structural failure which might indicate earlier serious damage or signs of poor repairs observed.

The Reason for the Survey.

We were instructed to carry out a hull survey and give an opinion of value for insurance.

The Scope of the Survey.

The normal survey for pre-purchase, insurance, mortgage or other reasons carried out by the staff of this Company provides an opinion only on the structural and mechanical condition of This applies to all reasonably accessible and visible aspects of the vessel as the vessel. presented to the Surveyor with special reference, in this particular case, to the shell plating. It should be noted, however, that, unless a hull has been completely shot blasted prior to the survey, we cannot confirm the *detailed* condition of the whole of the shell plating surface. Our conclusions are therefore based on the evidence of the sample areas examined and we cannot guarantee that there are no defects such as hydrogen blistering or galvanic, electrolytic or biological pitting behind the bottom or topside coating which was noted on the hull exterior at the time of our survey. We were advised that the Client's intended purpose for the vessel was continued canal cruising. The vessel was not checked with any intention to ascertain compliance or otherwise with any local, national or international Codes of Practice or any other Rules and/or Regulations as may be required by any Authority under whose jurisdiction the vessel may operate or that might apply for any purpose other than as a pleasure vessel.*

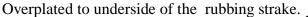
THE HULL AND FITTINGS.

External Hull Examination.

The stem, stern and bottom plating were inspected and found generally sound. Some scrape testing was carried out just inside the line of the chine and, again, in these areas the plating was found sound and in good condition. The keel and bottom plating was especially visually examined and found in good condition. The shell of the vessel where the maximum water pressure induced fatigue effects may be expected was also specially examined for signs of cracking, necking or other defects likely from this source but none were noted. The shell plating above the water line was in good condition. The welding of the plate seams and butts was specially examined and hammer tested. The bottom was dirty and heavily fouled with weed but in areas where the weed was removed the bottom plates were in good condition with minimal pitting evident through blacking coating. The 5mm bottom overplate continued on the side shell to bottom of first rubbing strake.

Ultrasonic Thickness Measurements.

The vessel was then subjected, where practical, to an ultrasonic thickness examination in accordance with the Code of Practice published by the International Institute for Marine Surveying. Selected points at 1 m spacing in a grid pattern over the sides, along the wind and water strake and under the bottom in areas where the maximum corrosion and especially where the maximum shear forces and bending moments may be expected and such as were reasonably accessible were chosen such that a ring of readings was formed. These were then cleaned of dirt and the thickness measured ultrasonically using a Tritex through paint ultrasonic multi echo gauge. During the taking of the readings, the instrument's calibration was rechecked a number of times to ensure that it had maintained its validity and accuracy.



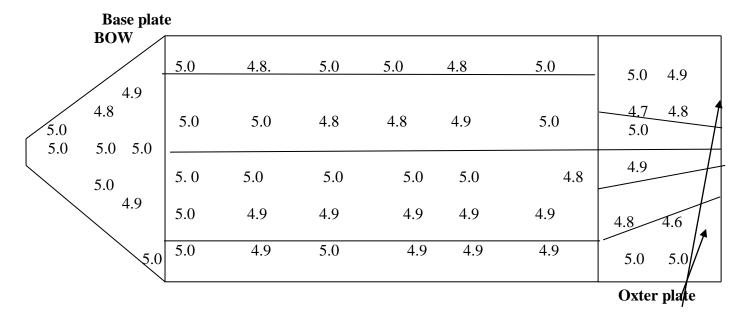


Bow thruster not working.



ULTRASONIC TEST RESULTS

The boat has been overplated to above the waterline in 5mm. There are scattered pits of 0.4mm.-no action. Weed hatch is 6mm all sides with 0.5 pits-no action.



Side elevation port side

BOW

	5.0	5.0	5.0	4.9	5.0	5.0	4.8	4.9	4.8	5.0	4.9	4.8	
W/L	4.8	4.9	4.8	4.8	4.9	4.7	4.6	4.7 4	1.8 4.9	15.0 9 4	·.8	5.0 4.9	
	5.0	4.6	4.5	4.8	4.9	5.4	4.4	4.8	4.9		4.8	4.9	SWIM

STERN

	BOW		Side elevation starboard side					STERN				
XX / / I	5.0	5.0	4.8	5.0	4.9	5.0	4.9	4.9	4.8 4.9	5.0	4.8	
W/L	4.9	5.0	4.8	5.0	4.7	4.9	4.9	4.9	4.8 4.9	5.0	4.0	
	4.9	4.9	4.8	4.9	4.9	4.9	4.7	5.0	4.8	4.9	4.9	

Transom and side shell 4.0/5.0 mm as built above overplate.

Skin Fittings

All to be inspected and redundant one blanked off.

Bottom Coating.

Blacked good

Topside Coating.

Good

Anodes.

Being fitted at time of survey 2 new to each side original 2-90% wasted. Plus new to keel cooler anode. Total 9.

Wear Plate.

Wear plate approx. 20 mm wide in good condition apart from 2 areas that are damaged By lifting with chains.



Harpins and Rubbing Strakes.

The vessel was fitted all round below the deck edge with a pair of D section solid mild steel rubbing bars.

These were examined all round and found, apart from a few minor scuff marks, to be in generally good condition and well secured.

Deck and Superstructure.

The deck and superstructure were examined all over and found in reasonable order.

Deck Equipment.

Each item was hammer tested and found in good condition, with no sign of hair line cracking or metal fatigue, structurally secure and without undue rope wear.

Doors, Hatches and Companionways.

All in good condition.

Ventilators.

To boat safety standards.

Steering Gear.

The vessel was fitted with a steel tiller type steering gear, which was examined and found in good order.

Rudder and Hangings.

The rudder was of the single semi-balanced single plate type, constructed of mild steel with the blade fastened to the stock. Rudder stock is bent-monitor.



Machinery Examination.

This was a non-invasive examination. Sabb 18 hp 2 cylinder Diesel. hours and age not known. Was run and started easily used for delivering the boat. Engine stop -repair.

The engine and gear box were examined externally - without opening up - and found in good, clean condition and the installation as a whole complies with the Boat Safety Standards.

The internal mechanical condition of the machinery was considered to be outside the scope of this survey.

Shaft Coupling.

The R and D coupling was examined and the bolts tested and these appeared to be sound and well tight. It was not practical to 'break' the coupling and test the installation for alignment.

Stern Gland.

The stern gland was examined - without opening up - and found in generally good condition. The gland was grease lubricated by means of a remote grease gun and there was no sign of excessive leakage but it was not known when it was last opened and repacked

Weed Hatch.

The vessel was fitted with an integral welded steel weed hatch giving clear and adequate access to the propeller and stern gear which was closed by a bolted steel lid secured by a quick release single action locking bar and fitted with a rubber gasket- inspect for leaks on launching.

Stern Gear.

The propeller was turned over by hand and the shaft appeared to turn freely with no sign of bending or distortion of the shaft and stern bush.

The 3 bladed bronze propeller was in good condition. The retaining castle nut was found in good condition and satisfactorily locked with a split pin and in good order.

As far as it was possible to see the bearing, which was of the Cutless type, it was found in good order without undue wear. The condition of the shaft inside the stern gland cannot be guaranteed as these defects will only be discovered when the system is dismounted for overhaul.

Thickness survey

An essential part of the General Condition Survey of this type of vessel is the determination of the remaining thickness of metal in various critical areas of the main structure and this is almost invariably carried out using ultrasonic methods.

The confidence limits that may be placed on the measurements is a direct function of the techniques involved, the skill and training of the operator and the type of machine used. The accuracy levels are of particular importance for future surveys of the hull structure whereby rates of corrosion may be determined. The instrument used in this survey, however, was of the digital read out multiple pulse single echo type which has the disadvantage in that it cannot discriminate between echoes from the back wall of the item being measured or flaws in the interior of the plate and the Surveyor has no means of checking for such flaws. This fact must be borne in mind when interpreting the readings given in this Report. Similarly on heavily corroded plates the slope of the echo can be poorly defined leading to errors that cannot be quantified. Laboratory tests have shown that the achievable accuracy varied between \pm 0.5 mm on samples with a soft coating on the opposite wall and \pm 3 mm where the sample had hard haematite or magnatite rust scale on the opposite wall. Further, while every effort was made to place the probe squarely onto the ground surface, in the normal circumstances of shipyard work, this cannot be guaranteed and this may be a further source of error. Nevertheless it can be shown, statistically, that there is a 95 % probability that the true thickness lies within \pm 0.5 mm of the readings given in this Report.

The minimum allowable thicknesses given above are all computed from formulae determined from and based on standard naval architecture 'Strength of Ships' theory.

In assessing the above thickness measurements the following qualifications must be observed:-

- 1. The thickness readings given in each case are in mm and it is emphasised that the readings shown give no guarantee that the same thicknesses apply to other parts of the shell, bulkhead or other plating or structural items where these items were not measured at this time. The noted thicknesses must not be interpolated between adjacent thicknesses however closely spaced nor the mean figures given above regarded as the 'average' thickness for the plating or internal structure to which they apply.
- 2. The number of thickness measurements taken on the shell was calculated on a statistically significant percentage of the area of the structural item under test and the readings were distributed in accordance with standard marine surveying practice but no guarantee can given that all thin areas on the shell plating have been found at this time.
- 3. Where practical and appropriate these measurements were taken at the bottom of any local pitting.
- 4. The measurements are point measurements only not area measurements but are the arithmetic mean of a reasonable number of measured thicknesses taken at that point.
- 5. In judging these measurements it should be taken into account that they are ultrasonic measurements only and that they were taken only on those spots upon which doubt arose after close up visual inspection and hammer testing of all the structure.
- 6. It should be noted that thickness measurements however closely spaced do not guarantee that the steel surface on the opposite side i.e. on the inside of the vessel is free of corrosion, pitting or other defects.
- 7. It is relevant to note that the Classification Societies allow a diminution of thickness on the shell plating and other primary structure of not more than 15% but on secondary structure of up to 20% is acceptable before requiring that such a corroded item be renewed. Tertiary structure may be allowed to deteriorate by up to 50% of the original thickness.
- 8. Where the actual thicknesses, as measured, of bottom or side shell plating fall below the allowable minimum, the metal structure in way requires remedial treatment within the time limits laid down in the **RECOMMENDATIONS** given hereunder. In this respect, we do not, in general, recommend that thin areas of such bottom or side plating be fitted with doubling plates that exceed two frame spaces in length and/or 750 mm in width as it is not possible to connect efficiently the middle of such large doubling plates to the existing plating and primary framing structure underneath. It is, in our opinion,

- better to crop out such thin areas back to metal of an acceptable thickness and renew the plate in way although it is accepted that this is more difficult and costly. Existing doubling plates, however, may be left in place. We do not recommend the use of slot welds in the attachment of such doubling plates.
- 9. It should also be pointed out that the sample/population ratios given in the measurements given above must be considered to be fairly small and samples, however large and accurately taken, do not represent the population entirely and can sometimes be much in error.
- 10. The thicknesses given are approximate only as the assumption is made that the standard speed of sound in 0.23 % carbon mild steel applied to this vessel. It was not possible to check that this assumption applied in this particular case and variations in material density, heat treatment and surface hardness all affect the actual value.

ANNEX 1

(From the Official Journal of the European Union).

Category Definitions.

- **A. OCEAN**: Vessels designed for extended voyages where conditions may exceed wind force 8 (Beaufort Scale) and significant wave heights of 4 metres and above may be experienced and vessels largely self sufficient.
- **B. OFFSHORE**: Vessels designed for offshore voyages where conditions up to, and including, wind force 8 (Beaufort Scale) and significant wave heights up to, and including, 4 metres may be experienced.
- **C. INSHORE**: Vessels designed for voyages in coastal waters, large bays, estuaries, lakes and rivers where conditions up to, and including, wind force 6 (Beaufort Scale) and significant wave heights up to, and including, 2 metres may be experienced.
- **D. SHELTERED WATERS**: Vessels designed for voyages on small lakes, rivers and canals where conditions up to, and including, wind force 4 (Beaufort Scale) and significant wave heights up to, and including, 0.5 metres may be experienced. **ANNEX 2.**

GENERAL INFORMATION.

Definitions.

In accordance with ISO 10088 (E):-

Readily accessible or normally portable means - capable of being reached for operation, inspection or maintenance without removal of any craft structure or use of any tools or removal of any item of portable equipment stowed in places intended for the storage of portable equipment such as lockers, drawers or shelves.

Accessible means - capable of being reached for inspection, removal or maintenance without removal of permanent craft structure. Hatch covers are not regarded as permanent craft structure in this sense even if tools such as spanners, wrenches or screwdrivers are needed to open them. Hatches for the inspection or maintenance of fuel tanks may be covered by uncut carpet, provided that all tank fittings can be inspected or maintained through other openings.

Opened up for survey means all lockers emptied, all portable hatches lifted or taken down, all loose ballast lifted and removed from the vessel, all bilges pumped dry and cleaned and the anchor cable flaked out on the hard stand or dock bottom.

Efficient in relation to a piece of structure, fitting, piece of equipment or material means that all reasonable and practicable measures have been taken to ensure that it is suitable for the purpose(s) for which it is intended to be used.

e of preventing the passage of water in any direction and, in accordance with ISO 11812 and 12216. *Weathertight* means that, in any sea condition, water will not penetrate into the vessel.

Weathertight Openings are openings with a permanently available means of closure that:-

- 1. Comply with the requirements of ISO 12216 for watertightness and
- 2. When closed, still permit the safe continuous operation of the vessel, engine(s) and steering systems.

Appeared indicates that a close up examination or test of the particular system, component or item so described was not possible due to constraints placed upon the Surveyor (e.g. no power available, inability to remove panels, lack of cooling water or a specific requirement not to conduct destructive tests).

Serviceable or adequate means considered by the Surveyor at the time to be sufficient for a specific requirement or service.

Fit for intended use means fit for the stated use intended by the person instructing the survey.

The condition of items other than steel was assessed one the following scale:-

- 1. Excellent condition means new or like new.
- 2. Good condition means nearly new with only minor or cosmetic defects noted.
- 3. *Fair* condition denotes that the item, component or system was found functional but will require minor repairs and will also require to be frequently monitored.
- 4. *Poor* condition means that the item, component or system was found non functional and will require replacement or renewal within a specified time.

Definitions of Dimensions.

<u>Length Overall (LoA)</u> is measured from the forward side of the stem to the aftermost point of the hull only and does not include stern/swim platforms, boarding ladders, pulpits, taffrails, rudders, bowsprits, bumpkins and similar extensions. If these latter are measured then a separate <u>Length Extreme (L_E)</u> is given.

<u>Length on Waterline ($L_{\underline{WL}}$)</u> is measured from where the forward side of the stem cuts the waterline to the after point of the horn timber, sternpost or transom where this also cuts the waterline.

Beam or Breadth Overall (B_{OA}) is measured at the widest point of the hull and includes the thicknesses of wales, rubbing strakes and harpins and similar items.

<u>Freeboard (f)</u> is measured at the lowest point of sheer and is taken from the top of the deck plating, planking or It is good practice to apply the following suggestions as appropriate or applicable:-.

Whenever the vessel is slipped, the existing anodes should be wire brushed back to bright metal and then coated with soft soap before painting the hull. Any paint accidentally applied to the anodes will then wash off with the soft soap when the vessel is placed in the water. If it is necessary at some time for the vessel to change from a salt to a fresh water environment or vice versa then it should be borne in mind that this will have a deleterious effect on the anodes fitted. Magnesium or aluminium anodes (which are suitable for fresh water) have a much higher driving potential than anodes manufactured from zinc. If a vessel fitted with magnesium or aluminium anodes passes into salt water for anything longer than about seven days, the anodes will waste away very quickly. Vessels, which are, fitted with magnesium or aluminium anodes moving into a salt water environment for longer than a week should be, therefore, fitted with a replacement zinc anodic system. Conversely vessels fitted with zinc anodes (suitable for use in salt water) will find over a period exceeding about seven days that the metal will be coated with an impervious off-white crust of zinc salt which will very effectively prevent it

