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MARINE SURVEY AGREEMENT

Under this contract the consultant will perform a marine survey for the sole use of the Customer or client listed in the report and for the vessel listed below, to provide an objective opinion of the vessels general condition & value. The consultant works solely for the customer requesting the survey, who may be the buyer, seller, broker, agent or insurance underwriter. The survey will include a comprehensive visual evaluation of the vessel utilizing the mandatory standards of the U.S. Coast Guard (USCG) found in Titles 33 and 46 of the Code of Federal Regulations (CFR), and the Voluntary Standards and Recommended Practices developed by the American Boat and Yacht Council (ABYC) and the National Fire Protection Association (NFPA). The report may not be re-sold or relied upon by anyone other than the person listed as client or customer in the report.

Scope of Survey: The purpose of a Marine Survey is to provide the customer information with which to make an “educated” evaluation about the condition and value of the vessel. Consultant’s survey inspection is to gather facts to provide a professional opinion of the vessel’s structure, systems, cosmetics, levels of compliance with currently applicable mandatory and voluntary standards, and common practices, to the extent possible within limitations of visual and physical accessibility using non-invasive / non-destructive means. Electronic and electrical equipment, wiring, connections, and systems’ installments will be externally inspected and/or tested by attempting to power up and observe apparent function, if requested. Unless a test-run (sea trial) is requested, operation of propulsion engine(s) and steering system is observed in static mode and only if vessel is afloat. If vessel is dry-docked and/or winterized, no machinery or winterized systems will be operated. The bottom of the vessel should be inspected, but customer will be responsible for arranging haul out prior to the survey. If customer desires engine testing and sea trial, customer must request in writing and pay additional fees, and the owner and/or its captain must pilot the vessel. Be aware that anything the surveyor tells you verbally during the survey is subject to change. The consultant’s report may confirm or reject claims by other parties about the vessel which consultant is informed.

Survey Report: A written survey report will provide a comprehensive evaluation of the vessel and a list of findings and recommendations for corrections and faults. Recommendations are divided into three categories:

“A. Regulatory Deficiencies” – Per Federal Regulation, State Statute, or other legal requirement as cited.

“B. Standards Minimum Safety Recommendations” – These items appear to be incongruent with recognized standards of care, quality control during manufacturing or standards set forth by ABYC, NFPA or other as cited herein.

“C. Surveyor’s Notes and Observations” – Unless specifically stated, we know of no published standard or requirement governing the deficient item listed; however we suggest the item be addressed based upon good practice and/or maintenance..

Conditions: Consultant must have unimpeded access to the vessel for the entire day. Generally survey is done within (15) business days. Customer owning vessel may be present at the survey to open any locks and provide a complete Boarding Agreement. While the customer (and Owner, if different) are welcome to attend survey, please DO NOT invite others to attend. This is necessary to allow consultant to inspect, and to minimize risk of injury. Consultant is not responsible for moving or unloading items on vessel, so the survey report will reflect that such areas are loaded and could not be inspected.

Statement of Limitations: The field of marine survey is not an exact science. The survey report represents a statement of consultant's professional findings and opinions only, in the reasonable exercise of his or her professional judgment based on his or her experience and the totality of information available. Customer is cautioned that this is a limited report representing a limited inspection by visual means and soundings. Inspection of areas normally concealed, areas requiring disassembly of the vessel, removal of components or parts, or the operation of equipment is not included unless otherwise agreed upon in writing. Destructive testing, cost estimating, calculations of moisture content, prognosis for osmotic blistering and determining the extent of corrosion or decay are beyond the scope of this survey. Additional investigation by specialized examiners, destructive evaluation, etc., may be required in order to fully evaluate the internal and hidden components that make up the vessel. It is neither practical nor cost effective to locate and list every observable cosmetic deficiency. Certain parts of the hull and structure, equipment, auxiliaries, piping, tanks, systems and machinery that would require access with tools or by removing decking, bulkheads, headliners, tanks or other destructive methods, will not be inspected. If dirt, marine growth, coatings buildup, rust or corrosion obscures consultant's ability to inspect, a notation will be made in the report. Conditions indicated through electronic sensing equipment may require invasive testing for confirmation. No mechanical tests are performed nor are fluid samples drawn on propulsion or auxiliary generating machinery unless expressed in writing. Only the installation and external condition of machinery and accessories are visually inspected. If the customer desires a partial or complete mechanical inspection of engine(s) and/or generator(s), this should be expressed in writing in order to arrange for the appropriate mechanical technician to be present if the skill is in excess of the consultant. A vessel's component parts and systems have a limited "useful life" that can vary widely based upon original material specifications, fabrication and manufacturing techniques, atmospheric exposures, history of use, etc. It is not possible, with an external inspection, to guarantee the discovery of hidden flaws. These systems and component parts often give no visually detectable indication of deterioration or impending failure. Thus, consultant does not warranty the vessel, nor any of its internal components. The survey consultant retains the right (but not the obligation) to revise its report if additional information is discovered that may materially affect the findings and opinions. The consultant will include a market analysis, and may be considered a fair assessment of a Market Value.

Dispute Resolution Clause: Disputes arising from this contract shall be adjudicated exclusively in arbitration or mediation, and all parties waive any rights to jury trial. By signing this contract the customer understands the statement of limitations listed above and that the consultant's fees for services represent the monetary extent of liability in any judgment.

