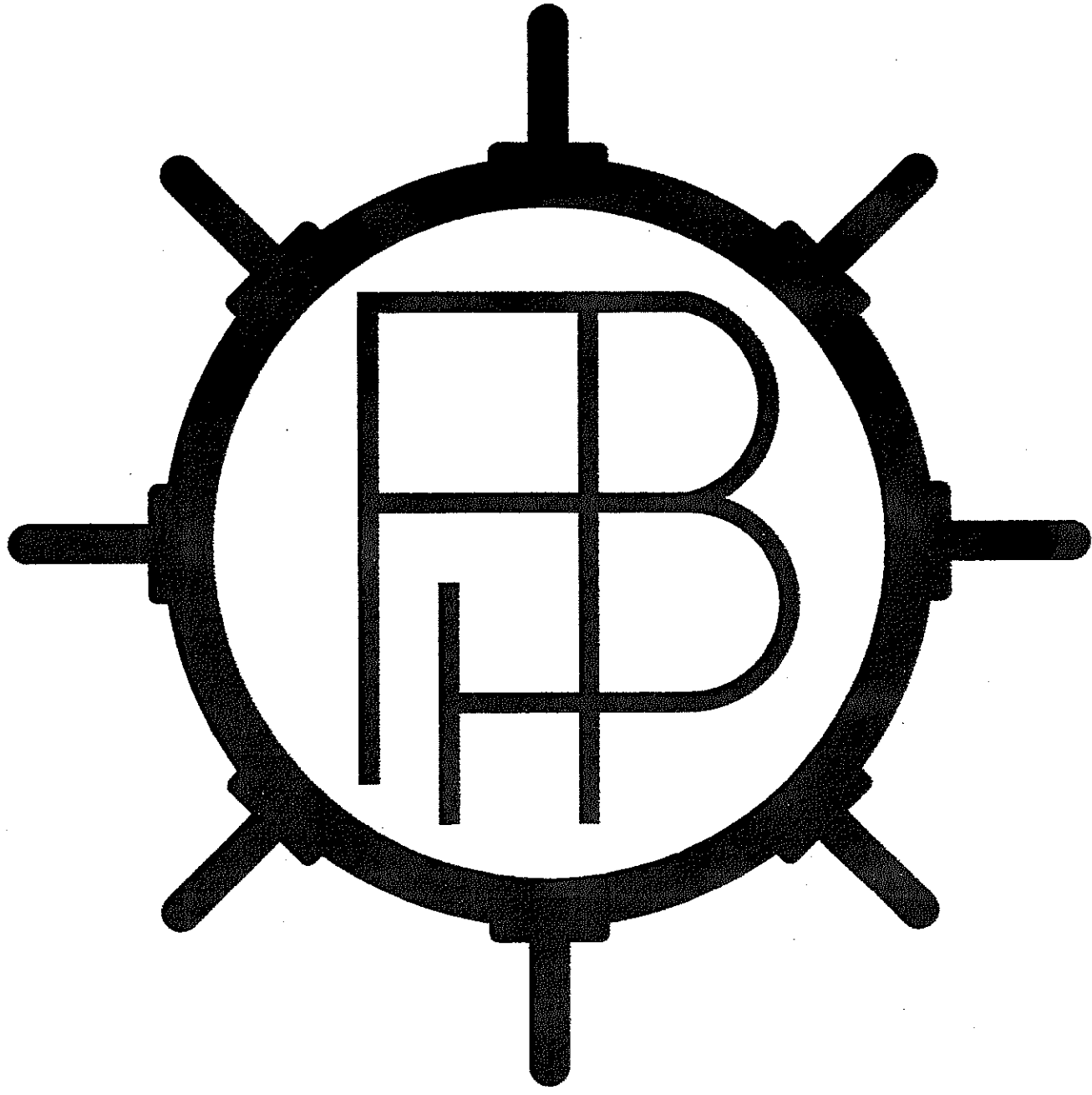


PERRY H. BEEBE & ASSOC.

