

SCOPE AND TERMS & CONDITONS

PLEASE READ

AT THE REQUEST OF: _____, THIS SURVEYOR PERFORMED A: _____, SURVEY ON THE: _____ .
THE VESSEL WAS INSPECTED IN AND OUT OF THE WATER ON: _____ .

THIS REPORT REPRESENTS THE OPINION OF THE UNDERSIGNED MARINE SURVEYOR BASED ON A VISUAL, NON DESTRUCTIVE AND NON INTRUSIVE INSPECTION OF ALL READILY ACCESSIBLE PORTIONS OF THE VESSEL'S STRUCTURE AND EQUIPMENT. ALL MEASUREMENTS WERE TAKEN FROM THE MANUFACTURERS LITERATURE, PLATES ABOARD THE VESSEL, OR RECOGNIZED REFERENCE MATERIAL. NO ACTUAL MEASUREMENTS WERE TAKEN.

- 1). ON BOARD SYSTEMS MAY BE STARTED BUT NO TESTING UNDER CONTINUOUS LOADS IS CONDUCTED.
- 2). EXTRA EQUIPMENT AND INVENTORY IS NOTED, BUT NO ATTEMPT IS MADE TO LIST ALL THE VESSEL'S SPARE PARTS OR PERSONAL INVENTORY.
- 3). IF SAFETY EQUIPMENT IS NOT STORED CORRECTLY OR NOT READILY AVAILABLE, IT WILL BE DEEMED NOT ON BOARD THE VESSEL.
- 4). REFERENCES TO MOISTURE READINGS WERE TAKEN WITH EITHER OR BOTH THE " ELECTROPHYSICS " OR THE " SOVERIGN MOISTURE MASTER " MOISTURE METERS. WHEN VESSELS HAVE BEEN RECENTLY HAULED, MOISTURE READINGS CANNOT BE CONSIDERED RELIABLE. THE ONLY ACCURATE METHOD TO DETERMINE MOISTURE CONTENT AND LAMINATE CONDITION IS TO OBTAIN A " LAMINATE PEEL " WHERE EACH INDIVIDUAL LAMINATE IS EXPOSED AND THE MOISTURE CONTENT MEASURED. THIS IS NOT CONDUCTED DURING A TYPICAL SURVEY.
- 5). THIS SURVEY SHOULD NOT BE CONSIDERED TO CONTAIN AN EVALUATION OF THE CONDITION OF THE INDIVIDUAL FIBERGLASS LAMINATES. INVASIVE INSPECTION BY EITHER A CORE SAMPLE OR " LAMINATE PEEL " IS THE ONLY MEANS OF ACCURATELY DETERMINING THE CONDITION OF THE LAY UP.
- 6). REINFORCED PLASTICS ARE KNOWN TO BE UNSTABLE. IT SHOULD STATE THAT THE SURVEYOR IS NOT ABLE TO DETERMINE THE NATURE OF THE PLASTICS AND REINFORCEMENTS OF WHICH THE HULL IS MADE, AND THEREFORE HE CANNOT GUARANTEE THE STABILITY OR THE PERFORMANCE OF THE LAMINATE. IT SHOULD BE CLEARLY STATED THAT WARRANTIES OF THE HULL ARE PROVIDED BY THE BUILDER ONLY, AND THAT IF THERE ARE ANY QUESTIONS ABOUT EXISTING WARRANTIES, THE MANUFACTURER SHOULD BE CONSULTED. IT SHOULD GO ON TO STATE THAT THE SURVEYOR HAS MADE EVERY EFFORT TO DETERMINE THE PRESENCE OF BLISTERS SHORT OF DESTRUCTIVE TESTING, AND THAT BLISTERS WERE, OR WERE NOT FOUND. THIS, HOWEVER, DOES NOT MEAN THAT BLISTERS WON'T DEVELOP AT A LATER DATE. IT SHOULD BE MADE CLEAR THAT CHANGING CONDITIONS MAY RESULT IN THE SUDDEN APPEARANCE OF BLISTERS WHERE PREVIOUSLY THERE WERE NONE. FINALLY, ONE SHOULD POINT OUT THAT LATENT BLISTERS, OR BLISTERS IN THE VERY EARLY STAGES OF FORMATION, OR BLISTERS WHICH ARE DEPRESSURIZED AND DEFLATED MAY ALSO EXIST, AND WHICH ARE NOT DETECTABLE BY ANY MEANS AVAILABLE TO THE SURVEYOR.
- 7). NO ATTEMPT HAS BEEN MADE TO LIST ALL SCRATCHES, SCRAPES AND BLEMISHES THAT CAN BE CONSIDERED NORMAL WEAR AND TEAR.
- 8). THIS SURVEY SHOULD NOT BE CONSIDERED TO CONTAIN AN EVALUATION OF THE INTERNAL CONDITION OR RELIABILITY OF THE ENGINES AND TRANSMISSIONS. IT IS ALWAYS RECOMMENDED THAT THE ENGINES BE SURVEYED BY A QUALIFIED ENGINE SURVEYOR. SHAFTING IS NOT REMOVED FOR INSPECTION.
- 9). THE FUEL, WATER AND HOLDING TANKS WERE VISUALLY INSPECTED ONLY. NO HYDRO OR PRESSURE TESTING WAS CONDUCTED. TANKS WERE NOT FILLED TO CAPACITY.
- 10). SHAFTING IS NOT REMOVED FOR INSPECTION AND ELECTRICAL PANEL BOARDS WERE NOT OPENED UNLESS NOTED.

THE FOLLOWING ARE USED AS REFERENCE WHEN CONDUCTING THE SURVEY:

- A). MANDATORY STANDARDS PROMULGATED BY THE UNITED STATES COAST GUARD (USCG) UNDER THE AUTHORITY OF TITLE 33 AND 46, CODE OF FEDERAL REGULATIONS (CFR).
- B). VOLUNTARY STANDARDS AND RECOMMENDED PRACTICES DEVELOPED BY THE AMERICAN BOAT AND YACHT COUNCIL (A.B.Y.C.).
- C). THE NATIONAL FIRE PROTECTION ASSOCIATION (N.F.P.A.).

THE "GENERAL REMARKS" SECTION CONTAINS THE OPINIONS AND OBSERVATIONS OF THIS SURVEYOR DRAWN FROM EXPERIENCE AND TRAINING AS APPLIED TO THE VESSEL'S INTENDED USE, ASSUMING A COMPETENT CREW AND A ROUTINE MAINTENANCE SCHEDULE. THE WORD " APPEARS " INDICATES THAT A CLOSE INSPECTION OF A PARTICULAR SYSTEM, COMPONENT OR ITEM WAS NOT POSSIBLE DUE TO CONSTRAINTS IMPOSED UPON THE SURVEYOR AT THE TIME OF SURVEY. THE WORD " SERVICEABLE " INDICATES SUFFICIENT FOR A SPECIFIC PURPOSE. THE REPORT IS ISSUED SOLELY FOR THE USE OF THE PERSON OR ENTITY FOR WHOM THE SURVEY WAS PERFORMED AND ANY TRANSFER, CHANGES OR SUPPLEMENTS ARE NOT VALID UNLESS AUTHORIZED BY THE UNDERSIGNED SURVEYOR.

TERMS & CONDITIONS

SURVEYOR AGREES TO UNDERTAKE THE WORK REQUESTED BY CUSTOMER ONLY ON THE FOLLOWING STATED TERMS AND CONDITIONS, WHICH SHALL APPLY TO ALL WORK DONE BY SURVEYOR PURSUANT TO THE SURVEY AUTHORIZATION AND ALL REPORTS RELATING TO SUCH WORK. IN THE ABSENCE OF AN EXECUTED SURVEY AUTHORIZATION, USE OR ACCEPTANCE OF RECEIPT OF THIS REPORT CONSTITUTES ACCEPTANCE OF THE FOLLOWING TERMS AND CONDITIONS:

1. ADDITIONAL SERVICES: ANY ADDITIONAL WORK REQUESTED OR AUTHORIZED BY THE CUSTOMER, EITHER VERBALLY OR IN WRITING SHALL BE SUBJECT TO THESE TERMS AND CONDITIONS AND THE TERMS AND CONDITIONS OF THE SURVEY AUTHORIZATION. ANY WORK UNDERTAKEN PRIOR TO THE EXECUTION OF THE SURVEY AUTHORIZATION, BUT RELATING TO THE WORK REQUESTED, SHALL BE SUBJECT TO THESE TERMS AND

CONDITIONS OR THE TERMS AND CONDITIONS OF THE SURVEY AUTHORIZATION. IN ADDITION TO THE FEES SET FORTH ON THE FIRST PAGE OF THE SURVEY AUTHORIZATION, CUSTOMER SHALL PAY SURVEYOR FOR ALL ADDITIONAL WORK PERFORMED BEYOND THAT WORK INITIALLY REQUESTED, AT SURVEYOR'S NORMAL SERVICE CHARGE.

2. PAYMENT AND INTEREST: PAYMENT OF THE FEES FOR THE WORK REQUESTED AND PERFORMED AND FOR THE ADDITIONAL SERVICES, SHALL BE DUE UPON DEMAND BY THE SURVEYOR OR, IF NO DEMAND IS MADE, WITHIN 30 DAYS OF THE DATE THE LAST WORK WAS PERFORMED BY THE SURVEYOR. UNPAID FEES SHALL BEAR INTEREST AT THE RATE OF 1 1/2% PER MONTH FROM THE DATE DUE UNTIL PAID.

3. LIEN: CUSTOMER GRANTS SURVEYOR A LIEN (INCLUDING A MARITIME LIEN) ON THE VESSEL, ITS APPURTENANCES AND IMPROVEMENTS, UNTIL THE FEES AND EXPENSES FOR THE REQUESTED SERVICES HAVE BEEN FULLY PAID. SURVEYOR SHALL HAVE AND RETAIN ALL OTHER LEGAL RIGHTS AND REMEDIES BOTH STATE AND FEDERAL, UNTIL ALL FEES AND EXPENSES HAVE BEEN PAID. VESSEL OWNER, AND THE AUTHORIZED PERSON DIRECTLY CONTRACTING SURVEYOR FOR THIS WORK, REMAIN JOINTLY AND SEVERALLY RESPONSIBLE FOR ALL FEES AND EXPENSES UNTIL FULLY PAID. THE PERSON SIGNING THE SURVEY AUTHORIZATION OR ACCEPTING RECEIPT OF THE FINISHED REPORT WARRANTS THAT HE/SHE HAS AUTHORITY TO ENTER INTO THIS AGREEMENT.

4. TERMINATION: CUSTOMER MAY TERMINATE THE CONTRACT UPON GIVING WRITTEN NOTICE TO SURVEYOR. CUSTOMER SHALL PAY SURVEYOR FOR ALL WORK PERFORMED, AT SURVEYOR'S NORMAL CHARGE, AND FOR ALL EXPENSES INCURRED IN PREPARATION OF PERFORMANCE OF THE CONTRACT.

5. OPINIONS: ANY STATEMENT OR OPINIONS OF SURVEYOR CONTAINED IN ANY ORAL OR WRITTEN REPORT PROVIDED BY THE SURVEYOR, IN CONNECTION WITH THE WORK REQUESTED, CONSISTS OF SURVEYOR'S BEST PROFESSIONAL JUDGMENT. SUCH STATEMENTS OR OPINIONS ARE NOT TO BE CONSTRUED OR CONSIDERED AS REPRESENTATIONS, WARRANTIES, OR GUARANTEES REGARDING THE WORK REQUESTED. SURVEYOR HAS NO EXPERTISE REGARDING INSURANCE COVERAGE OR POLICY TERMS OR CONDITIONS. ORAL OR WRITTEN STATEMENTS MADE BY SURVEYOR ARE NOT TO BE CONSTRUED OR CONSIDERED AS IN ANY WAY BEARING ON INSURANCE COVERAGE. THE SURVEYOR HAS NO PRESENT OR PROSPECTIVE INTEREST IN THE SUBJECT VESSEL AND HAS NO PERSONAL INTEREST OR BIAS WITH RESPECT TO THE PARTIES INVOLVED.

6. BEST EFFORTS: SURVEYOR WILL USE HIS BEST EFFORTS TO PERFORM THE WORK REQUESTED AND TO COMMENCE SAID SERVICES ON THE DATES SPECIFIED. THE WORK REQUESTED WILL BE PERFORMED WITH DUE DILIGENCE, HOWEVER, SURVEYOR MAKES NO PROMISE OR REPRESENTATION AS TO WHEN THE WORK WILL BE COMPLETED.

7. LIMITED LIABILITY: SURVEYOR SHALL NOT BE LIABLE TO CUSTOMER FOR ANY CLAIM, LOSS, COST, PENALTY, OR DAMAGE OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF, IN CONNECTION WITH, OR INCIDENT TO, THE WORK REQUESTED, EXCEPT THAT CAUSED BY THE DIRECT SOLE NEGLIGENCE OF SURVEYOR. SURVEYOR SHALL NOT BE LIABLE TO CUSTOMER EXCEPT ON THE

LIMITED LIABILITY BASIS IDENTIFIED IN THIS PARAGRAPH. SURVEYOR SHALL SPECIFICALLY NOT BE LIABLE FOR INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, NOR FOR THE LOSS OF USE, LOSS OF PROFITS/EARNINGS, CREW WAGES/SHARES, SALVAGE, TUG EXPENSES, DEMURRAGE, LOSS OF TIME, LOSS OF FREIGHT, LOSS OF CHARTER AND/OR SIMILAR OR SUBSTITUTED EXPENSES. IN ADDITION, SURVEYOR SHALL NOT BE LIABLE FOR BREACH OF WARRANTY OR WORKMANLIKE SERVICE, STRICT AND OR PRODUCTS LIABILITY, LIABILITY FOR BREACH OF WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SURVEYOR WILL NOT BE RESPONSIBLE FOR ANY ERRORS OR OMISSIONS CONTAINED WITHIN THIS REPORT. IT SHOULD ALSO BE NOTED THAT NO VESSEL CAN BE DEEMED SEAWORTHY UNLESS MANNED BY A COMPETENT CREW. IT IS UNDERSTOOD BY

CUSTOMER THAT SURVEYOR CHARGES AND SERVICES ARE BASED ON THIS LIMITED LIABILITY UNDERTAKING.

8. **INDEMNITY:** SURVEYOR DOES NOT AGREE TO BE LIABLE FOR CLAIMS FROM THIRD PARTIES. ACCORDINGLY, CUSTOMER AGREES TO INDEMNIFY AND HOLD HARMLESS SURVEYOR, HIS OFFICERS, AGENTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL SUITS, CLAIMS, ACTIONS, LOSSES, COSTS, PENALTIES, AND DAMAGES OF ANY KIND OR NATURE, INCLUDING ATTORNEY'S FEES ARISING OUT OF, IN CONNECTION WITH, OR INCIDENT TO, THE WORK REQUESTED, EXCEPT THAT CAUSED BY THE SOLE NEGLIGENCE OF THE SURVEYOR. THIS INDEMNIFICATION OBLIGATION SHALL INCLUDE, BUT NOT BE LIMITED TO ALL CLAIMS AGAINST SURVEYOR BY AN EMPLOYEE OR FORMER EMPLOYEE OF THE CUSTOMER. IN ADDITION, AND TO THE EXTENT PERMITTED BY LAW, CUSTOMER WAIVES ALL IMMUNITY AND LIMITATION OF LIABILITY UNDER ANY INDUSTRIAL INSURANCE ACTS, OTHER HARBOR WORKER'S COMPENSATION ACTS (SUCH AS THE LONGSHOREMEN'S AND HARBORWORKER'S COMPENSATION ACT AND THE JONES ACT), DISABILITY ACTS, OR OTHER EMPLOYEE BENEFIT ACTS OF ANY JURISDICTION WHICH WOULD OTHERWISE BE APPLICABLE IN THE CASE OF SUCH A CLAIM.