working even when returned to salt water. After any trip into a fresh water environment a vessel fitted with zinc anodes should have these thoroughly scaled clean back to bright metal. If proceeding into fresh water for longer than about seven days a vessel should be fitted with replacement magnesium or aluminium anodes. In no case should magnesium anodes be fitted to the hull of wooden boats.

It is good practice to operate all seacocks once a month to prevent them 'freezing' through lack of use. All seacocks should, in any case, be strip checked annually and any found defective replaced using appropriate marine quality fittings. If a seacock is replaced, then the attached skin fitting and pipe spigot should also be replaced and any worm drive clips renewed irrespective of whether these items are defective. Worm drive clips on piping associated with seacocks should be double and the screws set at right angles to each other.

Seacocks should be left closed when the vessel is left unattended afloat but open if the vessel is left on hard standing ashore. It is also prudent to attach a notice to the engine starting controls warning that the cooling water intake valve is shut!

We would also suggest that, as a matter of good practice, wooden plugs be made of a size suitable to each skin fitting and overboard discharges and attached to the skin fitting or overboard discharge by a cord as appropriate for use in an emergency.

Fuel tanks should be kept full in winter to prevent condensation building up and contaminating the contents.

Fuel, lubricating oil, air and water filters should be cleaned thoroughly at regular intervals in accordance with the engine maker's recommendations.

Checks should also be regularly made in both filters and fuel tanks for the presence hydrocarbon utilising microorganisms (*hormoconis resinae*).

It is good practice to run the main machinery for a period of twenty to thirty minutes once a month in vessels that are laid up or permanently moored.

Engine drip trays should be cleaned of oil and other waste on a regular basis to minimise fire risk.

All fire extinguishers should be regularly serviced by a recognised competent person and also be check weighed annually and the weights and date of weighing recorded in a log book or, better, on a label stuck to the side of the extinguisher. Dry powder units should, additionally, be checked to see that the powder has not compacted. It should also be remembered that both fire extinguishers and pyrotechnics have a limited life (in the case of the latter not exceeding three years) and these items must be renewed when the expiry date is reached.

All recommended or suggested labels should be of plastic or metal, permanently fixed and with clear lettering that can be easily read with a person with normal eyesight from a distance of about two metres.

Bilges should be kept clean at all times and limber holes free of rubbish so that water can drain to the bilge pump.

If the vessel is fitted with an automatic bilge pump care should be taken, when the vessel is left for a long period laid up afloat, that the battery bank is regularly recharged.

The vessel should be adequately ventilated at all times and especially when laid up.

'Suggestions' in this Report do not have the force of **RECOMMENDATIONS** and may be dealt with at the Owner's convenience but **RECOMMENDATIONS** <u>MUST</u> be satisfactorily completed within the given time limits.

ANNEX 3. LAW.

a. Law and Jurisdiction.

This document is to be construed under the Law of the Kingdom of England and any dispute is to be settled in London in accordance with the Company's published Terms and Conditions of Contract.

This document has no statutory significance.

b. Data Protection.

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The recipient's name, personal data and other information given in this Report and all details of the vessel reported herein including the attached Letter of Opinion of Value are the intellectual property of Colin Mallard South and these documents contain confidential information which is legally privileged and is intended for the use of the addressee only. All information contained herein is covered by the EU Data Protection Directive (95/46/EC).

This Report has been prepared for the person(s) addressed above, is personal and strictly confidential and contains no extended warranty explicit or implied if the vessel is disposed of to any third party for any reason whatsoever.

b. Copyright.

This Report, the International Copyright © of which is vested in and remains the property of Colin Mallard South and is personal and confidential to the named Client, is non-transferable, has no extended warranty, applies to the addressee only and must not be copied, reproduced, kept in any data bank, stored in any retrieval system or transmitted in any form or by any means whatsoever, electronic, mechanical, photocopying, recording or otherwise or given or sold to any third party without the prior written consent of the copyright holder. Such unauthorised transfer of either the whole or any part of this Report d. Disclaimer.

Whilst every effort has been made to ensure the accuracy of information presented in this Report it must be clearly understood that it must NOT be construed as a guarantee or warranty as to the condition of the subject vessel if she is sold or transferred to a third party and no Duty of Care is owed to any such third party. Indeed, the survey was carried out on the express understanding that the Company owes a Duty of Care to the named Client only.

The Report is issued without prejudice and in *good faith* as a statement of facts ascertained at the time of the survey during which due diligence and reasonable professional skill were exercised and reasonable care was taken using common professional practice and, where available, published Guidelines as and including those published by the International Institute for Marine Surveying.

e. Guarantee and/or Warranty.

This Report constitutes neither a guarantee nor a warranty as to the condition of parts it was not, for any reason whatsoever, possible to see at the time of the survey nor does it follow that each and every defect was found during the inspection. No responsibility will be accepted for any faults, defects or changes subsequently arising or not discovered at the time of the survey due to inaccessibility or any other reason.

No guarantee or safeguard against faulty design or latent defects is expressly stated or implied nor is any guarantee given that the vessel is suitable for any particular purpose.

Nor does this Report guarantee that either the boat herself or any part of her structure or equipment was of merchantable quality of fit for the purpose intended.

We shall not be liable in respect of any breach of our obligations for any loss, damage, delay or expense of whatever nature whether direct or indirect (including but not limited to loss of profit and loss of use) and howsoever arising or resulting whether directly or indirectly in the course of or as a result of the provision of our services, under these terms or otherwise, (of which written notification shall not have been given within 14 days of the date on which the Client ought reasonably to have become aware of the existence of such breach, or resulting from unforeseeable causes beyond our reasonable control;

The client covenants with us and our servants and agents that no such servant or agent shall in any circumstances whatsoever be under any liability for any loss arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing, every exemption, limitation and condition herein contained and every right, exemption and limitation of liability applicable to us or to which we are entitled hereunder shall also be available to protect every such servant or agent acting as aforesaid and for the purpose of the foregoing provisions we are or shall be deemed to be acting as agents or trustees on behalf of and for the benefit of all persons who are or might be our servants or agents from time to time and all such persons shall to this extent be or be deemed to be parties to these terms under no circumstances shall our liability Our liability shall expire 12 months after completion of the services in respect of which liability is alleged to arise and we shall thereafter have no liability in respect of those services and/or any alleged default in connection with the provision thereof .Under no circumstances shall our liability exceed a total of £187,500.Warranted services are undertaken in accordance with standard trading conditions and acknowledged in writing or by e-mail with each client prior to the survey being covered by our insurers. The instructing party agree to pay any fees and expenses reasonably incurred and charged by the Surveyor and understand that they are responsible for all charges for boat movements, slipping, docking, removals, replacement and reinstatement work arising in preparation for and process of the survey. It is understood and agreed that the surveyor's report will be a factual statement of the visual examination carried out within stated limitations and the opinions and recommendations are given in good faith are limited to those that in the opinion of the surveyor are reasonably necessary and appropriate as far as seen and accessible at the time of survey with due consideration for the age and value of the vessel and the conditions, circumstances, and declared information as existed at the time of the inspection. Parts of the vessel which are covered, unexposed or inaccessible may not be inspected and we are, therefore, unable to report that any such unseen part of the vessel/structure is free from defect. The survey carries with it no guarantee against faulty design or latent defects or suitability of the vessel for any particular purpose, nor any guarantee of compliance with any particular national or international rule, requirement, regulation, law standard or code unless specifically requested as a special instruction on this form and confirmed in the text of the report. Liability for the report is solely to the instructing client and to no other third party unless otherwise specified and agreed. It is further agreed that no liability will arise for any consequential or economic loss, loss of profits, business interruption or loss of use. Machinery, masts, spars, rig, sails, ancillary equipment, gas, electrical, electronics, pumping and plumbing equipment, sewage treatment plant, refrigeration equipment, air conditioning, navigational aids, other sundry services and tankage are inspected only for visual appearance and installation standards without dismantling or specific test. Where a mast is stepped only those parts of the mast and rig up to head height are inspected in detail.

Hull condition is assessed by general non-destructive examination and by assessment of the condition of sample areas where coatings are removed. Where hulls carry heavy layers of paint, pitch or epoxy finishes the condition of all areas of substrate cannot be guaranteed and condition can only be estimated on the basis of evidence gleaned from sample areas scraped clean. The survey does not provide an opinion on the condition of areas not presented visible, for example behind linings, beneath fixed floorings etc. Unless these are accessible through visible portable traps and should not be taken to preclude completely the existence of isolated damage or deterioration concealed by paints, fillers or other means.

The engine and generator installations are inspected visually and (where possible if presented in commission) the engine is run up to assess its general running characteristics, vibration levels etc. No dismantling of the engine or associated equipment is carried out within the scope of a condition survey so no detailed comment upon the internal parts is possible without separate full strip down and mechanical survey.

Electrical, plumbing heating and other services are inspected where visible but not operated unless presented in commission. Electrical wiring is inspected visually (only) in all cases.

The bottled gas installation is inspected visually only and pressure tests are not undertaken within the scope of this survey. All gas systems should be regularly tested as part of a normal preventative maintenance routine and the installation of a bubble leakage tester which permits simple non-invasive regular checks on the integrity of the system is strongly recommended.

Tanks are inspected where visible but not internally and are not pressure tested. Windows, hatches and external doors are not tested for water tightness. Hull fastenings and skin fittings are not withdrawn for inspection.

Particulars such as registration numbers, tonnage, build year and dimensions are normally stated as advised or as exhibited aboard ship and are not authenticated. Dimensions, if checked are measured by means of steel tape measures and should not be relied upon as to total accuracy. This survey does not seek to establish that clear title to the vessel exists or that it is being offered for sale free of debts and encumbrances.

Unless specifically instructed to the contrary, the inspection, and any comments made relative to the design, performance or stability of the vessel, are based on the assumption that the vessel will be used as a private pleasure boat in the waters for which it was designed.

This survey contract shall be governed by construed in accordance with English law. Any dispute arising hereunder shall be submitted to the exclusive jurisdiction of the courts of England and Wales. No responsibility is accepted for any consequential losses arising, including but not limited to loss of profits, loss of use or business interruption.

f. The Recreational Craft Directive.

The survey did not include an assessment of compliance with the requirements of any particular national or international Authority.

g. 'Seaworthiness'.

This term has never been defined in English law and we specifically draw your attention to the fact that, legally, in addition to the structural and mechanical items reported on herein, the term 'seaworthy' also encompasses a number of items clearly outside the scope of a general condition survey and, therefore, not within the purview of the Surveyor and it is solely the Owner's responsibility to warrant such other 'seaworthiness items' to any Insurance Underwriter as required by the Terms and Conditions of the Insurance Contract under the 1906 Marine Insurance Act.

The same comments apply to this vessel which is described in this Report as canal or river worthy.

h. Ownership.

No guarantee or warranty is given or implied by this Report regarding the legal ownership or right to sell the vessel or that there are no outstanding mortgages, debts, charges or maritime liens against her. It is solely the addressee's responsibility to check these points to his/her own satisfaction.

Any communication required to be given under these terms by either party shall be in writing and shall be sufficiently given either by letter, fax or electronic mail (provided the same is capable of being recorded by the recipient in durable form) sent to the other at the contact details previously such information to third parties without the prior written authority of the other notified and any such notice shall be deemed to have been given at the time at which it would in the ordinary course of transmission have been received.

Both parties undertake to maintain the confidentiality of all information supplied by each other and not to divulge.

Yours faithfully,

Signed

Colin Mallard South Dip. Mar. Sur, M.I.I.M.S.