Marine Surveyors & Consultants

Office (504) 348-1488, Home (985) 845-1488

Damage Surveys, On/Off Charter, General Condition & Valuations, Machinery,
Appraisals, Ultrasonic Testing, Loss Prevention, Cargo, Marine Engineering



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SURVEY REPORT

SUBJECT: Condition and Value Survey
DATE OF SURVEY: 20 May 2014
VESSEL: "M & M 101"
SURVEY REPORT NUMBER: 1450-520
AUTHORIZED BY: Mr. Paul Broussard (on behalf of Mississippi River Bank)
FOR THE ACCOUNT OF: Mississippi River Bank
LOCATION OF VESSEL: Grand Bay, Venice, Louisiana
STATUS OF VESSEL: Jacked up on location
OWNER OF VESSEL: M & M Wireline & Offshore Services LLC.
ATTENDING SURVEY: Perry H. Beebe
Perry H. Beebe & Associates, LLC

DESCRIPTION

TYPE OF VESSEL: Elevator Boat
OFFICIAL NUMBER: 589280
GROSS TONS: 40 Gross Tons
NET TONS: 27 Net Tons
BUILT: 1977
DIMENSIONS: 42.1' x 20' x 5.5' overall 53' x 37' x 5'08"

MARKET VALUE: \$265,500.00

REPLACEMENT: \$890,000.00

On 15 May 2014, the undersigned was requested by Mr. Paul Brossard on behalf of Mississippi River Bank for the purpose of determining the general condition and principal characteristics and against these to then enter an opinion as to the vessel's value and suitability for service, for consideration by Owners and/or whom it may concern.

THIS IS TO CERTIFY that on 20 May 2014, the undersigned marine surveyor did attend subject vessel where same lay jacked up on location, Grand Bay, Venice, Louisiana.

This report is issued subject to the condition that is understood and agreed that neither this office nor any surveyor nor any employee is, under any circumstance, to be held responsible in any way for any error in judgment, default or negligence nor for any inaccuracy, omission, misrepresentation or misstatement in this report, and that the use of this report shall be construed to be an acceptance of the foregoing conditions. All sizes, measurements, capacities, distances, et cetera, mentioned herein are approximate, unless other specified. Portions of the information contained herein were derived from U.S. Coast Guard records and or in-house literature which are believed to be correct but not guaranteed. No determination of structural integrity or inherent stability has been made and no opinion is expressed in that regard. The undersigned attests that every reasonable effort has been expended to examine the present condition of subject vessel and her outfit however, owners should be aware deficiencies may exist in addition to those items detailed in the report. For purpose of record it will be understood that subject vessel was sighted whilst laying jacked up and partly afloat and therefore without sighting bottom, gauging bottom

plate, testing or trying any machinery, condition sea trials or opening up any of those places ordinarily concealed.

CONDITION AND FOUND

For purpose of record it will be understood that subject vessel was sighted whilst jacked up and therefore without condition sea trials or opening up any of those places ordinarily concealed.

Subject vessel is a typical elevator boat built by Sun Contractors and appears to be of original plan, arrangement, layout and scantlings with out any major or significant alterations or repairs noted.

Certification:

Vessel not inspected by any classification society at this time.

USCG Certificate of Documentation, not on board.

VHF marine radio license found current and on board.

Company rules, procedures, safety requirements, reporting procedures, discharging rules, etc. found on board.

General:

Vessel is designed with three (3) ton deck cargo load, 3.08 ton fresh water, 2.62 ton fuel capacity, 1.72 hydraulic oil and 0.5 ton ship stores.

Vessel's hull profile presents a raked bow, square stern with full bodied single chine midship section and cutaway stern.

Vessel is twin screw and fitted with three (3) 45' jacking legs, each operated by two (2) planetary hydraulic units. Units are powered off port and starboard main engines. Legs are constructed with 30" pipe fitted with rack and pinion type drives.

Vessel's hull and superstructure is all welded steel construction.

Vessel's main deck perimeter protected by two tier pipe safety rails 39" high.

Reckoning from forward vessel hull is divided by watertight bulkheads.

Vessel's below main deck compartmentations are as follows:

- bow head log
- void compartment
- oil tight bulkhead
- Engine Room with forward center hydraulic oil storage tank
- oil tight bulkhead
- port/starboard void compartments with port/starboard fuel oil tanks at forward corners
- transom

Deck Fittings:

Four (4) fabricated 4" pipe single bitts with 1" cross at bow and stern corners

One (1) 18" manhole at each void tank.

One (1) hatch way of Engine Room, 3' x 5'

Two (2) Engine Room vents.

Deck fitted with usual manholes, fuel, water and void fill and vent lines.

Four (4) engine exhaust stacks

One (1) suction hose boom.

One (1) core drill pipe at bow centerline.

Port and starboard fuel tanks, way of deck not serviced by fuel fill containment boxes.

Three (3) jacking legs and wells for same.

Hull Construction:

Hull is generally constructed with the following as estimated.

- Deck 3/16"
- Side Plate 3/16"
- Bottom Plate 3/16"

NOTE: Vessel is framed transversely.

- Deck Frames 2 1/2 x 2 1/2 x 3/16" angles on 15" centers
- Bottom Frames 2 1/2 x 2 1/2 x 3/16" angles on 13" centers
- Side Frames 2 1/2 x 2 1/2 x 3/16" angles on 13" centers
- Engine Foundation 3/8" flange plate with 3" x 1/2" engine bed runners
- Truss
 - 6" channel top chord
 - 6" channel bottom chord
 - 6" channel side chord
 - 2 1/2 x 2 1/2 x 3/16" angles (diagonal)
 - 2 1/2 x 2 1/2 x 3/16" angles (vertical)
 - Truss on 5' centers

Deck House:

Reckoning from forward extending aft and from port to starboard. Vessel's superstructure is arranged as follows. Superstructure profile presents a typical single level house with pilothouse forward. Access to pilothouse via two (2) four-dog water tight at port and starboard sides.

Deck house fitted with forward steering and controls console, at port forward corner continuing aft finds port side steel work bench. To opposite port finds galley area with settee across aft end.

At port aft corner finds crew's head. Deck house windows are typical marine type with rubber sealed safety glass way of aft and port and starboard sides.

Whenever possible, description of each item of machinery or equipment will include a general condition symbol based on the following definitions:

- N (new) Item in new condition.
- E (excellent) Some use, but almost new.
- VG (very good) In above average condition low hours or recently overhauled or refurbished.
- G (good) Average condition, standard use and condition.
- F (fair) In below average condition has been used considerable or is older item.
- P (poor) Needs major repairs.
- S (scrap) Scrap value only the appraiser should adjust the value for the cost of removal.

Deck House Equipment and Electronics:

Deckhouse fitted with the following:

- | | |
|---|----|
| Two (2) Morse dual lever engine controls | G |
| Two (2) Morse single lever engine controls | G |
| One (1) Abutrawl type hydraulic steering system | G |
| One (1) set of running and towing lights with mast and USCG approved. | G |
| One (1) 4" Ritchie compass | G |
| One (1) Davis Weather Wizard | VG |
| Two (2) start/stop buttons | G |
| Three (3) hydraulic pressure gauges | G |
| Two (2) main engine gauge panels | G |
| One (1) Ship's bell | G |
| Two (2) VHF antennas | G |
| One (1) Perko search light | G |

One (1) A/C panel	G
One (1) Navi-aid electrical panel (DC)	G
One (1) single trumpet electric horn	G
One (1) VHF marine radio	G
One (1) Motorola company	G
One (1) 12V windshield wiper	G

Galley Equipment:

Galley furnished with the following:

One (1) Toastmaster electric two (2) burner table top range	G
One (1) double stainless steel sink with hot and cold water taps	G
One (1) steel desk with chair	G
One (1) GE microwave	G
One (1) Refrigerator Freezer	VG
One (1) Klurig coffee maker	N
One (1) flat screen TV	VG
Miscellaneous overhead storage cabinets	G

MACHINERY

Main Engines:

Two (2) General Motors Detroit Diesel, model 6V71, 2 cycle, rated at 200 HP each at 1,800 RPM. Engines are 12 VDC start, cooled via enclosed cooler system and fitted with day tanks.

Engines fitted with Racor filter. (Port s/n 174*V172, Stbd. s/n 174*V173) G

Gears:

Two (2) Twin Disc, Model MG 509 reverse reduction gears, 2.5:1 (reported) G

Propellers:

Two (2) 31" x 32" bronze propellers (estimated) G

Generator:

One (1) electric AC generator, 20 kW, driven by Suzuki, four (4) cycle, (4) cylinder, 1,200 RPM.

Generator engine is 12V battery start VG

Pumps:

Two (2) Barnes 1 1/2" electric driven bilge/fire pump G

One (1) Submersible 1 1/2" electrical fire pump G

Two (2) submersible electric driven bilge pumps G

One (1) fresh water pressure set pump with tank, with fractional HP

electric motor G

One (1) Gardner Denver three stage high pressure pump G

All pumps are fitted with typical piping, valves and piping manifolds with electrical service.