9. **ADDITIONAL LIABILITY:** SURVEYOR AGREES TO ASSUME ADDITIONAL LIABILITIES IF REQUESTED BY CUSTOMER AND IF WRITTEN AGREEMENT SETTING FORTH LIABILITIES IS SIGNED BY BOTH SURVEYOR AND CUSTOMER BEFORE WORK IS UNDERTAKEN. ANY SUCH AGREEMENT WILL NOT BE BASED UPON SURVEYOR'S CURRENT CHARGES, BUT SHALL BE BASED UPON CHARGES SET FORTH IN THAT ADDITIONAL AGREEMENT. IF WORK IS BEGUN OR UNDERTAKEN BY SURVEYOR WITHOUT SUCH SPECIAL WRITTEN AGREEMENT BEING SIGNED, IT SHALL BE CONCLUSIVELY PRESUMED TO BE UNDERTAKEN SUBJECT TO THESE TERMS AND CONDITIONS OR THOSE OF THE ATTENDANT SURVEY AUTHORIZATION.

10. **NOTICE, CLAIM, TIME LIMITS OR SUIT:** SURVEYOR SHALL NOT BE LIABLE TO CUSTOMER FOR ANY CLAIM FOR DAMAGES OR LOSS, UNLESS NOTICE OF CLAIM THEREOF IS PRESENTED IN WRITING TO THE SURVEYOR WITHIN SIXTY (60) DAYS OF COMPLETION OF THE WORK OF THE SURVEYOR. CUSTOMER MUST ALSO COMMENCE SUIT ON ANY CLAIM OR CONTROVERSY ARISING FROM THE WORK REQUESTED, WITHIN SIX (6) MONTHS FROM COMPLETION OF THE WORK. IF CUSTOMER FAILS TO DO EITHER THEN SURVEYOR IS DISCHARGED FROM ALL LIABILITY TO THE CUSTOMER. IN ANY EVENT, SURVEYOR SHALL NOT BE LIABLE FOR LOSS, COST, PENALTY, OR DAMAGE OF ANY NATURE OR KIND WHATSOEVER ARISING OUT OF, IN CONNECTION WITH, OR INCIDENT TO THE WORK REQUESTED, IN EXCESS OF \$500.00.

11. **ENTIRE AGREEMENT:** THE SURVEY AUTHORIZATION, OR IN ABSENCE OF AN EXECUTED SURVEY AUTHORIZATION, THIS REPORT CONSTITUTES THE COMPLETE AGREEMENT BETWEEN THE SURVEYOR AND THE CUSTOMER, AND MAY NOT BE MODIFIED OR ALTERED EXCEPT BY FURTHER WRITTEN AGREEMENT SIGNED BY BOTH PARTIES. ANY CLAUSE IN THE SURVEY AUTHORIZATION OR REPORT TERMS AND CONDITIONS WHICH IS DEEMED PROHIBITED OR UNENFORCEABLE SHALL BE TREATED AS HAVING BEEN SEVERED AND THE REMAINING PROVISIONS SHALL REMAIN IN FULL FORCE AND EFFECT. THIS REPORT SHALL BE CONSIDERED AS AN ENTIRE DOCUMENT. NO SINGLE SECTION IS MEANT TO BE USED EXCEPT AS PART OF THE WHOLE.

ATTENDING SURVEYOR:

Travis L. Palmer,

SAMS®SA, ABYC, AIMU

A handwritten signature in black ink, appearing to read 'Travis L. Palmer', is centered on a light gray rectangular background.

DATE: _____

CUSTOMER:

NAME PRINTED: _____

ACKNOWLEDGEMENT OF SCOPE & SIGNATURE OF ACCEPTANCE TO PROCEED:
