

The following information has been provided to help vessel owners prepare for a marine survey, whether for purchase/sale or for insurance purposes.

### How To Prepare

#### ***Removal of Gear from Cabin/Cockpit/Storage Lockers***

On all marine surveys, non-essential gear (including clothing, sports equipment, bicycles, storage bins, lawn chairs, large quantities of food or liquor, bags of sails, booms and other large rigging components) should be removed from the vessel's cabin or cockpit to ensure free access for the surveyor to inspect all compartments.

*Required safety gear should remain onboard or with the vessel for inspection.*

Pre-purchase surveys - safety equipment not present for pre-purchase surveys will be identified as absent and non-compliant as if the vessel were ready to embark on a voyage, even in cases where the vessel is being stored in winter lay-up. The reason behind this approach is to ensure the prospective purchaser is clearly aware of any and all deficiencies needing attention prior to making a purchasing decision.

Insurance surveys – safety gear not present for insurance surveys will be identified as absent and may be noted as a watch item, especially in situations where gear may have been removed from the vessel for winter storage.

For all survey types, additional equipment, such as dinghy's, auxiliary outboard motors, trailers, cradles, and other equipment that may add value to the vessel, should be present if these items are to be included in the inspection and appraisal.

#### ***Electrical Power***

On all marine surveys, critical safety equipment (such as bilge pumps and navigation lights) is routinely tested during all marine surveys, where power is available to do so. For insurance surveys, electrical power is not a requirement because systems such as heating and cooling systems, complex navigation systems and entertainment electronics are not tested as part of an insurance survey.

During pre-purchase surveys, every reasonable effort is made to test all onboard systems. It is requested that batteries are fully charged and connected, and that shore power be provided to the vessel prior to the surveyor's arrival.

### What To Expect

#### ***Structural Inspection***

The vessel structure is evaluated using only non-invasive tests, such as percussive soundings and external moisture readings. Compartments are opened up where readily accessible (without the use of tools), and in some cases where fasteners are easily removed for inspection (such as electrical panels or fuel system inspection plates). Extensive disassembly or destructive testing is not undertaken as part of a marine survey.

#### ***Vessel Appraisal***

All marine surveys include a valuation, or appraisal, of the vessel's fair market value. The value may not reflect extreme fluctuations in value caused by unusual market conditions.

The value is established based on several factors, including what is currently advertised for sale, what has been sold in the North American market within the past few years, and valuation services that the insurance industry uses as a

guide for valuation. Consideration is given to the vessel's condition and equipment, including propulsion, navigation systems, and additional equipment.

### ***The Day of Inspection***

Depending on the size of the vessel, complexity of onboard systems, and the number of findings (deficiencies), a vessel may take anywhere from two hours (in the case of a small runabout) to a full day (in the case of larger yachts upwards of 40' in length). Reports are typically generated within 48 hours of completion of the inspection.

It is helpful if the surveyor is left alone to inspect the vessel. The best time for questions is either prior to, or after, the physical inspection. Discussions and interruptions during the inspection can distract the surveyor and slow the process considerably.

### ***Sea Trial***

A sea trial provides an opportunity for the surveyor to evaluate the vessel while underway. A sea trial is usually performed as part of a pre-purchase survey. The surveyor's role at sea trial is inspection only. The surveyor should not be expected to captain the vessel, operate the vessel (except in case of emergency), or participate as a working member of the crew. The surveyor will make certain operational requests of the captain during the sea trial, as a part of the inspection process. Such requests should only be executed where the captain deems it safe to do so.

A captain should be selected well in advance of the sea trial. The vessel is often captained by the current owner of the vessel, or by the yacht broker or another designate in his/her absence.

The surveyor will supply his/her own personal flotation device and personal protective equipment for the sea trial. A review of safety gear for other crew members and guests should be undertaken by the captain prior to departure.

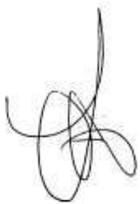
Inclement weather may require re-scheduling or cancellation of the sea trial, at the discretion of the surveyor or the captain.

### ***Other Considerations***

Deficiencies identified in the Marine Survey Report are based on the knowledge & experience of the Marine Surveyor, along with accessibility at the time of the physical inspection. Lewis Martin & Associates Ltd. (Marine Surveys Canada) shall not, under any circumstances, be held liable for deficiencies not identified due to limited access, as a result of either vessel design or equipment installed on or in the vessel after manufacture.

Lewis Martin & Associates Ltd. (Marine Surveys Canada) will not, under any circumstances, divulge information to a third party without the written consent of our client.

Signed,



Timothy J.S. Martin  
Director, Eastern Operations



Tyler Lewis  
Director, Western Operations