Lifting Legs:

Three (3) round pipe legs 30" in diameter with 3/8 wall fitted with cast steel rack gears, six (6) commercial shearing motors and pumps and Braeden, Model P25. Planetary gears. G

Winch:

One (1) Wireline two drum winch hydraulic operated with power pack and typical control console. VG

Crane:

One (1) O.E.C.O. hydraulic crane, pedestal mounted way of starboard side forward end of main deck area. Crane powered by Detroit Diesel, model 353, (3) cylinder, two (2) cycle diesel fitted

with Vickers hydraulic pump. Engine is 12V start and fresh water cooled via enclosed cooling system. Crane boom 50' long, maximum load, 6 tons.

Electrical:

All electrical wiring accessible for inspection noted to be of good marine standards and in good condition at time of inspection. Vessel is fitted with main control panel, breaker panels, motor starters, control switches and interior lighting and deck lighting.

All running/towing lights, typical for type of service, U.S.C.G. approved.

Four (4) 12V heavy duty batteries	VG
Two (2) 12" Engine Room blowers	G
One (1) Rudd hot water heater	VG
One (1) A/C window unit	VG

SAFETY EQUIPMENT

Fire Fighting:

Fire (5) Extinguishers: AII, BIV, BI, Four BII, BII, BV, CI, and CII	G
One (1) Fire Ax	VG
Two (2) main deck fire stations at port and starboard sides with hoses and nozzles	VG

Life Saving:

Four (4) Type I USCG approved PFD's	VG
Two (2) work vest	VG
One (1) Custom Flat aluminum rescue boat	G
One (1) Life Raft	G
Two (2) Life rings with safety lights and lanyards	VG

Misc.:

One (1) EPIRB	G
One (1) first aid kit	G
One (1) USCG approved flair kit	VG

RECOMMENDATIONS AND DISCREPANCIES

Note: Compliance with items marked by an asterisk (*) considered compulsory for insurance underwriting purposes.

- Store personal flotation devises in overhead storage, or conspicuous place. Provide a suitable size PFD for every crew member or passenger on board. *
- Install smoke alarms in crew's quarters. *
- Install high water bilge alarm. *
- Furnish and install U.S.C.G. pollution signs
- Install adjustable pot containment railing way of galley range*
- Prior to departing vessel should obtain a weather forecast from reliable sores for the time of transversing open water. All reasonable action should be taken to avoid tropical weather systems *
- All heavy traffic deck areas coated or protected with a non-skid surface to be maintained.
- All paint and combustibles to be stowed in out side well ventilated locker.

Operational Suggestions:

(A) All personnel should be made aware of location of fire extinguishers and life saving equipment and its proper usage.

(B) All doors and hatches not in use should be kept secure while at sea.

- (C) All fire extinguishers to be periodically checked, weighted, tagged on an annual basis by qualified service person and stowed in conspicuous places.
- (D) All bilge's to be keep as near dry as possible, clean and free of oil.
- (E) Engine room should be checked by competent crew member every hour while operating at sea.
- (F) Disconnect master switch on electric circuitry excluding properly fused bilge pumps while vessel is unattended.
- (G) Steering gear, winches, blocks, tackle and other exposed equipment to be regularly lubricated.
- (H) At next dry docking consideration should be given to conduction an ultra sonic thickness survey of vessel's underwater hull plating.

VALUES

It should be noted in this survey, values were obtained from (1) or a combination but not limited to the following sources.

- Marine and equipment brokers.
- Shipyards or contractors that construct like vessels, equipment, etc.
- Known recent sales of similar vessels.
- As advertised in Marine equipment sales periodicals.
- The depreciation method, given vessel's age and useful life left, with regard to improvements and general condition of component parts.
- As estimated by the undersigned using the method of material cost, labor cost, overhead material up, total and profit margin.

MARKET VALUE:

A sum of money that a vessel should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of sale whereby title is passed from seller to buyer under conditions whereby,

- Buyer and seller are typically motivated.
- Both parties are well informed and acting in what they consider their own best interest and...
- A reasonable time is allowed for exposure in the open market and arrangements similar thereto and...
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements similar. It should be noted in this survey, values were obtained from one (1) or a combination but not limited to and...
- The price represents the normal consideration for the property sold unaffected by
- special or creative financing or sales concessions granted by anyone associated with
- the sale.

MARKET:

In the opinion of this undersigned, subject vessel has a fair current MARKET VALUE, Gulf Coast Area, of approximately, \$265,500.00

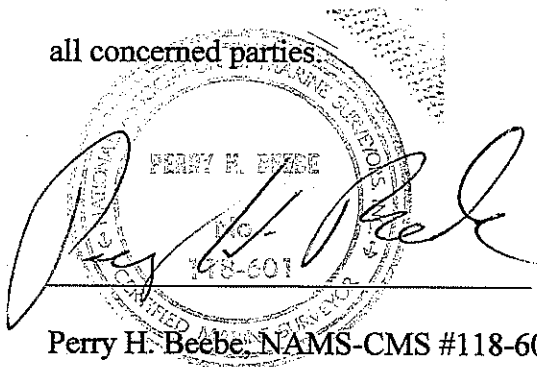
REPLACEMENT:

In the opinion of the undersigned, subject vessel has a REPLACEMENT VALUE, Gulf Coast Area, of approximately, \$890,000.00

CONCLUSION

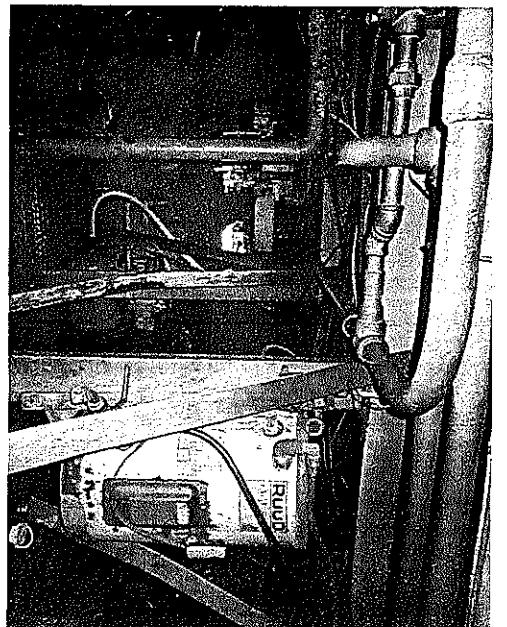
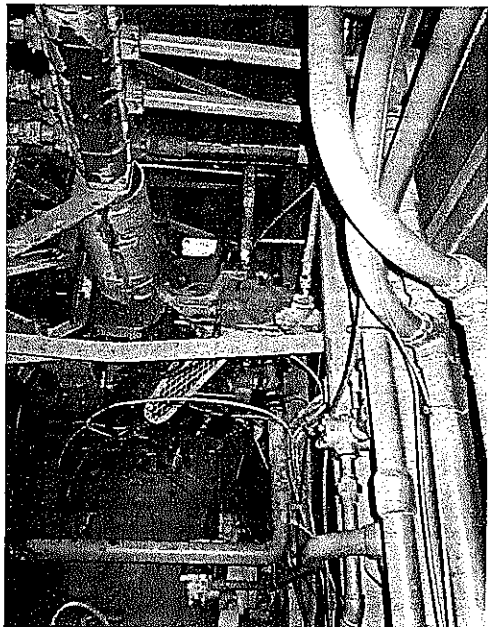
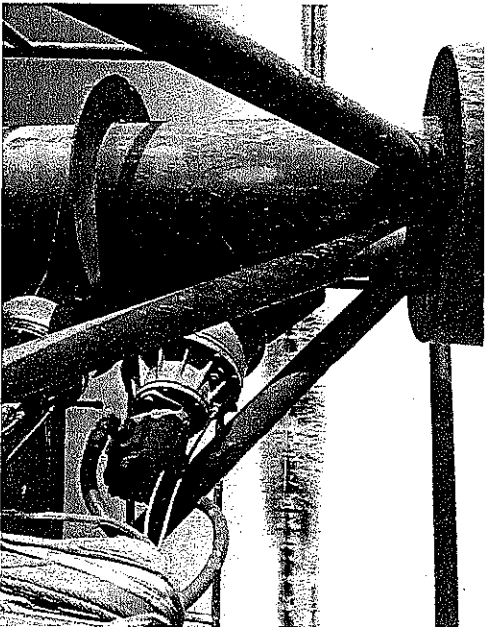
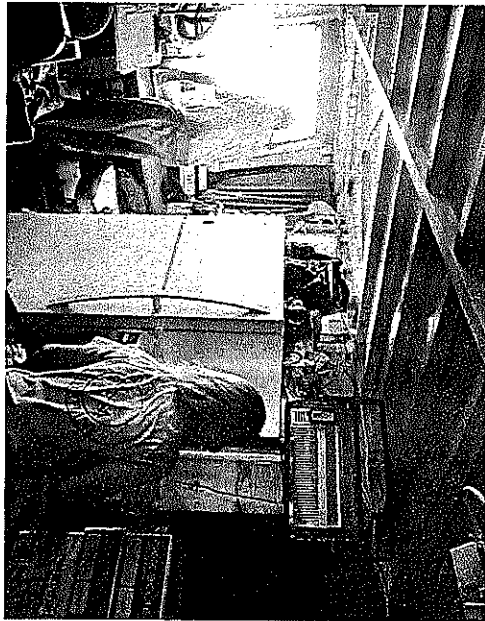
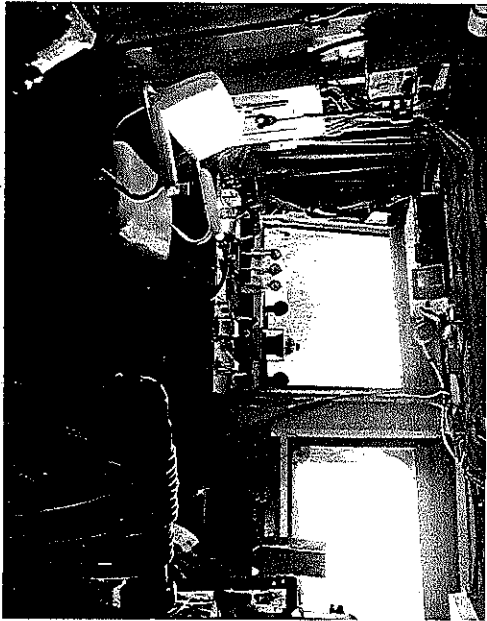
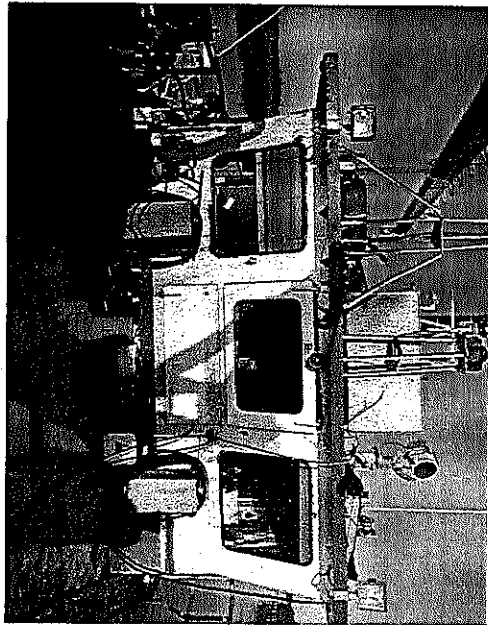
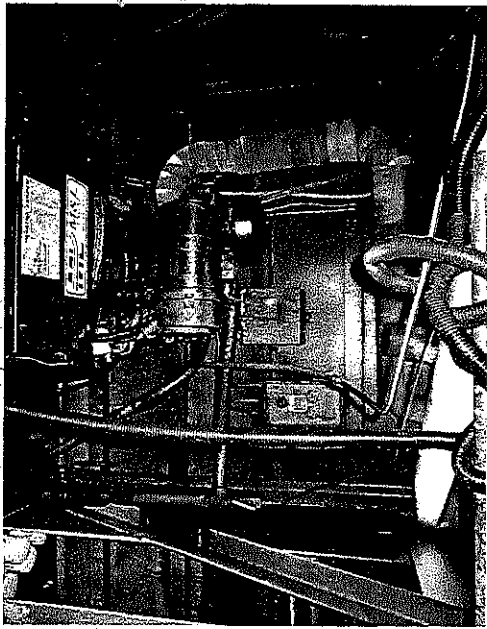
I certify to the best of my knowledge and belief that the statements of fact contained in this report are true and correct. The reported analyses and opinions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses and opinion. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event. My analysis and opinions were developed, and this report has been prepared, in conformity with the **UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE**. I have made a personal inspection of the property that is the subject of this report. No one provided significant professional assistance to the person signing this report. In accepting this report, it is understood that this survey was performed for general condition purposes only and that no warrant as to the condition, seaworthiness or marketability of subject vessel is expressed or implied.

All of the above findings are actual and the survey was made without prejudice to the rights of all concerned parties.



Perry H. Beebe, NAMS-CMS #118-601

Perry H. Beebe & Associates, LLC



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