CONSULTANT DISCLAIMS ANY AND ALL PROMISES, REPRESENTATIONS AND WARRANTIES, EXCEPT AS EXPRESSLY SET FORTH IN THIS LIMITED WARRANTY, WITH RESPECT TO ANY VESSELS INSPECTED AND ANY SERVICES AND REPORTS FURNISHED, INCLUDING WITHOUT LIMITATION THE CONDITION, THE CONFORMITY TO ANY REPRESENTATION OR DESCRIPTION OR PROCEDURAL STANDARDS, AND THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. NEITHER CONSULTANT NOR ANY OF ITS AFFILIATES, PRINCIPLES, EMPLOYEES, OFFICERS, AGENTS OR REPRESENTATIVES, EXPRESS ANY OPINION AS TO THE SEAWORTHINESS OF ANY VESSEL SURVEYED OR THE OPERATING CONDITION OF THE ENGINE OR ANY ELECTRICAL OR MECHANICAL SYSTEMS PRESENT ON OR ABSENT FROM SAID VESSEL.

CONSULTANT SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES WHETHER FORESEEABLE OR NOT, WHETHER ARISING OUT OF THE BREACH OF ANY EXPRESS OR IMPLIED WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, MISREPRESENTATION, STRICT LIABILITY IN TORT OR OTHERWISE OR BASED ON ANY SERVICES PROVIDED, NOR ANY USE OR INABILITY TO USE THE RESULTS REPORTED OR ANY TRANSACTION UNDERTAKEN OR FOREGONE IN RELIANCE UPON SUCH RESULTS, NOTWITHSTANDING THAT WE MAY HAVE BEEN ADVISED OR AWARE OF THE INTENDED USE OF THE SURVEY OR SURVEY RESULTS OR THE POSSIBILITY OF SUCH DAMAGES. THE AGGREGATE LIABILITY FOR ALL DAMAGES AND CLAIMS ASSERTED BY CUSTOMER, REGARDLESS OF HOW ASSERTED, SHALL IN NO EVENT EXCEED THE TOTAL OF ALL PROFESSIONAL FEES PAID WITH RESPECT TO THE SURVEY AND SERVICES PERFORMED WHICH ARE THE SUBJECT OF SUCH CLAIM. OUR SERVICES AND REPORT, AND THIS LIMITED WARRANTY, ARE OFFERED SOLELY FOR CUSTOMERS BENEFIT AND MAY NOT BE RELIED UPON OR USED BY ANY OTHER PERSON OR ENTITY WITHOUT OUR ADVANCE WRITTEN CONSENT.

TYPES OF SURVEY

Appraisal Inspection: This type of inspection is performed on or off-site and is designed to gather sufficient information to ascertain a vessel's estimated Fair Market Value.

General Condition & Value: This survey inspection is required by most insurance underwriters and designed to gather sufficient information regarding a vessel's overall condition. Through visual inspection a vessel's structural integrity is ascertained through examination of the laminate and framing for moisture content and/or delamination. Visual examination of the vessel's systems identifies their condition, conformity to current Federal Regulations and/or voluntary safety standards. With this information the consultant can reach an opinion of value through the application of approved methods, such as current book listings, comparable sale listings and prior sold boats. Note: This survey can be performed in or out of water; however an in water survey inhibits and/or prevents the ability to examine areas below the waterline.

Pre-Purchase Survey: This is the most comprehensive survey, designed to ascertain as much information as possible without destructive testing so the potential purchaser can make an educated decision regarding a particular vessel. This examination includes in and out of water examination of the entire hull through visual inspection, mechanical sounding and moisture measurements / examination and testing of all systems / comprehensive electrical systems testing and sea trial, followed by a comprehensive written report and valuation. Note: The fee's for haul out and launch along with captain fees are the responsibility of the requesting party.

FEE: Consultants fee is based upon \$90 per hour. A non-refundable retainer and/or payment as quoted is required prior to examination. The fee will include any non-destructive testing such as sounding the laminate with a hammer or testing moisture with a meter, plus travel and other expenses. Engine mechanical, electrical, sea trial and oil testing are available for an additional charge. These charges can be greatly minimized through preparation prior to my arrival, such as haul out, blocking, pilot, etc. **NOTE: Refund due to cancellation or other is at the sole discretion of R.L. Smith & Associates and typically requires a minimum of 72 hour notice from scheduled survey date.**

The terms as listed above are hereby understood and agreed.

By signing below, the customer authorizes R. L. Smith & Associates, LLC. To perform the services and to issue a written report in accordance with the terms, conditions, limitations and exclusions set forth in this contract.

Date: _____

Customer name (print): _____

Customer signature: _____

Address: _____

Phone: (H) ____ - _____ (W) ____ - _____ (M) ____ - _____

E-mail: _____

Mark one (1) box below to indicate your relationship to the vessel:

Owner Buyer Broker Agent Insurance Underwriter Other

[Note: If customer is not the owner, you must have the owner sign below]

TYPE OF SURVEY REQUESTED:

Appraisal General Condition & Value Pre-Purchase

SURVEY REPORT WILL BE SENT UPON COMPLETION AND RECEIPT OF PAYMENT FOR SERVICES.

Send survey report to: E-mail Address Fax

Vessel to be surveyed:

Name: _____

Make: _____

Model: _____

Year: _____

Location of Vessel: _____

Phone number and name of contacts (if required): _____

Dead line of survey: _____

Do you require additional services?

FEE Quoted & Forwarded:

BOARDING AGREEMENT OF OWNER

Owner's consent: The undersigned owner of the vessel listed below authorizes R. L. Smith & Associates to board the vessel to conduct survey/inspection by non-destructive means, photographing and probing, and agrees consultant shall be responsible only to leave the vessel in substantially the same condition as existed at the commencement of our examination, and is not responsible for damage that reveals itself as a result of the inspection (e.g., rust, rot, stripping, short-circuits)

Owner's name (print): _____

Owner's signature: _____

Date: _____

Keys if necessary will be provided at: _____

Additional information: