

AGENDA

EMERGENCY MEETING WORCESTER COUNTY COMMISSIONERS

Worcester County Government Center, Room 1101, One West Market Street, Snow Hill, Maryland 21863

September 22, 2020

<https://worcestercountymd.swagit.com/live>

- 3:00 PM - Emergency Meeting to discuss a time sensitive funding assistance request from the Town of Snow Hill and Pocomoke City regarding the purchase of a riverboat and associated economic development and tourism benefits to this region.

Hearing Assistance Units Available - see Weston Young, Asst. CAO.

Please be thoughtful and considerate of others.

Turn off your cell phones & pagers during the meeting!

KATHRYN CAUSEY
Director
kcausey@co.worcester.md.us

SEPTEMBER 22, 2020
EMERGENCY MEETING
ITEM 1

100 Pearl Street Suite B
Snow Hill, Maryland 21863
Phone: 410-632-3112
Fax: 410-632-5631

LACHELLE SCARLATO
Deputy Director
lscarlato@co.worcester.md.us



DEPARTMENT OF
ECONOMIC DEVELOPMENT

Worcester County

TO: Harold Higgins, County Administrator
Weston Young, Assistant County Administrator
FROM: Tom Perlozzo, Director of Recreation & Parks, Tourism, Economic Development
Kathryn Causey, Director Economic Development
DATE: September 16, 2020
RE: Riverboat Update and Request – TIME SENSITIVE

Please find within the most recent update and request from the department along with the Town of Snow Hill and Pocomoke City. Unfortunately, time is crucial currently and requires immediate attention.

Attached information for your reference:

- a. Letters from the Town of Snow Hill and Pocomoke supporting the venture. (Pages 3-6)
- b. Contract to Purchase from the Town of Snow Hill. (Pages 7-11)
- c. Emails from the current boat broker referencing the urgency of purchase (Pages 12-16)
- d. Letters from various Hospitality partners indicating their intentions of participation. (Pages 17-18)
- e. United States Coast Guard Vessel Inspection Report (Pages 19-27)
- f. Complete survey is included for review. (Pages 28-72)

On September 11th, the department met with town leadership from Snow Hill and Pocomoke to discuss the concept of owning and operating a riverboat as presented to the Commissioners at the August 18, 2020 Commissioner meeting. Both Snow Hill and Pocomoke **agreed** to purchase and operate the vessel pending the following request.

1. DHCD Community Legacy Grant Transfer of \$100,000. Currently the department has been notified by Tyson Foods in Snow Hill that they do not intend to take advantage of the track mobile grant as presented previously in the Economic Development budget as originally anticipated. After discussions with DHCD, the grant can be modified and transferred to another approved project in Snow Hill, such as the Riverboat purchase.

2. In order to take advantage of this opportunity, I wanted the commissioners to consider both options of ownership. In order to remove the contingencies from the proposed purchase agreement, Snow Hill has requested assurances that the commissioners will provide both the grant above and the loan as indicated below.
 - a. Both Snow Hill and Pocomoke have requested a long term loan to purchase and operation of the vessel. Both Snow Hill and Pocomoke have addressed this request to their councils and memos are included. It's anticipated that the loan amount would be between \$250,000 and \$350,000.
 - b. As an option, the commissioners voted to provide \$250,000 in advertising from the Cares Act for the southern end (Newark south) of the county. The Cares Act intention is to provide economic stimulus to our small businesses. This option can deliver a long term effort towards economic growth, tourism and recreation on the Pocomoke River in the southern end of the county. In addition, combine the \$100,000 from the DHCD grant along with the Cares Act dollars, the commissioners can provide this stimulus package without using any tax payer expense. Regardless if the county owns the boat or provides a grant using the Cares Act advertising commitment to Snow Hill and Pocomoke this can make a once in a lifetime opportunity a reality.
3. That our Tourism Department would help promote the vessel as a "southern" tourism destination opportunity promoted to the many visitors coming to Maryland's Coast. In addition, many hospitality and marketing members from the area have indicated support for the riverboat concept for future groups, etc.

Lastly, I want to advise the Commissioners that Lachelle Scarlato, Deputy Director of Worcester County Economic Development has part ownership of an LLC that currently owns the Black Eyed Susan. She has not provided any influence or input regarding the vessel purchase, operation and promotions. We look forward to your approval and further discussion.



MAYOR AND COUNCIL OF SNOW HILL

September 16, 2020

Tom Perlozzo, Director
Recreation, Parks, Tourism & Economic Development
Worcester County Recreation & Parks Department
6030 Public Landing Rd.
Snow Hill, MD 21863

Dear Tom,

The Mayor and Council met with short notice in Closed Session last night to discuss making an offer for the purchase of the Black-Eyed Susan, as we are aware of the great opportunity that sits in front of us, and the possibility of missing out if we don't act decisively and quickly. All were unanimously in favor of signing the intent to purchase, contingent solely upon Worcester County's financial participation and citizen support.

We stand together in great excitement and hopes for this to be a successful bid, and we ask for your financial support and shared enthusiasm for the great potential of ownership of such a vessel.

As you know, time is of the essence. Please let us know of your intent as soon as possible.

Sincerely,

Mayor Tammy Simpson

POCOMOKE CITY, MARYLAND



September 16, 2020

To: Gary Weber- Town Manager, Snow Hill, MD
Re: River boat "Black-Eyed Susan"

Gary,

I appreciate your time and communication in the past few days regarding the River paddle boat opportunity. Per our conversation this morning, it is my understanding that as of today, (September 16th) it is the intent of the Town of Snow Hill to move forward with the purchase of the River paddle boat "Black-Eyed Susan", and that you have been keeping close communications with the Boat Broker (Pinnacle Marine Corporation). I do also understand that time is of the essence in this matter because of other interested parties negotiating offers on the vessel at this time. While there are still yet many details to iron out, I would like to formally express that Pocomoke City does not want to miss out on the chance to be part of this project and that we fully intend to work with the Town of Snow Hill and Worcester County to develop a plan of action.

We also discussed that it is still uncertain as to how an actual purchase would take place. The two options discussed were: 1) Either the County or the Town of Snow Hill purchase the vessel outright, and that if Snow Hill buys the vessel on their own, that Pocomoke City will be allowed the opportunity to "buy in" after a business plan was developed. Or, 2) Both towns could borrow the money from the County at low or zero interest to purchase the vessel together, and while paying a very low payment back, that both towns could "co-own" the business interest in the vessel and operations while pursuing grant funding to recoup those costs. While it sounds like the Snow Hill Mayor and Council are "on board", The Pocomoke City Mayor & Council have yet to discuss this in a formal way. We are working on arrangements to do so. It looks like our next opportunity might be in a closed session after the next Mayor & Council meeting on Monday, September 21st.

Let this notice be our official Letter of Intent to express Pocomoke City's very strong interest in a collaborative cooperation with the Town of Snow Hill and Worcester County to turn the River paddle boat project into a reality. We believe that this could be a huge opportunity for all parties involved, and look forward to more discussion and planning in the future.

Sincerely,
Jeremy J. Mason

A handwritten signature in black ink, appearing to be the initials 'J.M.' enclosed in a circular flourish.

City Manager
Pocomoke City, MD
Office 410-957-1333
Cell 410-430-8599
jeremy@pocomokemd.gov

Tom Perlozzo

From: Susan Marshall-Harrison <mayorsmarshallharrison@pocomokemd.gov>
Sent: Wednesday, September 16, 2020 4:43 PM
To: Jeremy Mason
Cc: Dan Brandewie; Diane Downing; Esther Troast; Joshua C. Nordstrom; Scott Holland; Susan Marshall-Harrison; Todd Nock; Tom Perlozzo; gweber@snowhillmd.com
Subject: Re: River Paddle Boat - Letter of intent

CAUTION: This email originated from an external email domain which carries the additional risk that it may be a phishing email and/or contain malware.

Thank you Jeremy. I am in complete support of your letter of intent and will do anything possible to make this project happen for Pocomoke City and Snow Hill.
Thanks again.

Susan

On Wed, Sep 16, 2020 at 4:34 PM Jeremy Mason <jeremy@pocomokemd.gov> wrote:
Gary,

Please see attached Letter of Intent. Very much looking to move this project forward!

Sincerely,

Jeremy J. Mason
City Manager
Pocomoke City, MD
Office 410-957-1333

PURCHASE AND SALE AGREEMENT

Agreement made this ___ day of September 2020, between:

Town of Snow Hill
Post Office Box 348
Municipal Building
103 Bank Street
Snow Hill MD 21863

Scarlett Bird LLC
723 Water Street

Havre De Grace, MD 21078

(Hereafter referred to as Buyer)

(Hereafter referred to as Seller)

1. The Buyer agrees to purchase and the Seller agrees to sell all rights, title and interest to the vessel described as:

NAME: Black-Eyed Susan

BUILDER: Superior Boatworks

DOCUMENTATION No: 927605

LENGTH: 87.9'

YEAR OF MANUFACTURE: 1988

2. The Purchase price is \$324,500 US Dollars. Sum of \$35,000 US Dollars is hereby paid to the Escrow account of the Broker, Pinnacle Marine Corporation, as a deposit toward the purchase price, and subject to the terms of this Agreement; said funds to be cleared in to said account following acceptance by Seller.
3. This Purchase and Sale Agreement shall be considered an offer to purchase by Buyer, but shall be accepted by Seller and written evidence of such acceptance shall be delivered to the Broker within 1 day of Buyer signing this Agreement, or this offer to purchase shall be deemed revoked by Buyer and the deposit shall be returned to Buyer.
4. Written, telegraphic or facsimile acceptance or rejection of the Vessel must be made by Buyer on or before September 22, 2020. Buyer's failure to exercise his right of acceptance or rejection of the Vessel under this paragraph shall be construed as a rejection. In the event of a rejection by Buyer, the deposit shall be returned to Buyer after all expenses incurred by Seller in connection with this Agreement have been deducted.
5. (a) The sale of the Vessel is subject to:
 - i. The Buyer to conduct or have conducted a marine inspection and sea trial with results satisfactory to the Buyer. These conditions to be satisfied on or before September 19, 2020 AND
 - ii. Positive consensus from the Work Session on September 29, 2020.(b) In the event this sale is subject to survey, the Buyer acknowledges and agrees:
 - (i) He has selected a surveyor who is in his employ and is responsible solely to Buyer for any errors and omissions, notwithstanding the fact that the Broker may have provided information in connection with the surveyor or surveyors or has assisted the Buyer with hiring said surveyor.
 - (ii) He shall instruct his agent or surveyor to examine and/or sea trial the vessel to ensure the Vessel meets the Buyer's requirements.

- (iii) All costs of the survey shall be at the expense of the Buyer, including but not limited to all associated costs such as haul out, launch, dry dock charges and/or subcontractors, if applicable.
- (c) In the event that the sale of the Vessel is subject to sea trial or trial run, the Seller agrees that any sea trial which he authorizes shall be made at the Seller's sole risk and expense.
6. In the event the closing is not consummated due to non-performance of Buyer, including but not limited to a failure of Buyer to pay monies due or execute all documents necessary to be executed by Buyer for completion of the purchase by the closing date, all deposited funds paid prior to closing shall be retained by the Seller and Broker as liquidated and agreed damages, and the parties shall be relieved of all obligations under this Agreement. Buyer and Seller agree that the forfeited deposit shall be divided equally between Seller and Broker after all expenses incurred on behalf of Buyer against the vessel have been paid from the deposit.
7. In the event the closing is not consummated due to non-performance of Seller of any of the covenants or obligations in this Agreement, all money paid or deposited pursuant to this Agreement by the Buyer shall be returned to the Buyer upon demand, or the Buyer shall have the right of specific performance. Upon Seller's default, the Seller shall nevertheless immediately pay to the Broker the full commission provided for under the terms of the Vessel Listing Agreement between Seller and Broker.
8. The Vessel is being purchased free and clear of all debts, claims, liens and encumbrances of any kind whatsoever, except as noted hereinafter, and the Seller warrants that he has good and marketable title thereto and will deliver to the broker all necessary documents for transfer of title to the Buyer on or before the closing date, which is agreed to be on or before October 9, 2020. Final payment due at time of closing shall be in a form of cleared and negotiable funds acceptable to Seller. On or before the date of closing the Vessel shall be delivered to Buyer at Seller's Pier in Havre De Grace, MD afloat with all gear, machinery, equipment, furnishings and all other articles and appurtenances thereto agreed upon.
- (In the event the parties do not agree upon a specific inventory, Seller agrees to deliver the vessel with the items disclosed in the listing.)
9. It is agreed by the parties that the risk of loss, damage or destruction of the Vessel and equipment, by any cause whatsoever (including an act of God), shall be borne by Seller until physical delivery of the Vessel to Buyer at the location set out in paragraph 8, above, and provision by Buyer to Seller of final payment, pursuant to paragraph 8.
10. Sale or use taxes, if applicable on this purchase, are the responsibility of Buyer. Duties, taxes and/or fees on the vessel of any state, country, city, regulatory and/or taxing authority incurred prior to the date of closing on this transaction shall be the responsibility of the Seller and shall be paid by closing date. Seller shall further pay any cost associated with and shall cooperate fully to obtain any authorization for sale required from any governing authority.
11. Information on the Vessel is believed to be correct and the broker offers such information in good faith, but does not and cannot guarantee the accuracy of the

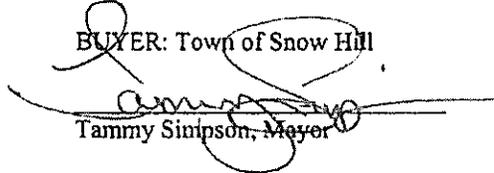
Information. After the provisions herein have been complied with and this transaction has been consummated, it is understood and agreed that the Buyer has accepted the Vessel in its "as is, where is" condition, "with all faults" and no warranty, either expressed or implied, and no representation as to the condition of the Vessel have been made or given by Broker or Seller nor is any warranty, either expressed or implied, binding upon Broker or Seller.

12. Both Seller and Buyer confirm that in entering into this Agreement they are not relying upon any action or representation, either oral, written or otherwise, made by Broker. Seller and Buyer agree that Broker is not legally or otherwise responsible to any person or entity for any alleged breach of this Agreement by any person or entity, any breach of warranty (expressed or implied) in connection with this Agreement, nor for any other claims or causes of action at law or in equity, of whatsoever form, in any way related to or arising from this Agreement and/or the purchase/sale of the Vessel. Seller and Buyer agree that they will, jointly and severally, hold harmless, defend and indemnify Broker in any action of whatsoever kind or form, brought by any person or entity (including, but not limited to Seller, Buyer and any third-parties) in any way related to, or arising from, this Agreement and/or the purchase/sale of the Vessel.
13. The Buyer is a Town in Worcester County in the State of Maryland.
14. This Agreement shall be binding on all parties herein, their heirs, personal representatives and/or assigns when this Agreement shall have been signed by all parties or their duly authorized agents. Seller agrees not to sell the Vessel or enter into a contract or agreement for the sale of same while this Agreement is in affect. If a sale is not consummated per the terms of this Agreement, and the Buyer and Seller make direct arrangements between themselves within one year after this Agreement is terminated for the transfer of ownership of the Vessel, the Seller agrees to pay the Broker an amount identical to the commission the Broker would receive under the terms of the separate Vessel Listing Agreement between Seller and Broker.
15. This document constitutes the entire agreement between parties hereto and it is agreed and understood that there are no other duties, obligations, liabilities or warranties, implied or otherwise, except as referred to in an addendum if attached and signed by both Seller and Buyer.
16. If any dispute arises between the Buyer and Seller regarding this Agreement, or between the Buyer and Broker or between the Seller and Broker, or between all three, arising in any way from this Agreement or the transaction that it memorializes, such dispute will be submitted to binding arbitration in accordance with the rules of the American Arbitration Association in LaCrosse, LaCrosse County, Wisconsin and the decision of the arbitrator(s) shall be final and binding. In such binding arbitration, the substantive laws of the State of Wisconsin shall be deemed to be the governing law. The prevailing party or parties in such binding arbitration shall be entitled to an award of its, or their, costs and attorneys fees, reasonably incurred.
17. Seller agrees to sell the Vessel on the terms and conditions stated herein. The Seller and Buyer recognize and acknowledge that Pinnacle Marine Corporation is the agent of Seller, unless otherwise agreed in writing by Seller, Buyer and Broker.

18. It is further agreed by the parties that: Prior to Closing the Seller, at the Sole cost of the Seller, will rectify the items on the attached USCG Vessel Inspection Requirements List (attached hereto) for the inspection dated August 17, 2020, with the exception of
 - a. Item 1 – enrollment in the drug testing program
 - b. Item 5 – conduct drill such as the Man Overboard Drill (MOB)
19. This agreement may be executed in counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original and such counterparts together shall constitute one and the same instrument.

The undersigned Buyer has executed this Purchase and Sale Agreement on the date indicated below and acknowledges receipt of a copy thereof,

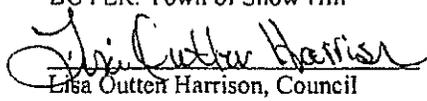
BUYER: Town of Snow Hill



Tammy Simpson, Mayor

Dated: September 15, 2020

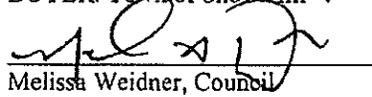
BUYER: Town of Snow Hill



Lisa Outten Harrison, Council

Dated: September 15, 2020

BUYER: Town of Snow Hill



Melissa Weidner, Council

Dated: September 15 2020

BUYER: Town of Snow Hill



Ida Regina Blake, Council

Dated: September 15 2020

The undersigned Seller accepts and agrees to sell the Vessel on the above terms and conditions. Seller acknowledges receipt of a copy of this agreement and authorizes Pinnacle Marine Corporation to deliver a signed copy hereof to Buyer.

SELLER: Scarlet Bird LLC

Chris Scarlato, Member

Dated: September ____, 2020

SELLER: Scarlet Bird LLC

Lachelle Scarlato, Managing Member

Dated: September ____, 2020

Tom Perlozzo

From: Rob McMahon <info@pinnaclemarine.com>
Sent: Thursday, September 17, 2020 1:04 PM
To: Tom Perlozzo
Subject: Black Eyed Susan

CAUTION: This email originated from an external email domain which carries the additional risk that it may be a phishing email and/or contain malware.

Tom

Here is a list of the reports and their respective costs.

- ① Dive report - \$2,251.13
- ② survey - \$2,175.00, surveyor gave details to Gary Weber information
- ③ Kogu Marine Services \$1,460 for the in depth inspection (most valuable for planning purposes),
\$902.50 for Georgetown Yacht Basin for haul out. *N/A*

Total \$6,788.63.

Tom, not sure you need it all,

PINNACLE
MARINE CORPORATION

ROB McMAHON

OFFICE: 608.788.3210
FACSIMILE: 608.788.3227
MOBILE: 608.780.3500
EMAIL: INFO@PINNACLEMARINE.COM

W5845 Carla Court
Stoddard, WI 54658-9706

Approved by HH 9/16/20

Requested ^{items} 1, 2, 3 from Leonardstown 7/17/20

Agreed 9/17/20 by WI
a warranty Approval from Leonardstown

include with loan if approved

Tom Perlozzo

From: Rob McMahon <info@pinnaclemarine.com>
Sent: Thursday, September 17, 2020 1:13 PM
To: Laschelle McKay
Cc: Tom Perlozzo
Subject: Black Eyed Susan

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Lachelle –

I have copied Tom Perlozzo of Worcester County. The County would like to purchase the

- Dive Report - \$2,251.53
- Survey - \$2,175
- Kogu Marine Report - \$1,460
\$5,886.53

Can you reply with an invoice for such. Tom will provide you a PO number. Is it possible to provide us the reports via email at this time?

PINNACLE
MARINE CORPORATION

ROB McMAHON

OFFICE: 608.788.3210
FACSIMILE: 608.788.3227
MOBILE: 608.780.3500
EMAIL: INFO@PINNACLEMARINE.COM

W5845 Carla Court
Stoddard, WI 54658-9706

Tom Perlozzo

From: Rob McMahon <info@pinnaclemarine.com>
Sent: Thursday, September 17, 2020 12:41 PM
To: Tom Perlozzo
Subject: BLACK EYED SUSAN

CAUTION: This email originated from an external email domain which carries the additional risk that it may be a phishing email and/or contain malware.

Tom –

Leonardtown is off the table for the short term. They are considering offering their survey and underwater report for a fee. We do have a party from NY planning to visit early next week.

Let me know how you wish to proceed?

PINNACLE
MARINE CORPORATION

ROB McMAHON

OFFICE [608.788.3210](tel:608.788.3210)
FACSIMILE [608.788.3227](tel:608.788.3227)
MOBILE: [608.780.3500](tel:608.780.3500)
EMAIL INFO@PINNACLEMARINE.COM

W5845 Carla Court
Stoddard, WI 54658-9706

Tom Perlozzo

From: Rob McMahon <info@pinnaclemarine.com>
Sent: Wednesday, September 16, 2020 11:43 AM
To: Tom Perlozzo
Subject: Re: BLACK EYED SUSAN

CAUTION: This email originated from an external email domain which carries the additional risk that it may be a phishing email and/or contain malware.

Tom

My understanding from a call from Gary last night is he made contact with the surveyor. The surveyor had time today and tomorrow and would then be able to issue a report Saturday.

In the conversation the surveyor discussed the underwater dive report he reviewed. Gary was comfortable with the surveyor's verbal summary as to the underwater review.

I suggest we distribute the Agreement for all signatures before you survey.

PINNACLE
MARINE CORPORATION

ROB McMAHON

OFFICE: [608.788.3210](tel:608.788.3210)
FACSIMILE: [608.788.3227](tel:608.788.3227)
MOBILE: [608.780.3500](tel:608.780.3500)
EMAIL: INFO@PINNACLEMARINE.COM

W5845 Carla Court
Stoddard, WI 54658-9706

On Sep 16, 2020, at 8:53 AM, Rob McMahon <info@pinnaclemarine.com> wrote:

Good Morning Tom –

Attached for review is a draft Purchase and Sale Agreement for the BLACK EYED SUSAN. Included is the USCG Report from their last inspection. The list of deficiencies will be rectified by the Seller prior to Closing with the exception of operation type requirements such as a Man Over Board Drill, Drug Testing Plan, etc.

If Leonardtown is prepared to free all conditions Friday and make the deposit non refundable a thought for your group is to increase the down payment and move up the Closing Date.

Tom Perlozzo

From: Rob McMahon <info@pinnaclemarine.com>
Sent: Wednesday, September 16, 2020 9:33 AM
To: Tom Perlozzo
Subject: Black Eyed Susan

CAUTION: This email originated from an external email domain which carries the additional risk that it may be a phishing email and/or contain malware.

Tom –

Thank you for the call today. As discussed we provided contact information to Gary Weber for a surveyor that was able to complete the survey and issue a report Saturday.

As to Leonardtown, we were informed yesterday a resident of Leonardtown has come forward and is offering to purchase the Vessel. Moorage is the issue at present. The Council has called a special meeting called tomorrow to discuss a moorage arrangement for the vessel. IF moorage is the only issue I doubt that will be a deal breaker. We understand a **non refundable condition free offer will be provided on Friday of this week.**

Please call with any questions.

PINNACLE
MARINE CORPORATION

ROB McMAHON

OFFICE [608.788.3210](tel:608.788.3210)
FACSIMILE: [608.788.3227](tel:608.788.3227)
MOBILE [608.780.3500](tel:608.780.3500)
EMAIL INFO@PINNACLEMARINE.COM

W5845 Carla Court
Stoddard, WI 54658-9706



To whom it may concern,

On behalf of the Hospitality Sales and Marketing Partnership of Ocean City I would like to express our support and excitement about the county's request to purchase the Black-Eyed Susan Riverboat.

Continuing to add to the portfolio of optional activities and entertainment for attendees to experience in Ocean City and the surrounding communities is imperative to attracting new business. Whether they are here attending a meeting or convention, sporting event, tour and travel, or incentive trip, proposing the unique opportunity to host one of their dinner events on a beautiful riverboat while exploring the natural landscape along the Pocomoke River would be exciting.

Ocean City is the hub for all groups in the county but it is so important for us to show we have more than just beautiful beaches at our doorstep and amazing restaurants in arms reach. Today's planners are looking to create more of an experience for their attendees from food to offsite activities. They are looking for a blend of leisure to balance the business agendas. The Black-Eyed Susan would be a tremendous asset to the county.

Sincerely,

Kim Mueller
Ocean City Hospitality Sales and Marketing Partnership
Chair

September 16, 2020

Dear Melanie,

On behalf of the Harrison Group Resort Hotels and Restaurants, who own and operate 11 hotels in Ocean City, we would like to highly recommend the county to purchase a paddle wheeler.

Our thriving sales department that does in excess of 60 motor coach groups per year (prior to Covid-19) in the spring and fall would relish the opportunity to add an additional attraction of this nature. This would be a fabulous addition to what our county has to offer to both student and senior citizen groups. We put together tours for our motor coach groups and tour them all around the county with a step on guide. Assateague, Berlin, Ayres Creek, and the OC Explorer are types of group experiences we sell in our all inclusive packages. Should the county enter into an agreement we would wholeheartedly support it by packaging the paddle wheeler into all of our literature resulting in 40+ people per motor coach going forward. To get an idea of our marketing strength please take a look at the "Tours" area in our web site. Additionally, we participate in at least 5 marketplace situations per year in which I would be able to "get the word out" to the tour and travel groups.

We have utilized Suicide Bridge and it should be noted their paddle wheeler was so popular that they purchased a second one. Coupling the paddle wheel history in the Delmarva Discovery Center we could create historical experiences that would be unique to our area. If I can be of further assistance please do not hesitate to call.

Sincerely,

Ruth Waters, Director of Sales

Harrison Group Resort Hotels and Restaurants

www.ocmdhotels.com

410-289-1470

DEPARTMENT OF HOMELAND SECURITY
U.S. Coast Guard
VESSEL INSPECTION REQUIREMENTS

1 Date of Inspection 08/17/2020	2 COTP/OCMI Zone/Unit CG SECTOR MARYLAND-NCR	3 MISLE Activity Number 7035722	4 ON/IMO# 927605
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5 Vessel Name BLACK EYED SUSAN	6 Inspection Type Annual Inspection
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7 Alternate Inspection Program: ACP MSP MSP Select TSMS SIP/TBSIP N/A - Traditionally Inspected

Nature of Deficiency: The vessel representative must inform the Recognized Organization, the Coast Guard, and/or the Streamlined Inspection Program (SIP/TBSIP) Coordinator, as applicable, when the following item(s) have been corrected. Note: "RO" includes ROs (33 CFR 96), Authorized Classification Societies (46 CFR 8), and Third Party Organizations (46 CFR 139).

8 No.	Deficiency Code	Description	Cite	Action	SMS Code	Self Re-Related	Work ported	List Item
1	01199	Vessel is required to be enrolled in current drug testing program. Upon inspection vessel was found to be enrolled in an outdated program.	46 CFR 16	701	c	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	11199	Vessel is required to have up to date Coast Guard approved first aid kit on board. Vessel was found to have expired aspirin in first aid kit.	46 CFR 184.710	701	c	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	02114	Vessel had wastage of the bulkhead forward of the entrance to the engine room. Repair proposal required prior to repair of damaged area.	46 CFR 176.20-1 OLD T	60	c	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	02199	Rails are required to be able to withstand a point load of 200 lbs. Rail on forward end of vessel near ramp is cracked at base. Repair proposal required prior to any repair to damaged area.	46 CFR 177.900	701	c	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	CG004	Vessel needs to conduct drills quarterly. Upon inspection vessel was unable to complete MOB drill due to insufficient crew availability.	46 CFR 176.808	701	c	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. Copy Provided to: <u>Chris Scarlato</u> (Printed name of vessel representative)	Signature: _____
Phone Number: <u>410-808-6050</u> Email: _____	
Name of MI: <u>Richard Williams</u> (Printed name of qualified marine inspector)	WILLIAMS.RICHA Digitally signed by WILLIAMS.RICHARD.TRAVIS.1 113332170 Date: 2020.08.17 16:09:25 -04'00' Signature: <u>RD.TRAVIS.11133</u> 32170
Phone Number: <u>410-576-2606</u> Email: <u>BALTDVB@uscg.mil</u>	

10 Copies forward to - check as appropriate: OTHER: _____

Vessel Owner
 PSC Authority
 RO
 COMDT (CG-CVC)
 CG-5P-TI
 CG District: _____
 CG Area: _____

Codes for action taken, see below (Note: code numbers are derived from International harmonization; U.S. uses similar codes and those are reflected below.)

10	Deficiency Rectified	60	Rectify deficiencies prior to movement	66	Prior to drilling or production operations	ACTION CODE
15	Rectify deficiencies by next port	40	Rectify deficiencies prior to next US port after sailing foreign	701	Prior to carriage of passengers/cargo	a To the satisfaction of RO
16	Rectify deficiencies w/in 14 days	30	Ship detained	702	Prior to embarking on International Voyage	c To the satisfaction of the Coast Guard
50	Rectify deficiencies w/in 30 days	20	Ship expelled	703	Prior to bunkering operations	d To the satisfaction of the SIP/TBSIP coordinator
17	Rectify deficiencies prior to departure	25	Ship denied entry	705	Other:	

VESSEL INSPECTION REQUIREMENTS INSTRUCTIONS

The Vessel Inspection Requirements form (CG-835V) is intended to document deficiencies on vessels that have been issued a Coast Guard Certificate of Inspection (COI) and to provide documentation to the various parties associated with inspection activities.

BOX 1: All dates should be written in mm/dd/yyyy format (use automated date feature if filling out electronically).

BOX 2: Enter the name of the unit performing the inspection (use drop down menu if filling out electronically).

BOX 3: Enter the MISLE Activity number associated with the inspection activity.

BOX 4: Enter the Official Number or IMO Number of the vessel. If a vessel is assigned both an IMO number and an official number, the IMO number is preferred.

BOX 5: Enter the name of the vessel as it appears on the Certificate of Inspection (COI).

BOX 6: Select the appropriate inspection type. If filling out by hand, see the CG-CVC Marine Inspector Resource Page on CGPortal for a list of Inspection Types.

BOX 7: Select Alternate Inspection Program as applicable. If the vessel is not enrolled in Alternate Inspection Program select "N/A - Traditionally Inspected."

BOX 8:

No: Enter the deficiency number (e.g., 1, 2, 3, etc). Deficiencies should be listed in order of control action severity, listing deficiencies most restrictive in nature first.

Deficiency Code: Enter the applicable deficiency code. A list of deficiency codes is available on the Marine Inspector Resource Page on the CGPortal.

Description: Deficiency descriptions should be direct, succinct, quantifiable, and use descriptive language where possible. Deficiency statements should state the requirement and how the requirement is not met. See CVC-PR-001 (series) *Issuing and Documenting Deficiencies on U.S. Flag Vessels*.

Cite: Insert applicable cite for the deficiency.

Action: Select applicable code (10, 15, 16, etc).

Action Code: Select applicable action code (a, b, c, etc). *Note: Up to two codes may be used per deficiency on the form (e.g. a/c). Note: code "b" is omitted on the CG-835V and is reserved for Port State Control purposes. Note: "to the satisfaction of the RO" should be selected for those deficiencies that are referred to Recognized Organizations (33 CFR 96), Authorized Classification Societies (46 CFR 8), and Third Party Organizations (46 CFR 139).*

SMS Related: Check this box if the deficiency is objective evidence of an SMS non-conformity (see CVC-WI-003 (series) *USCG Oversight of Safety Management Systems on U.S. Flag Vessels*). If checked, the applicable ISM Code or TSMS citation should be provided in the "Cite" box, as applicable.

Self-Reported: Check this box if the deficiency was self-reported to the Coast Guard by the owner operator.

Worklist Item: Check this box if the item is considered a "worklist item." See CVC-PR-001 (series) *Issuing and Documenting Deficiencies on U.S. Flag Vessels*.

BOX 9: Enter the name and signature for the vessel representative receiving the form as well as appropriately qualified lead marine inspector. The use of stamps by either the vessel representative and/or the marine inspector to indicate an original document is optional.

BOX 10: Check the appropriate boxes for any additional parties that will be forwarded a copy of the CG-835V.

VESSEL INSPECTION REQUIREMENTS RIGHTS OF APPEAL

46 Code of Federal Regulations Subpart 1.03-15

33 Code of Federal Regulations Subpart 101.420; 127.015; 128.311; 154.1075; 160.7

Any person directly affected by a decision or action of an OCMI or an order or direction of a COTP may, **after requesting reconsideration to the cognizant OCMI**, make a formal appeal, via the office of the cognizant OCMI, to the District Commander of the district in which the cognizant OCMI is located.

A list of OCMI's and Corresponding Coast Guard District Contact information is available on the Coast Guard Office of Commercial Vessel Compliance (CG-CVC) webpage located at:
<http://www.dco.uscg.mil/Our-Organization/Assistant-Commandant-for-Prevention-Policy-CG-5P/Inspections-Compliance-CG-5PC-/Commercial-Vessel-Compliance/>

When requesting that a decision, action, order or direction be reconsidered or reviewed, such request must be made within 30 days after the decision is rendered or the action is taken.

When making a formal appeal, such appeal must be submitted in writing and received by the authority to whom the appeal is required to be made within 30 days after the decision, action, order or direction being appealed, or within 30 days after the last administrative action required by this subpart. Upon written request and for good cause, the 30 day time limit may be extended by the authority to whom the appeal is required to be made.

A formal appeal must contain a description of the decision, action, order, or direction being appealed and the appellant's reason(s) why the decision, action, order or direction should be set aside or revised.

Formal appeals involving vessel inspection or related issues addressed to the Commandant should be sent to CG-CVC@uscg.mil only after requesting reconsideration from the cognizant OCMI and/or appealing the decision of the District Commander.

Failure to submit a formal appeal in accordance with these procedures and time limits results in the decision, action, order or direction becoming final agency action.

UNIT CONTACT INFORMATION

GENERAL VESSEL SPECIFICATIONS

Name: BLACK-EYED SUSAN

Style: Sternwheeler

Builder: Superior Boatworks

Hull: Displacement

U.S.C.G. Certified: Yes

U.S.C.G. Dry Dock: February 2019

Passenger Capacity: 149

Passengers - 01 Deck: 140

Dining Capacity: 140

Gross Tonnage: 82 (245 - I)

Net Tonnage: 55 (90- I)

Speed (approx.):

Cruising: 5 knots @ 10 RPM

Max: 9 knots @ 17.5 RPM. Engine speed is a constant 1,750 RPM

Built: 1988

LOA: 111' LWL: 87.9' Beam: 28''

Hull Depth: 7'

Draft: Water: 3.5'; Air: 32'

Route Certification: Rivers

Hull Material: Steel

Deckhouse Material: Steel

Tank Capacities:

Fuel: 1,000 gallons

Waste: 1,000 gallons

Potable Water: 1,000 gallons

ACCOMMODATIONS AND LAYOUT

The vessel is designed with passenger boarding to take place on the main deck forward via a doorway port and starboard. The beverage bar is fully forward on starboard with open dining. The Ladies head is fully aft on port and the Men's head is fully aft on starboard. The galley is between the heads. Access between the main and 01 decks is via dual staircase off the forward deck or forward of the Ladies head on port. The 01 deck is arranged with the pilothouse forward, utility locker port of the wheelhouse. The Ladies and Men's are abaft of the wheelhouse and locker. The remaining 01 Deck is open air space for passengers.

WHEELHOUSE

- Morse model MT2 throttle/clutch controls
- Liberty Ship Wheel Hydraulic steering – Monkey Rudders

- Joy stick control – flanking rudders
- 8” brass fog bell
- 14” air train whistle
- Danforth electronic magnetic compass
- Murphy bilge alarm
- Upholstered helm seat
- Two Wagner rudder indicators

Page 2 of 5

- Two remote controlled Carlisle Finch searchlight
 - Two Standard Horizon VHF/FM marine radios with antennas
 - Garmin Global Positioning System (GPS)
 - Sandpiper model DL depth sounder – NON OP
 - JBL commercial sound controller, QSC amplifier, Crown sub amplifier, Onkyo compact disc changer with 8 Bose speakers
- SALON (01 Deck)
- 17 (48" diameter) laminate top tables with folding legs
 - 14 (42" diameter) laminate top tables with folding legs
 - 12 (7' x 2') laminate top tables with folding legs
 - 160 padded stacking chairs (recovered in 2017)

GALLEY (Main Deck)

- Blodgett full size convection oven
- Deep three partition stainless steel sink with hanging faucet
- Avantco three door refrigerator (NEW 2017)
- Stainless steel worktable (60")
- 150 plates – dinner (11")
- 150 plates – salad (9")
- 250 stainless steel forks
- 150 stainless steel knives
- 150 cerated steak knives
- 75 stainless steel teaspoons
- 75 china coffee mugs
- Assorted tongs, ladles, etc.
- Linens: 30 108" diameter burgundy, 30 108" diameter ivory, 20 48" x 72" ivory, 20 48" x 72" burgundy, buffet skirting.
- 3 rectangular roll top chaffing dishes, 1 round roll top chaffing dish

• Buffett

- 100 cup silver plated hot beverage urn

BEVERAGE BAR (Main deck)

- Custom built wood finish
- Three partition sink with drain board
- Stainless steel ice bin
- Beverage Aire wine cooler with glass door
- True Manufacturing can/bottle cooler (72' x 2.6')
- Sharp model XE-A225 cash register

01 DECK

- 90 plastic chairs (folding)
- 9 plastic tables
- 40 Allibert chairs

Page 3 of 5

BEVERAGE BAR (01 Deck)

- 4' Cambro portable dry bar

ELECTRICAL SYSTEM

- Two 35 kW 1800 RPM three phase 208 VAC Stanford generators each powered by one of the propulsion engines
- Ship to shore power switch
- 100 amp, 240 VAC three phase electrical service
- 50' shore power cord
- Two 12 VDC 8D batteries
- Protech model 1240I battery charger
- Internationally approved navigation lights (i.e. port light, starboard light, stern light, masthead light, anchor light)

HULL, SUPERSTRUCTURE AND DECKS

- ¼" welded steel plate hull with transverse framing
- Boarding doors: 3
- Deck fittings:

Electrical: starboard/port

Waste: starboard/port

Water: starboard/port

Fuel: starboard/port

MECHANICAL EQUIPMENT AND ENGINE DETAILS

- Two 6 cylinder 210 HP @ 2,600 RPM Cummins 6BT 5.9M marine engines with Racor fuel filters
- Engine hours – January 2018 – port 3,900 starboard 3896
- Grid cooler system
- Hagglunds Viking hydraulic motors
- Eaton hydraulic pumps - remanufactured
- Dry exhaust
- Vanguard 15 gallon water heater
- Split paddlewheel (RPM gauges is non-operational)
- Flanking & monkey rudders
- Carrier 10 ton forced air HVAC system
- Carrier 13 ton forced air HVAC system
- Flotech water pressure bladder
- Carpet shampoo machine, & vacuum cleaner

Page 4 of 5

HEADS

The vessel is equipped with four heads:

- Male - main deck - 1 stall , 1 urinal and 1 sink
- Female - main deck - 2 stalls and 1 sinks.

- Two unisex – 01 deck - 1 stall, 1 sink

SAFETY EQUIPMENT

- 170 type II adult size personal flotation devices
- 60 type II child size personal flotation devices
- 2 Jim Buoy 30” life rings
- 1 illuminated float lights
- A-II fire extinguishers
- B-I fire extinguisher
- Fixed CO2 system – engine room
- Pyrotechnic distress signals
- Fire Ax
- Danforth S3000 anchor
- 2 fire stations including: approved rubber lined hoses with brass fittings, brass or bronze nozzles, brass or bronze hose bibs

FINISH

- Exterior coating: paint
- Exterior decks: non-skid coating
- Interior decks:
 - o Salon: carpet (NEW 2017)
 - o Heads: vinyl
 - o Galley: painted
 - o Wheelhouse: vinyl
 - o Bar: vinyl (NEW 2017)
- Bulkheads:
 - o Galley: stainless steel/marlite
 - o Salon: wood
 - o Heads: Vinyl/marlite

Page 5 of 5

REMARKS

The Black-Eyed Susan is in very good condition and is well suited for dining cruises, charters and sightseeing events.

EXCLUSIONS

Avantco three door refrigerator (NEW 2017) is leased and excluded.

**BLACK-EYED SUSAN
HULL NUMBER 169**



Capt. Phineas T. McHenry, Ltd.

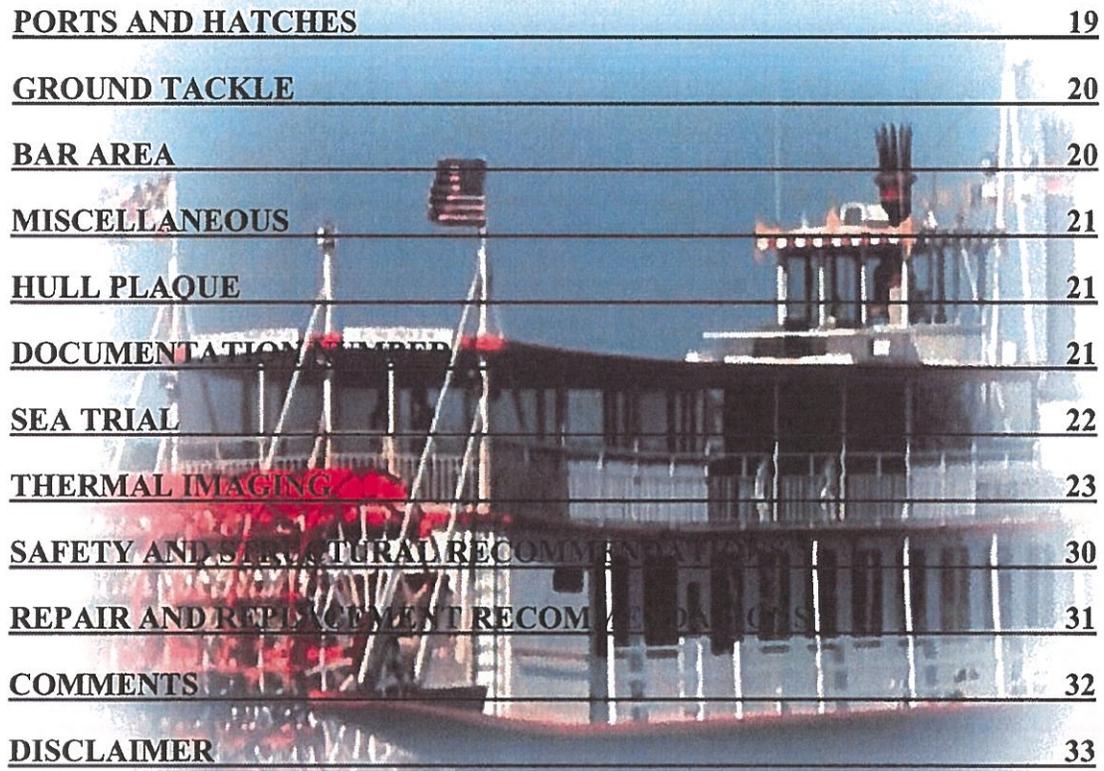
*Marine Surveyor
38 Oak Hill Lane
Elkton, MD 21921
410-287-2028*

*www.kenhenrymarinesurvey.com
khenry1492@verizon.net*

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Capt. Phineas T. McHenry, Ltd.

**MARINE SURVEYOR ♦ MARINE CONSULTANT
38 OAK HILL LANE ♦ ELKTON, MD 21921
410-287-2028**

SURVEY REPORT

PURCHASE SURVEY

REPORT NO. 5549

AUGUST 14, 2020

TO WHOM IT MAY CONCERN: This is to certify that the undersigned surveyor at the request of Laschelle E. McKay, representing the Town of Leonardtown, 22670 Washington Street, Leonardtown, Maryland, 20650, attended the Black-Eyed Susan out and in the water on the 12th, 13th, and 14th days of August in the year 2020, at Havre de Grace Marine Center, 723 Water Street, Havre de Grace, Maryland, 21078, and did survey said vessel for Ms. McKay, while representing the interest of the town of Leonardtown as prospective buyer.

The vessel is a stern paddle wheel boat, built by Superior Boat Works, located at 249 Brent Road, Greenville, Mississippi, (telephone number 662-378-4700.) The vessel's official number is 927605. The vessel's hull number is 169. The vessel's approximate measurements are: LOA 110'0", HULL LENGTH 88'0", BEAM HULL TO DECK 26'0", BEAM EXTREME 28'0", DRAFT AT MIDSHIP 3'11", and DISPLACEMENT 148 tons.

ALL MAJOR HULL MEMBERS, wherever accessible, together with all surfaces, joints, bonds, fillets, webs, bulkheads, and hard curve areas were carefully inspected with particular care being devoted to areas of normal stress concentrations and possible bulkheads or other hard spots. Field methods of sounding and visual sighting were used.

HULL CONSTRUCTION: the vessel's construction is with steel and welded with combination of fab shield and stick wire. The stem is constructed of 1.00" plate. The hull plates are .250". The ribs are 3" x 4" x .190" steel angle at 18" centers. The hull vertical supports are 3" x 4" x .190" steel angle placed at 18" centers with 4" x 3" .250" channel for the vertical supports placed at 60" centers. The vertical deck supports are 4" x 3" x .250. The cabin side is .190" steel plate. The pilot house is .190" steel plate. The decks are .190" steel plate. The engine bed is .750" x .350" steel plate. These are estimated measurements. Refer scantlings for precise measurements. I have noted the following:

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SOCIETY OF ACCREDITED MARINE SURVEYORS
INTERNATIONAL INSTITUTE OF MARINE SURVEYING**

HULL CONSTRUCTION (cont.)

- a) The foredeck has paint failure with rusting under the paint. The random ultrasound readings where the paint had failed were .320" to .324". The deck is still structurally sound. The deck has some minor rusting with some crevice pitting.



- b) The catwalks appears to be in fair order. However, on the starboard side, I have noted the following:
- 1) The deck is rusting through just under the railing for approximately 8" in length and 3" wide. The area is located 23" aft of the #1 compression post.
 - 2) At the #2 compression post under the railing, there is a 1" hole, which rusted through the deck. Also, a 1" hole is located 103" aft of the #2 compression post.



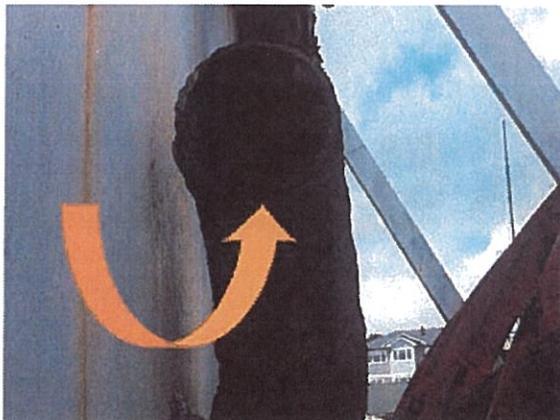
- 3) Across from the aft deck cleat to the rub rail, the deck is dented inward approximately 4".
- 4) Random ultrasound readings on the starboard catwalk ranged from .098" to .196".

HULL CONSTRUCTION (cont.)



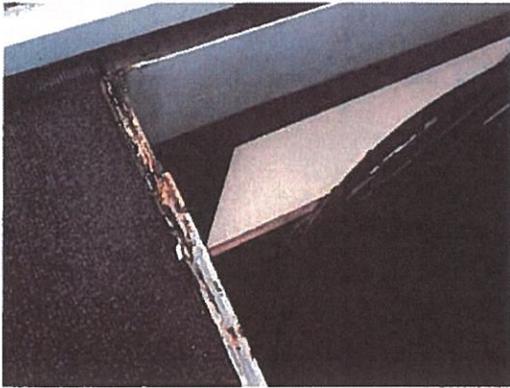
On the port side catwalk, I have noted the following:

- 1) Overall, the catwalk is in satisfactory condition. Noted no areas that rusted through the deck.
 - 2) Where the cabin kicks out, water accumulates on the deck between the galley cabin and the main cabin.
- c) From what was accessible for inspection on the exterior, the cabin sides appear to be in satisfactory condition. However, at the forward bottom section of the cabin to the left of the access door to the engine compartment, the cabin plating has rusted through at the bottom. The backside of the cabin structure, the browl plate has heavy scaling. The exhaust pipe for the stove/oven has heavy scaling. I noted some minor rusting on the backside of the cabin.

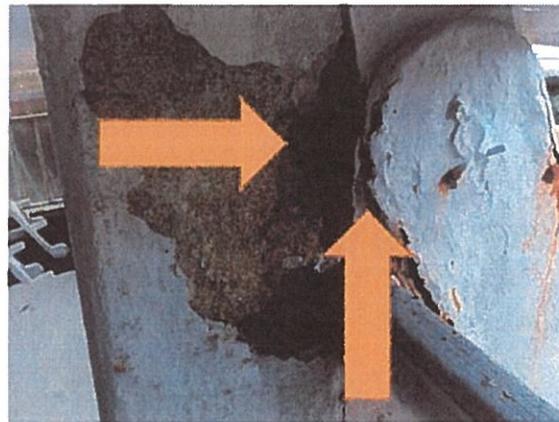
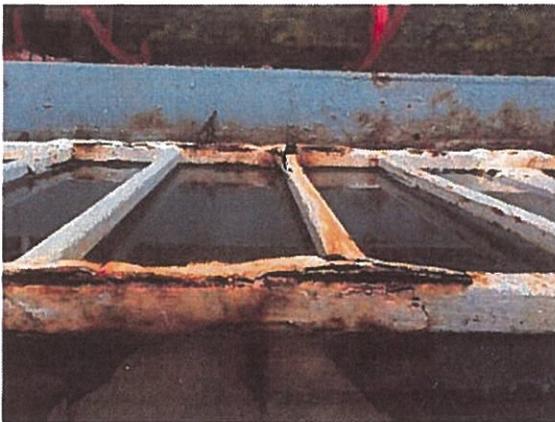


- d) The upper deck is carpeted with indoor/outdoor carpet. The deck appears to be solid and in satisfactory condition. The corrugated overhead panels are in satisfactory condition. I did note some leaks. The plywood panel on the port side by the doorway is soft at the bottom. The panels by both doorways are not secured at the bottom.

HULL CONSTRUCTION (cont.)



- e) The top of the spiral staircase is rusted. The rug was retaining water in this section. The steel plates that make up the opening for the staircase have heavy rusting.
- f) The center vertical support post at the upper deck aft section is scaling at the base. The two outboard support posts are also rusted at the base. There is heavy scaling on the bottom of the railing. Just above the railing, there is a knee welded to the post that supports the diagonal wheel framing support, which is rusted away.



- g) The upper deck overhang aft section has heavy scaling with severe corrosion. Some sections have rusted through.
- h) The deck area under the air conditioner units has rusting and some scaling. The ultrasound readings in this area were .187" and .180". These readings were taken in the area with scaling.
- i) The pilothouse structure appears to be in good, structural condition. The left side panel in the stairwell is damaged, but it is only cosmetic in nature. The steps and handrail are in good condition.

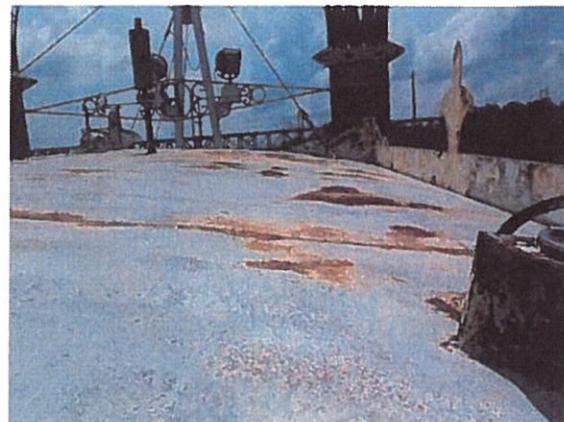
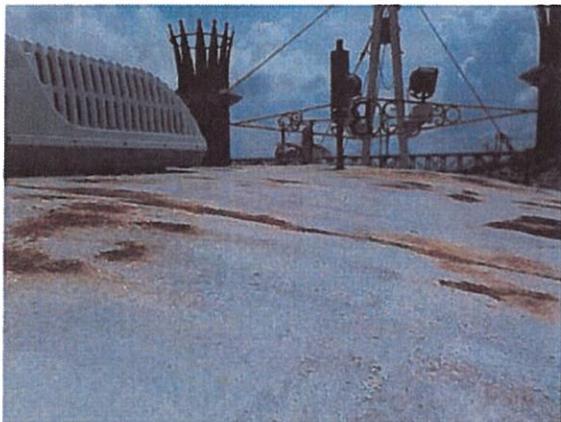
HULL CONSTRUCTION (cont.)



The fixed windows in the pilothouse are in good condition. However, the lower frame around the aft fixed windows is rusted.

The port side aft sliding window is cracked.

The top of the pilothouse has some rusting along with paint failure.



- j) The transom appears to be solid from the interior inspection. Refer to the haul out for the exterior inspection.
- k) All welds accessible for inspection appear to be in good condition with no signs of structural weakness or defects, except for the welds on the interior partition at the transom, which were poorly applied. Also, the weld in the same area by the tie rod arm was poorly applied.

HULL CONSTRUCTION (cont.)

- l) Starting with compartment #1, which is the interior bow section, there is rusting under the paint and heavy rusting at the bottom of the bulkhead. By the manhole cover, there is rusting and paint failure with some crevice pitting on the upper section of the hull side.

The #1 bulkhead (starting at the bow), the ultrasound reading was .250". The stem and all structural supports appear to be in satisfactory condition.

- m) In compartment #2, there is heavy scaling with paint failure between #1 and #2 stringers from the stem up for approximately 24". The #2 watertight bulkhead is in good condition. The hull sides are in good condition. There is some scaling on the stringers located under the manhole. The bottom readings in this area range from .272" to .308". The overhead channel is rusted through at the corner.



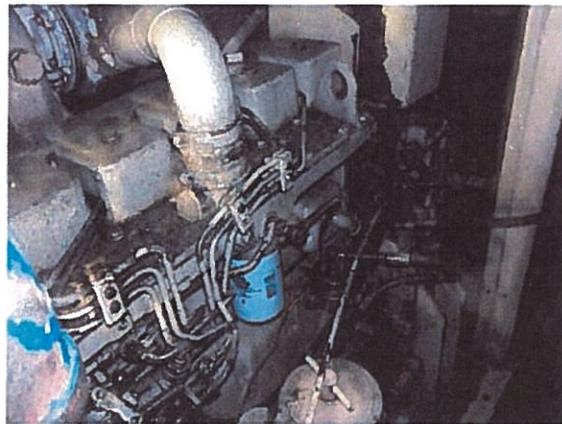
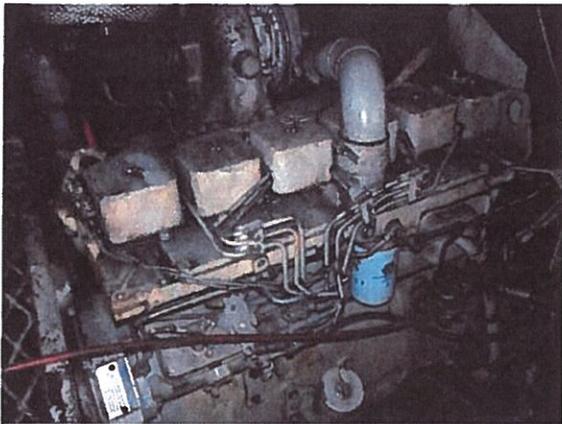
- n) The machinery compartment is referenced as compartment #3. Noted that the watertight bulkhead is in good, structural condition. All structural components appear to be in good order. The interior hull sides where accessible appear to be in good condition. No structural defects were noted on the mounts for the machinery.
- o) In compartment #4, which is the tankage area, I found that all structural components, hull sides, bottom, and deck are in good, structural condition. However, there is an extreme amount of mold, which was being cleaned at time of my inspection. The plywood floor boards flex when walked on. The plywood is not properly supported.
- p) The tool and storage area is referenced as compartment #5. This area is divided into two sections. Overall, there is no structural defects noted in either sections of compartment #5.
- q) In the aft rake, by the intake for the bilge pump, there is scaling of the bottom. Also, on the port side along the aft bulkhead, there is a single layer of scaling. There is water laying between the hull and aft bulkhead. Also, there is water laying between the stringers, since there

HULL CONSTRUCTION (cont.)

is no limber holes cut into the stringers for the water to drain down. The plywood for the flooring is in poor condition and poorly installed.

- r) In the galley at both doorways, there are sections of the floor with rusting and scaling.

MACHINERY: the vessel is powered by twin Cummins, six cylinder, model 6BT 5.9, diesel engines. The port engine's serial number is 44224477. The starboard engine's serial number is 44245276. The engines are equipped with dry exhaust system and keel coolers. I have noted the following:



- a) The water circulation hoses are in fair condition.
- b) The hoses for the keel coolers on both sides are not properly supported. The hoses appear to be in fair condition.
- c) Boots are not installed to cover the starter cable terminal ends as per ABYC standard E-11.5.2.8.
- d) On the port and starboard engines, the alternator's positive terminal ends are not covered.
- e) The exhaust elbows are in fair condition.
- f) The motor mounts are solid and bolted to the engine bed.
- g) The linkage appears to be in good order.
- h) The starboard engine belt is in poor condition. The port engine belt was recently replaced.

MACHINERY (cont.)

i) The rpm gauge for the paddle wheel did not work as only had a reading on one side.

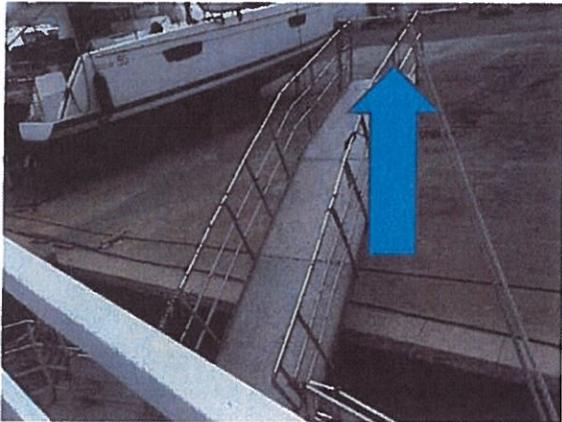
GENERATORS: two Stanford generators attached to the propulsion engines. The generators are well secured and did work. The voltage output of the port generator was 121.6 volts. The voltage output of the starboard generator was 122.5 volts. Each generator is 35 kW, triple phase. The serial number on the starboard generator is P216511. The id plate on the port generator is missing.



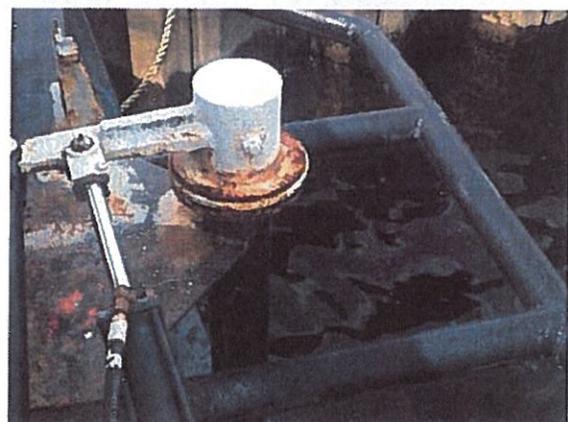
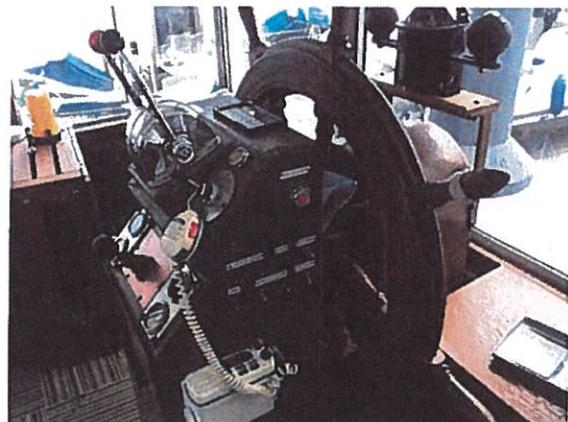
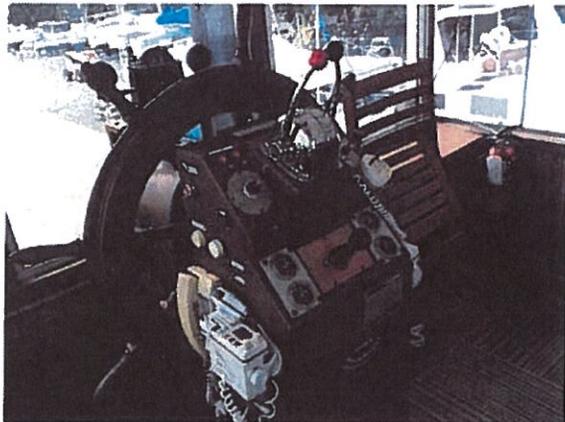
AIR COMPRESSOR: Campbell Hausfeld air compressor, which appears to have been properly installed. The compressor did work.



GANG PLANK: the vessel is equipped with an aluminum gang plank with a Strong Arm electric motor for the hoist. The cable is galvanized steel and appears to be in good order. The gang plank did work. I could not access the pivot connectors for proper inspection. However, what was accessible appeared to be in satisfactory condition. The forward end of the plank is broken.



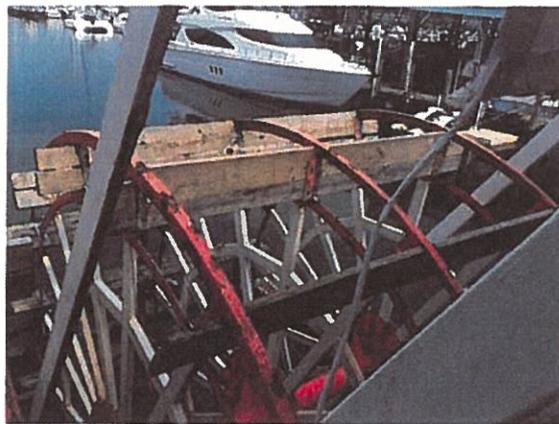
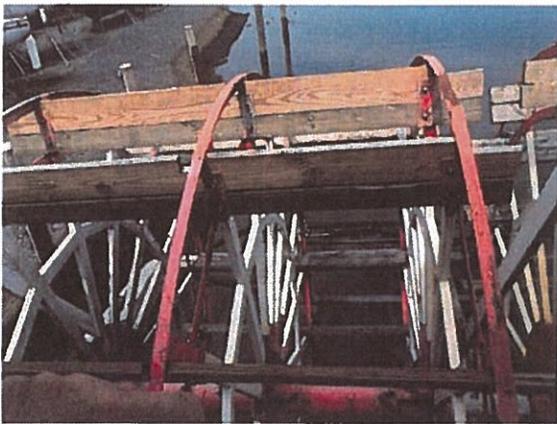
STEERING SYSTEM: hydraulic wheel steering with traditional wood spoke wheel and flanking rudders and steering rudders. The tie rod arm located in the aft rake is heavily rusted. The tie rod arm on the exterior has rusting. The hydraulic lines on the exterior hydraulic cylinders are in satisfactory condition.





PADDLE WHEELS: the vessel is equipped with two paddle wheels. The paddles are made up of 2" x 6" x 10' and 2" x 8" x 10' treated lumber bolted onto steel frames. The paddles appeared to be in good order with no defects noted at the time of my inspection.

The paddle wheel armatures are rusted through at the ends. There is also heavy corrosion with scaling on the diagonal supports for the wheel armatures at the pinned ends. On the port side, the lower hydraulic fittings for the port paddle wheel have heavy corrosion. The knees for the paddle wheel hubs have heavy rusting and scaling.

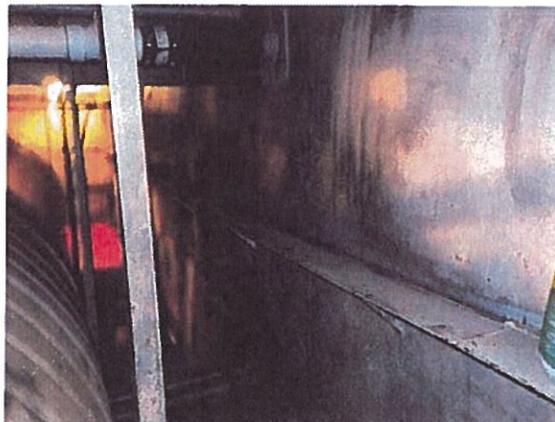


PURCHASE SURVEY #5549

PAGE 11 of 33

VENTILATION: the ventilation system is open with cage style belt driven blower, which did work.

FUEL SYSTEM: the vessel is equipped with one steel fuel tank with port and starboard fill ports. I have noted the following:



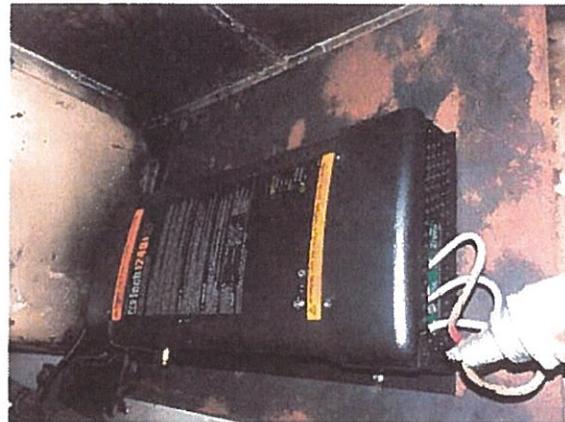
- a) The deck fill ports are painted yellow.
- b) The channel used for the hinged area for the covers of the fuel fill ports are rusted.
- c) The fuel pipes appear to be in good order from what was accessible for inspection.
- d) The Racor fuel filters appear to be in good order with no signs of leaks.
- e) The shut off valves worked.
- f) The fuel tank appears to be in good condition with no visual signs of leaks. However, I would recommend having the fuel tank pressure tested. The fuel tank does not have an information label as per ABYC standard H-33.16.3. I have no knowledge of the fuel tank, such as pressure test or manufacturing information.

ELECTRICAL:

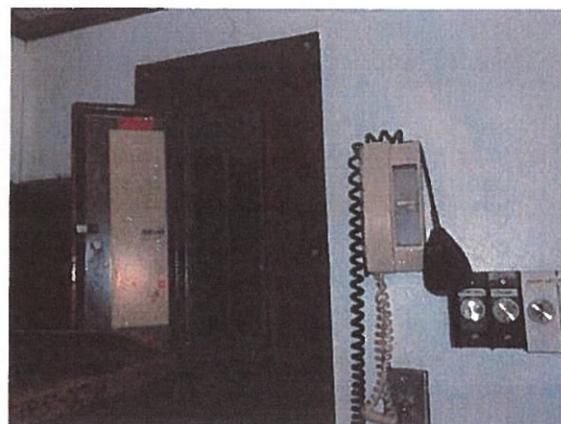
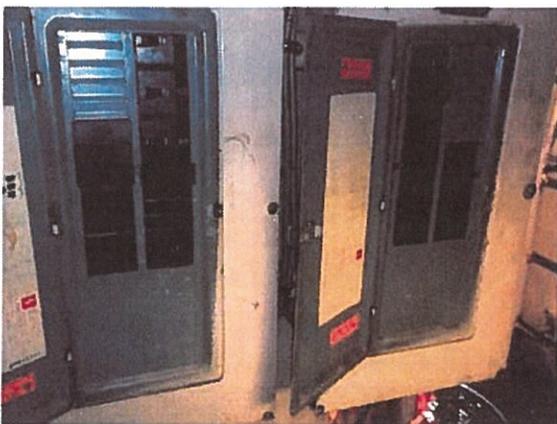
12 VOLT SYSTEM - 12 volt system is equipped with two 8-D acid plate batteries mounted boxes outboard of each engine, one Perko master battery switch located on the port side, and 40 amp ProTech 1240 battery charger. The battery charger worked with a voltage output of 13.5 volts. The electronics and a few lights are wired to the 12 volt system. I have noted the following:

- a) The batteries are secured to the hull as per ABYC standard E-10.7.4. The positive terminal ends are covered as per ABYC standard E-11.5.2.8.

ELECTRICAL (cont.)



- b) I did detect the following wiring violations and/or safety hazards with the 12 volt system:
- 1) No main shut off switch for the starboard engine battery.
 - 2) Improper wire connections.

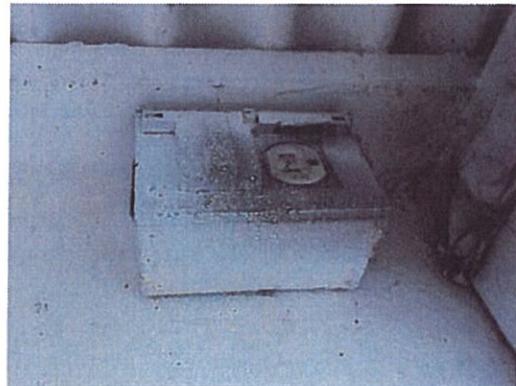
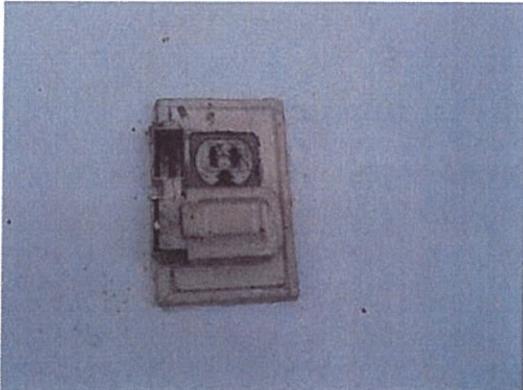


208/120 VOLT SYSTEM - single 100 amp three phase system with a household type circuit breaker boxes, which is not ignition protected. The generators have their own breaker panels. The wiring does not comply with ABYC standard E-11. I have noted the following:

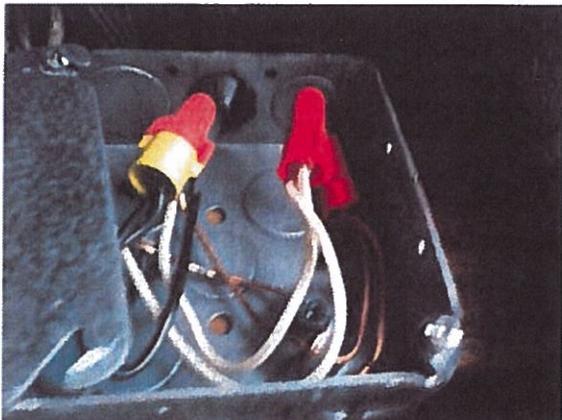
- a) The galley, heads, and engine compartment are not equipped with a GFI receptacles. Also, under forward upper deck stairwell steps on the starboard side, there are two 120 volt receptacles, which are not GFI. Also, the water proof cover plates for the receptacles are in poor condition or missing.

ELECTRICAL (cont.)

- b) There is a faulty breaker in the closet located under the pilot hose on the port side. It is on the right side of the panel and second breaker down. The two pictures below are receptacles that do not work.



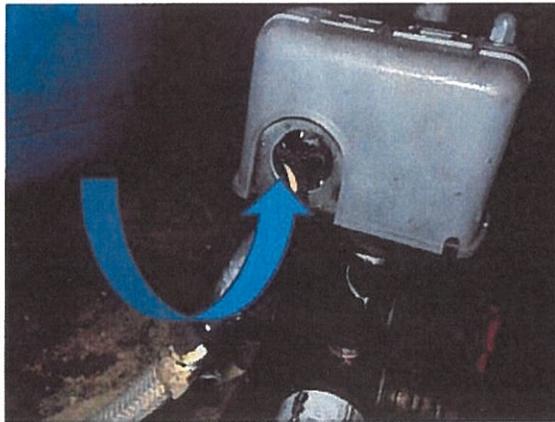
- c) Use of wire nuts for wire connections throughout the vessel.



- d) The electrical cables are not properly secured and open to chaffing.
- e) The light switch cover in the tankage compartment is improper.
- f) Power cord inlets for single phase are no longer in use.
- g) The shore power cord for the 208 volts is in poor condition. The cord is spliced and has tape rapped around it.
- h) The receptacles mounted on the port and starboard side in the aft rake by the vertical compression post have poor retention.

ELECTRICAL (cont.)

- i) Defective receptacle in the companionway to the engines.
- j) The forward light in the aft rake port compartment was out.
- k) There is solid core wire used throughout the vessel.
- l) There is no wire clamp for the pressure switch for the fresh water pump.



- m) The lower catwalk lights did not work.

AIR CONDITIONERS: the vessel is equipped with 3 commercial air conditioner units, mounted on the upper deck. The air conditioners did work.



The vessel is also equipped with a Carrier camper style air conditioner in the ceiling in the pilot house, which does not work well. The air grid on the front section is missing.



The overhead heater located on the upper deck is plugged into receptacle. The heater was not tested for operation.

PLUMBING: the vessel has two plastic water tanks at 500 gallons with 120 volt pump, an accumulation tank, and PVC pipes, which appear to have been properly ran throughout the vessel. The drains, faucets, and fixtures are in fair condition.

The ball valve for the above the waterline gray water discharge located in the aft rake worked.

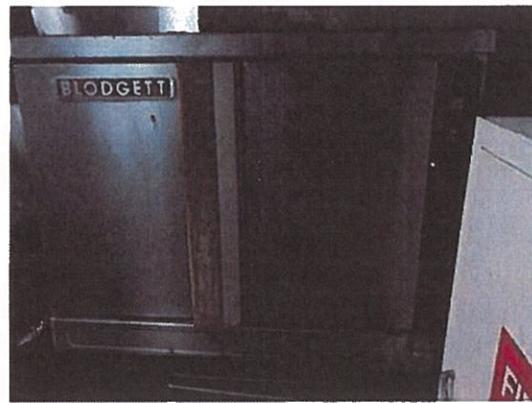
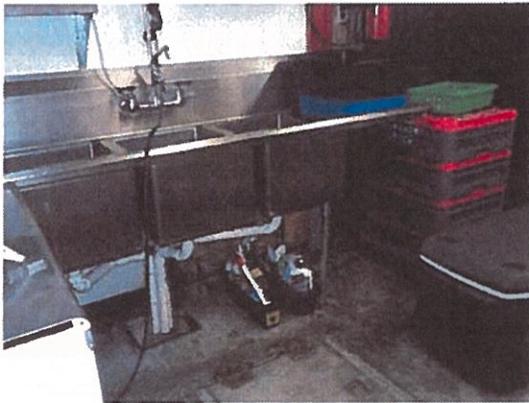
The 120 volt one horsepower shallow well jet pump appears to be in good condition. However, there is no wire clamp at the pressure switch. This pump supplies the fresh water. Also, there was a leak at the discharge end of the pump (arrow pointing at the leak.)



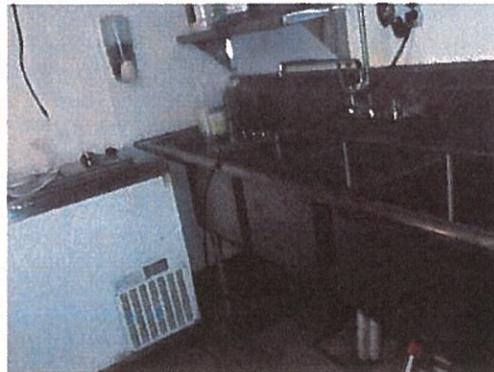
The vessel is equipped with a 15 gallon Vanguard hot water heater, serial number 0411335926. The hot water heater is not secured; the metal strap that holds the hot water heater is broken off. The hot water heater is wired with wire nuts and solid core wire. The hot water heater is not for marine application.



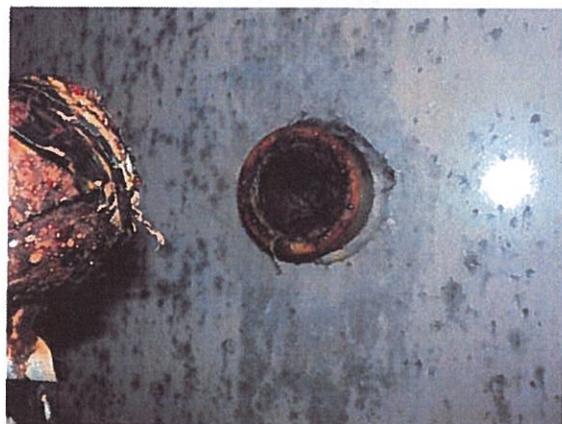
GALLEY: the galley is equipped with the following:



- a) Commercial stainless steel sinks with a faucet for hot and cold pressurized water. The drain line is in good condition.
- b) Blodgett commercial oven, which did work. The oven is not properly secured. The exterior stove pipe is corroded.
- c) There is a small refrigeration unit that did work. The larger refrigeration unit does not go with the boat and is leased.



HEADS: the vessel is equipped with two heads located on either side of the galley and two heads located on the upper deck, with toilets, urinal, sinks, and three 500 gallon each holding tanks. The toilets are conventional household type. The operations of the toilets did work. The port aft holding tank vent is broken off.



BILGE PUMPS: the vessel is equipped with two electric 208 volt pumps (one Balder and one Centry), which has piping to each compartment with strainers on the end of each intake pipe. The pumps were not tested. The USCG is tested the bilge pumps on August 17, 2020, as per owner.



BILGE PUMPS (cont.)

There are high water float switch alarms, which are routed to the pilot house. The float switch in the engine compartment is not secured. The float switch in the aft rake is secured and did work.

The vessel is equipped with one sea chest, which top of the unit is heavily scaled. Further evaluation will be required once the vessel is dry docked. All transfer gate valves in the machinery compartment worked. The bronze ball valve for the sea chest worked. This system feeds the fire hoses or discharge bilge water overboard. The gate valve in the forward compartment for the water intake for the fire pump needs to be reevaluated. The gate valve has an extension handle, which is rusted and corroded at the bottom.

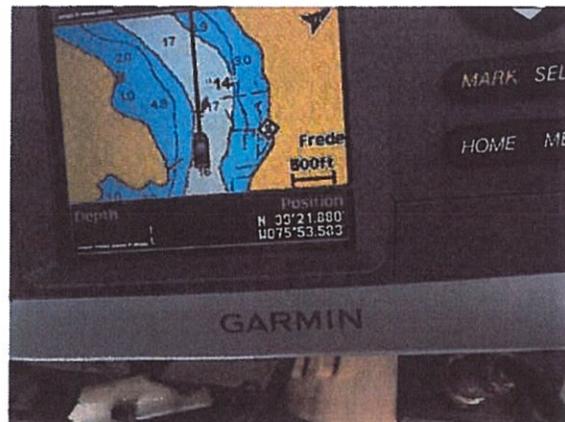


FIRE PROTECTION: the vessel is equipped with two electric pumps with fire hoses. There are carbon dioxide extinguishers and dry chemical fire extinguishers installed throughout the vessel. The fire extinguishers were being inspected at time of my inspection. The carbon dioxide extinguishers were not inspected at time of my inspection. An axe is mounted in the stairway to the pilot house. There are no smoke or carbon monoxide detectors installed.



NAVIGATION LIGHTS: the red and green bow lights, stern light, steaming light, and anchor light worked. All the flood lights did work.

ELECTRONICS: the electronics appear to have been properly installed. I have noted the following:



- a) The two Standard Horizon VHF's did work.
- b) The Datamarine Sandpiper depth finder did work.
- c) The Garmin GPSmap 441S GPS/knot meter worked giving a reading of 39°21.862 / 075°54.005.
- d) The Danforth Constellation steel boat compass is in fair condition. The light shade on the compass is broken. The compass light did work.
- e) The PA system appears to be in good order.

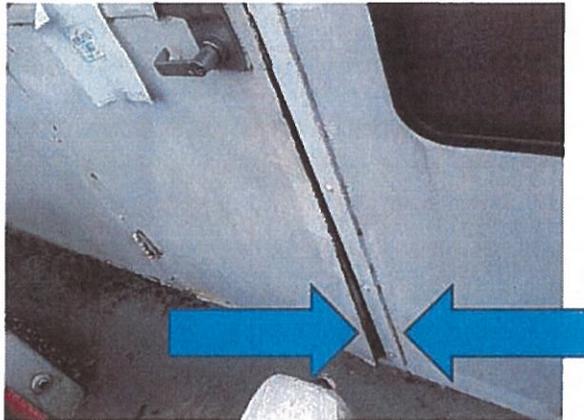
DECK HARDWARE: the deck hardware appears to be properly welded to the hull. The railing appeared to be proper height. The upper deck aft railing has heavy scaling and rusting at the base. The base of the railing throughout the vessel is rusted.

PORTS AND HATCHES: I have noted the following:

- a) The forward doors on the port and starboard sides are in good working order.
- b) The interior floor access hatches are in satisfactory condition. The lifting latch on the hatch in the galley is broken. The latch on the hatch under the spiral staircase is broken.

PORTS AND HATCHES (cont.)

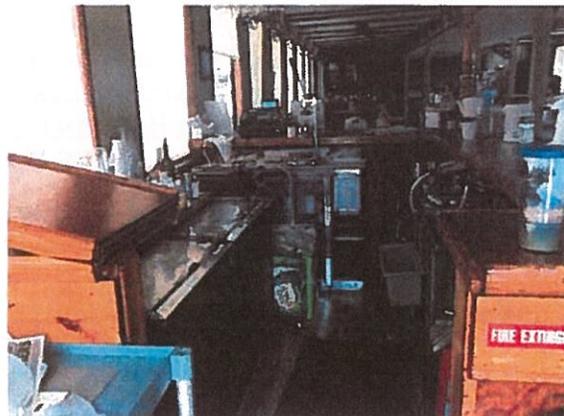
- c) The main salon windows are in good condition with no signs of cracks or broken windows.
- d) The fixed windows in the heads, main salon, and pilot house are in good condition. However, in the pilot house, the base of the port side window is rusted out.
- e) The sliding window in the pilothouse port side is cracked at the bottom.
- f) The engine hatch door is in good condition. The doggs are in satisfactory condition. However, this is the only means of escape. As per 46 CFR 92.10-5(a), there needs to be at least two means of escape.
- g) The manhole covers for compartments #1 and #2 appear to be leaking.
- h) The starboard side cabin door is bent at the bottom.



- i) The latch on the port side tankage compartment escape hatch is broken.

GROUND TACKLE: Danforth anchor with ¾" three strand nylon line and ¾" galvanized chain. The chain is rusted. The line is weathered.

BAR AREA: the bar has a True refrigeration, which was locked, Beverage Air refrigerator, and a commercial sink. All appear to be in good order. Operation was not tested.



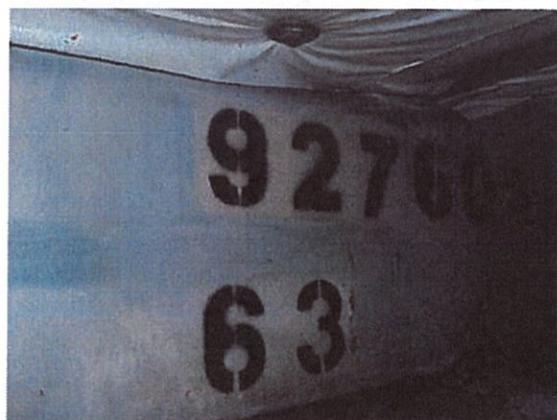
MISCELLANEOUS

- a) The two forward manhole covers are not labeled.
- b) The cushion for the jump seat in the pilot house is in poor condition.
- c) The corrugated overhead panels for the upper deck leaks.
- d) The section of carpet forward of the railing for the staircase has moss or algae growth.
- e) The two overhead panels in the bar area were pulled from the ceiling at time of my inspection.

HULL PLAQUE

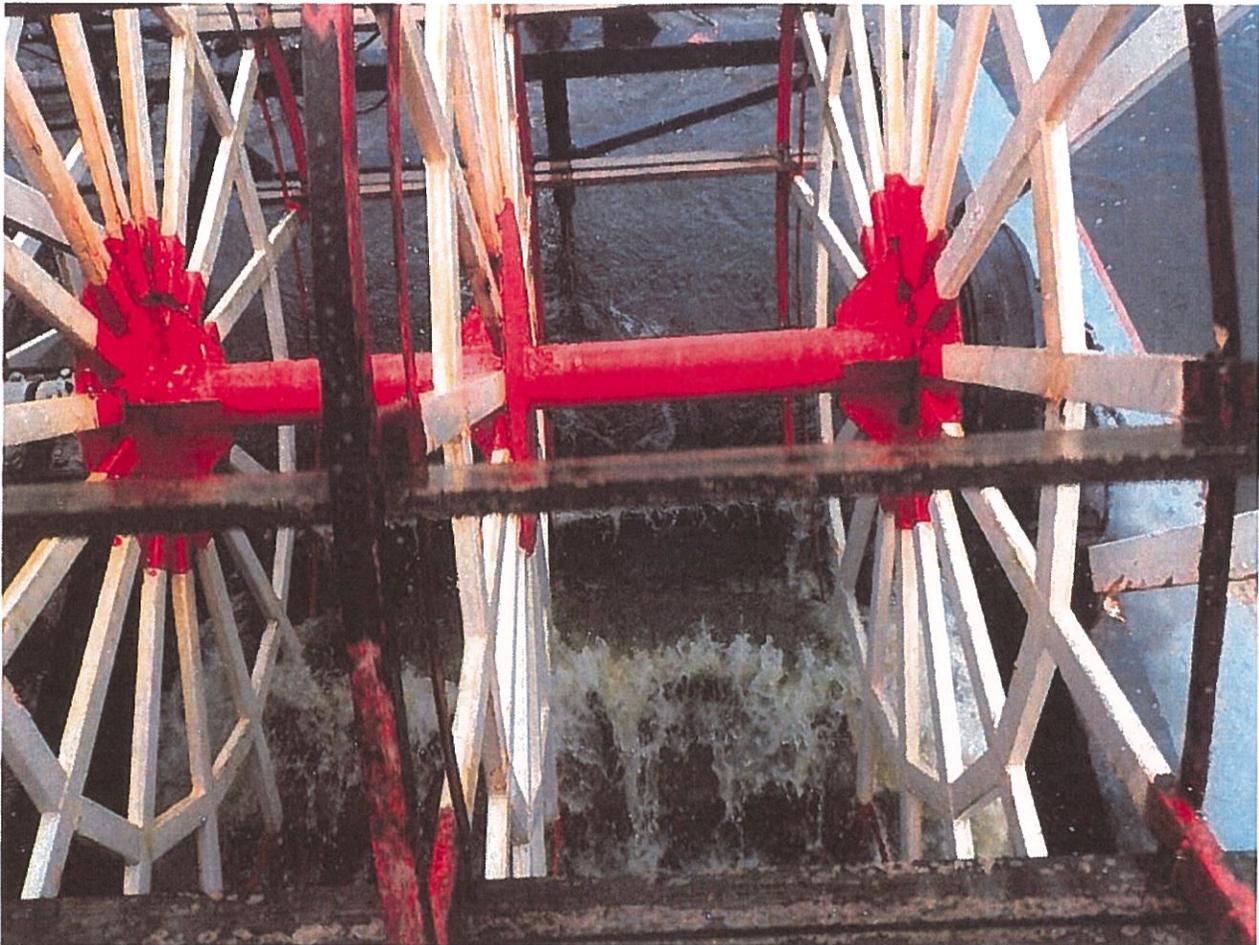


DOCUMENTATION NUMBER



SEA TRIAL REPORT

On August 12, 2020, I attended the sea trial that was performed on the Black-Eyed Susan, hull number 169, while representing the interest of the town of Leonardtown. I have noted the following:



ENGINES

The engine started easily. No visual signs of water or exhaust leaks were found. There was no vibration. The port engine's alternator output was 14.5 volts. The starboard engine's alternator output was 14.6 volts. The oil pressure gauges read 60. Refer to the thermal imaging for the engines' temperature readings.

The hydraulic drives were in good working order.

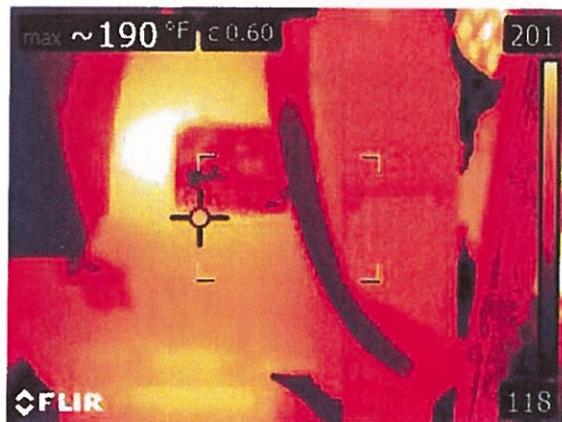
SEA TRIAL REPORT (cont.)

STEERING SYSTEM

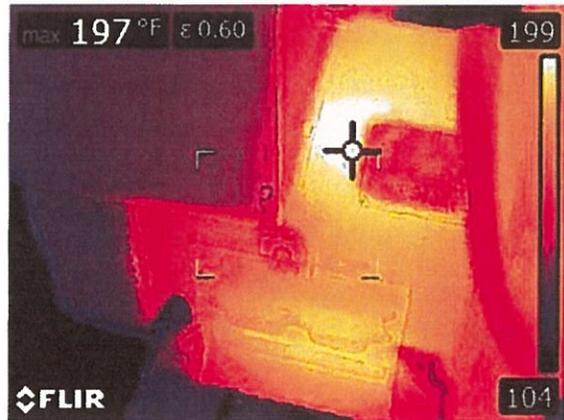
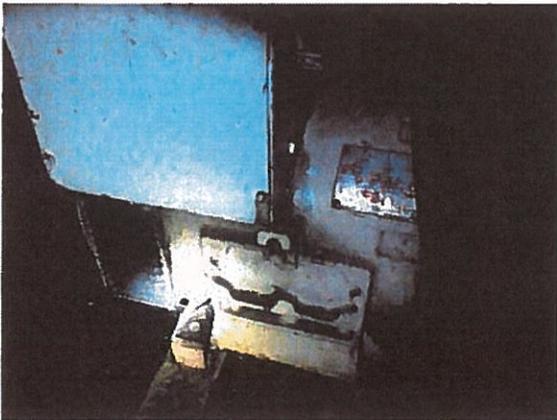
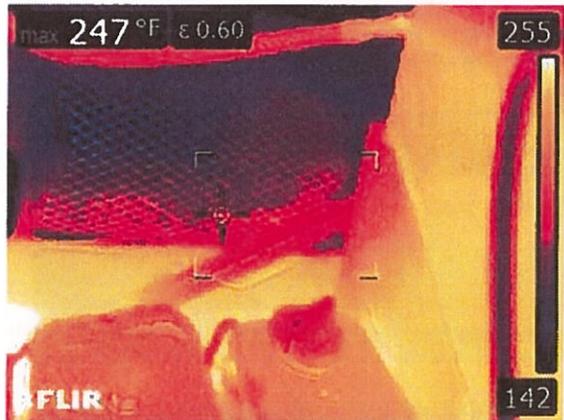
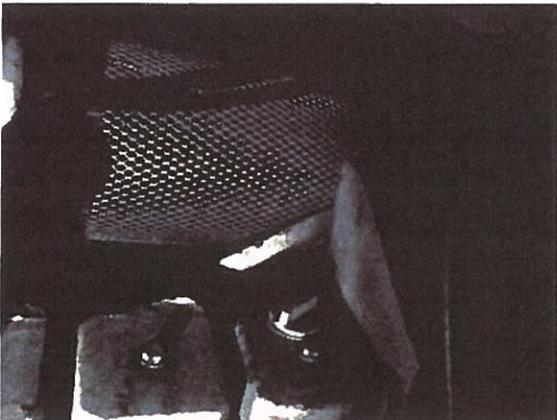
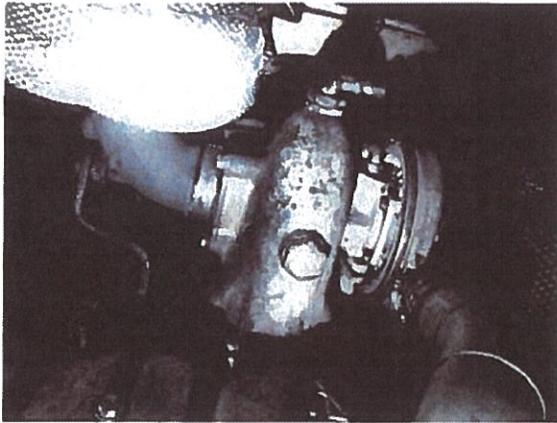
The steering system worked well. The flanking rudders were in good working order.

THERMAL IMAGING

STARBOARD ENGINE



THERMAL IMAGING (cont.)

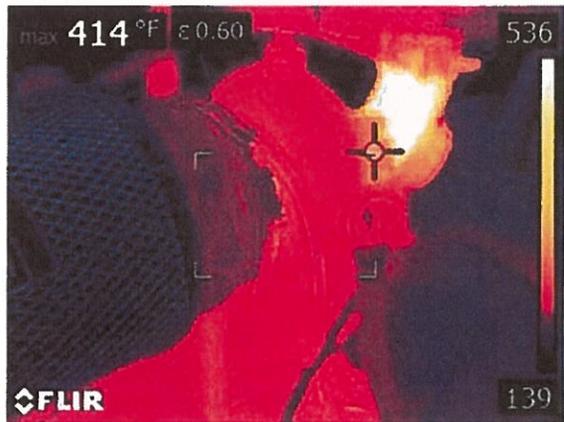
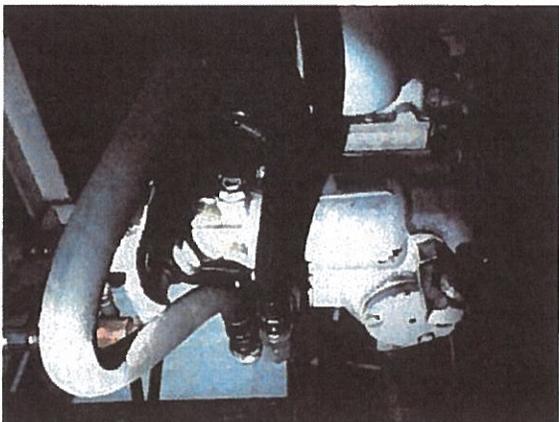
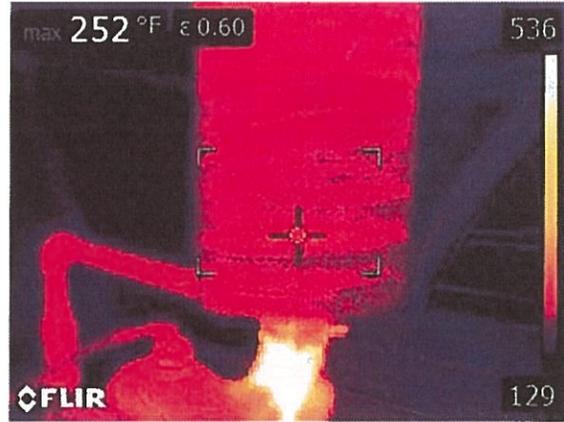
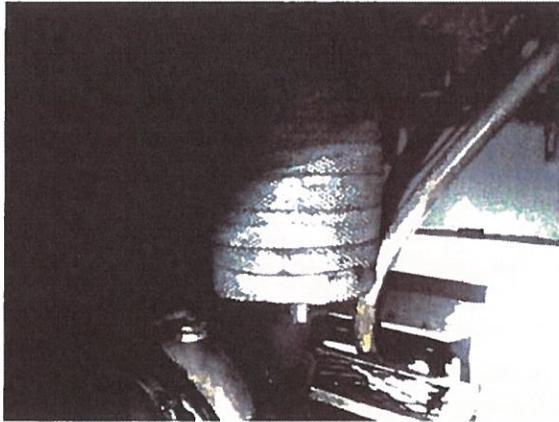


THERMAL IMAGING (cont.)

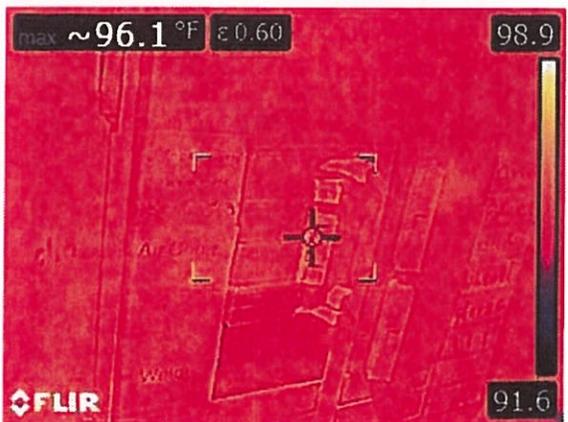
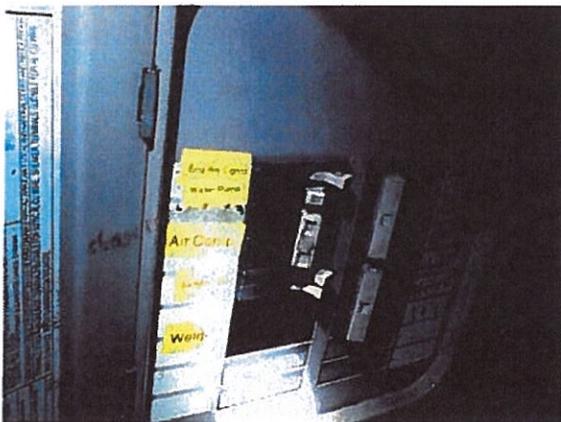
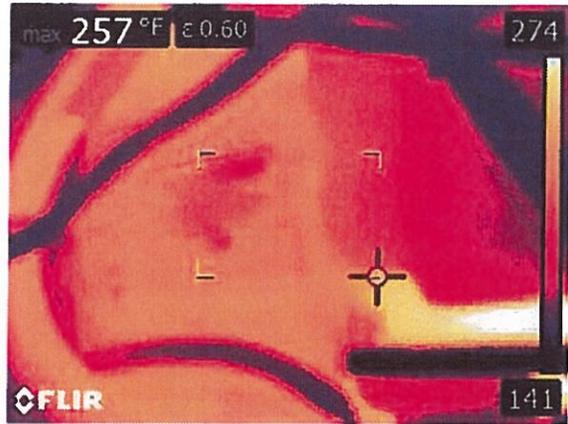
PORT ENGINE



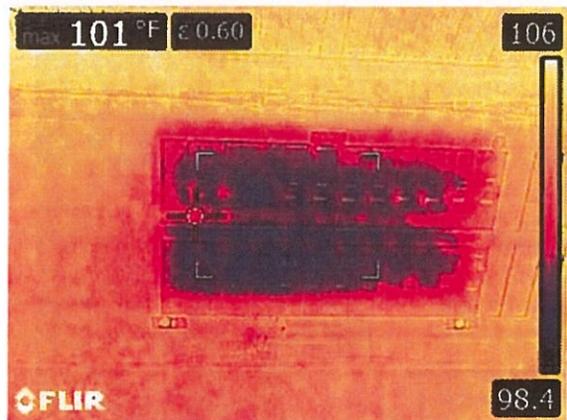
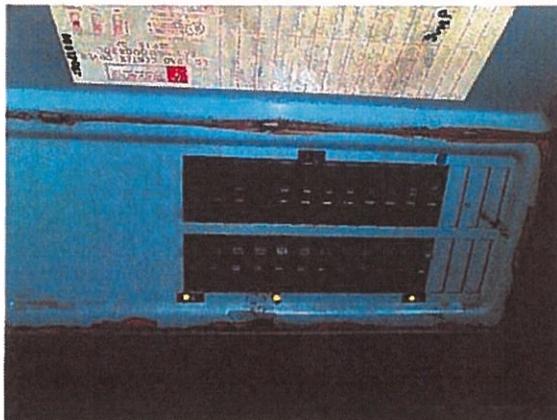
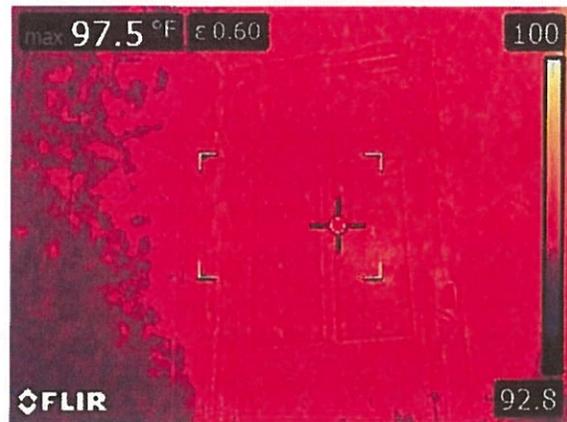
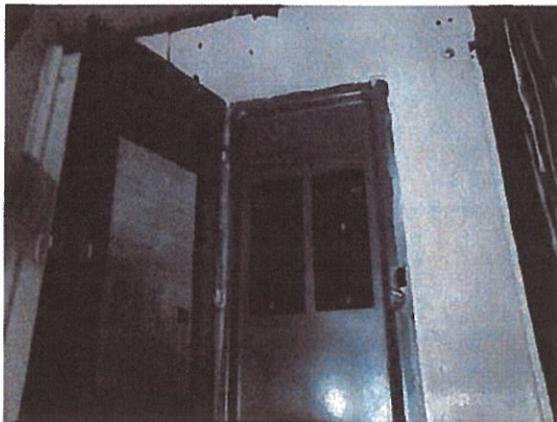
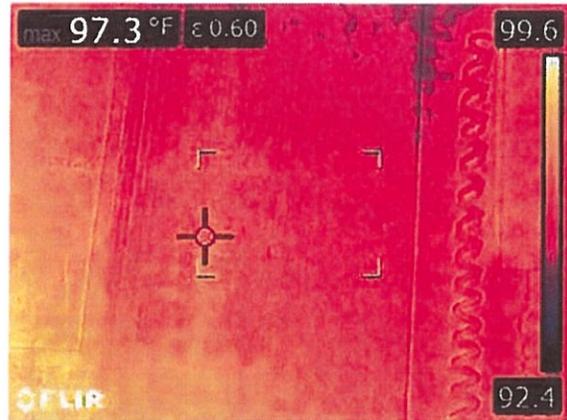
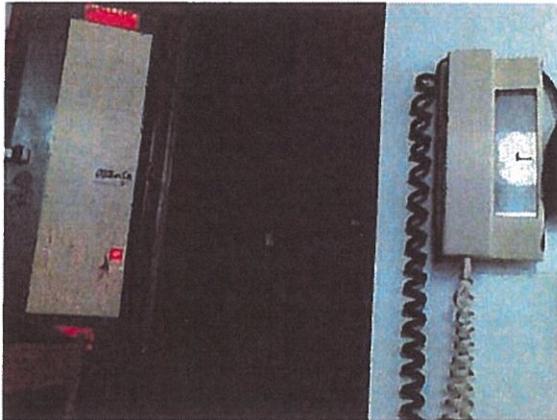
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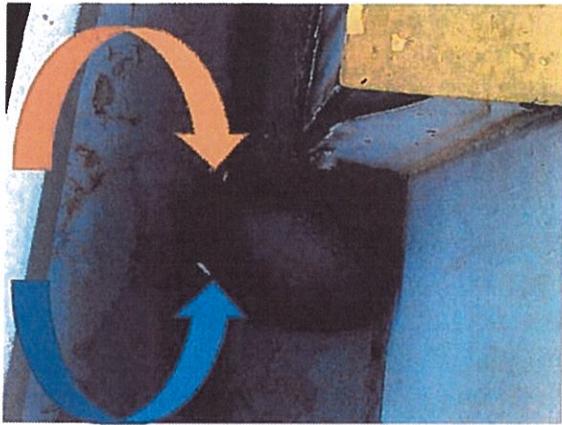
THERMAL IMAGING (cont.)



THERMAL IMAGING (cont.)



THERMAL IMAGING (cont.)



RECOMMENDATIONS

SAFETY ITEMS AND STRUCTURAL ITEMS

- a) Cover the positive battery terminal ends on both engines and alternators.
- b) Install GFI receptacles in the galley and the machinery compartments.
- c) Replace damaged or missing water proof covers on the receptacles.
- d) Install a master battery on/off switches for the engines.
- e) Remove all wire nuts from the electrical systems and replaced with crimped wire connections.
- f) Properly terminate open end wires.
- g) Replace hot water heater with marine grade hot water heater. Properly secure the heater to the shelf.
- h) Install a wire clamp on the pressure switch for the fresh water pump
- i) Install smoke and carbon monoxide detectors throughout the vessel.
- j) Replace the shore power cord.
- k) The center aft compression post on the upper deck need to be repaired or replaced since it support the center diagonal on the drive frame for the paddle wheels.
- l) Remove the mold from the tankage and aft compartments.

RECOMMENDATIONS (cont.)

MAINTENANCE AND GENERAL REPAIR

- a) Repair the vent line on the aft port holding tank.
- b) Repair areas rusted through on the catwalks.
- c) Replace the engine belt on the starboard engine.
- d) Remove all standing water from the hull interior.
- e) Repair the leaking line for the fresh water pump.
- f) Repair or replace the rpm gauge.
- g) Repair the heavy rusting of the sea chest.
- h) Install a marine grade circuit breaker panel for the electronics in the pilot house.
- i) Replace the hood for the compass light.
- j) Remove old peeling paint and apply new.
- k) Replace cracked window in pilot house.
- l) Repair or replace the corroded stringers in #2 water tight compartment.
- m) Replace the aft railing on the upper deck back by the paddle wheels.
- n) Repair the leaks in the corrugated plastic used for the roof on the upper deck.
- o) Properly secure the float switch for the alarm in the machinery compartment.
- p) Replace the carpet around the spiral staircase on the upper deck.
- q) The diagonal supports and the horizontal arm supports for the paddle wheels need to be repaired. The ends and pins are very heavily corroded away. Areas on the horizontal supports need to be repaired that are rusted through.
- r) Repair or replace the starboard side door and lock.

SURVEYOR'S COMMENTS

Upon my inspection, I found said vessel to be structurally sound and have a current COI with the Coast Guard. There was an inspection scheduled with the Coast Guard on August 17, 2020.

Some items found in this report were not in effect at the time of construction and may be grandfathered. However, that is not my call.

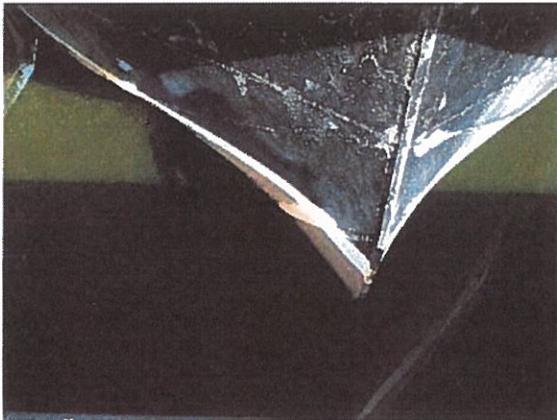
The sea trial went well with no problems.

The owner was cleaning the mold out from the tank compartment as I was inspected said vessel. However, it was not completed when I was finished with my inspection.

Starting July 9, 2013, carbon dioxide fire extinguishers must have an approved odorizing unit to produce the scent of wintergreen. There was no way to test for this.

The vessel was booked for charter after my inspection.

The haul out was scheduled for August 12, 2020. However, the weight of the boat exceeded the travel lift capacity. The boat was lifted out of the water for approximately 2'. I was able to see the sacrificial anodes attached to both sides of the hull, which were in satisfactory condition. The sides of the hull were covered with marine growth, so inspection was very limited. From what was accessible for inspection, I could see that there was no damage to the hull sides and bow.



Capt. Phineas T. McHenry, Ltd.

**MARINE SURVEYOR ♦ MARINE CONSULTANT
38 OAK HILL LANE ♦ ELKTON, MD 21921
410-287-2028**

PURCHASE SURVEY #5549

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DISCLAIMER

My inspection of this vessel represents reasonable care and skill, but does not include inspection of the engines or those sections requiring structural removals and disassembling. My conclusion does not constitute a guarantee or warranty of the vessel's condition or of its parts, but it is an expression of my opinion only. No liability is assumed by me for errors of judgment or omission, or for subsequent structural or mechanical weakness in the vessel. The recommendations listed in this report are a courtesy and are not all inclusive.

This report should be considered as an entire document. No single section is meant to be used, except as part of the whole. It is current to the named client for 30 days of undisturbed layup of the vessel's first use. Subsequent updating and transfer of the survey is solely the right of the surveyor.

The content of this report remains the sole property of said marine surveyor and may not be used without the author of the survey written permission. The use of this report shall constitute an acceptance of the above mentioned conditions.

SURVEY SIGNED AND SUBMITTED WITHOUT PREJUDICE



Kenneth E. Henry, Sr., AMS® #370
Marine Surveyor

**MEMBER ABYC, ASNT, and IAAI
SOCIETY OF ACCREDITED MARINE SURVEYORS
INTERNATIONAL INSTITUTE OF MARINE SURVEYING**

Black Eyed Susan Inspection

4SEP2020



Prepared for:

Commissioners of Leonardtown
22670 Washington Street, POB 1
Leonardtown, MD 21650
301-475-9791

Prepared by:

Specialty Underwater Services
35 Stahls Point Road
Curtis Bay, MD 21226



Executive Summary

Specialty Underwater Services (SUS) performed an underwater vessel inspection for Commissioners of Leonardtown regarding the riverboat the Black Eyed Susan on 4SEP2020. The SUS 3-man crew consisted of supervisor Adam Samp, diver Allen Craig, and tender Trenton Kulmer. The inspection was performed from an SUS provided dive trailer with diving operations in accordance with all OSHA and ADCI guidelines governing safe diving practices.

Overall, the riverboat hull appears to be in good condition with less than 1/8" thin light marine growth throughout. Riverboat coating appears to be in good condition, and observed anodes are in good condition. All anodes were 90-95% remaining, except two anodes that were coated over, and one that was about 30% remaining. NDT measurements were taken incrementally at port, center, and starboard locations from bow to stern. Sea Chests were in good condition with hardware intact and in place. Steel hull thickness averaged 0.283". Individual NDT readings can be found in the following drawing. There was some scrapping/gouging damage along the starboard side of the hull; NDT readings in the area were consistent with the rest of the hull.

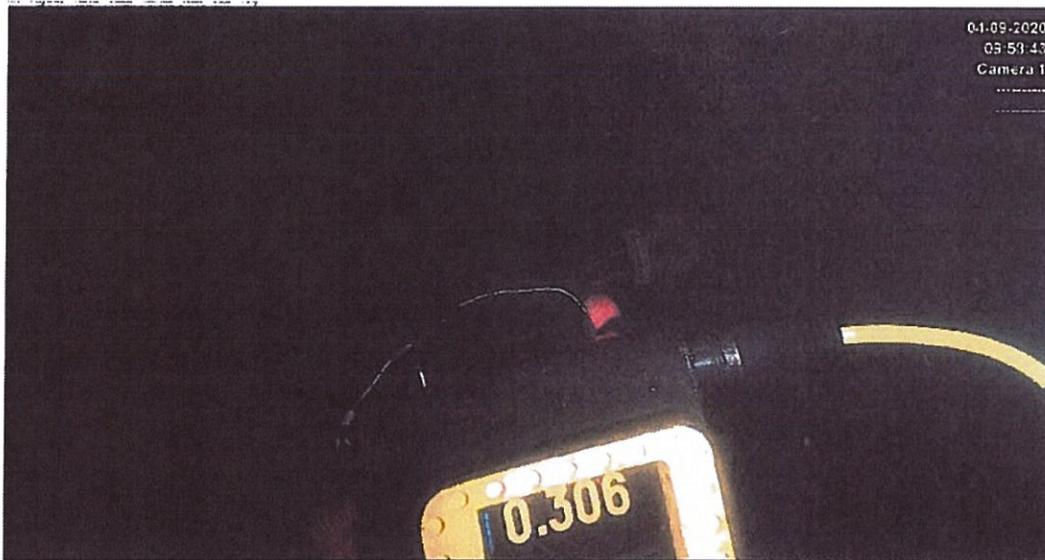
The riverboat had two sets of rudders, the bow set of rudders in front of the paddlewheel were in good condition. The second set of rudders stern of the paddlewheel had some blistering and coating loss on the front edge, overall fair condition. The paddlewheel had newer wood planks with some blistering and coating loss on the framing overall in good condition.



(STILL OF SEA CHEST INTAKE)



(STILL OF A TYPICAL ANODE)



(STILL OF AN NDT READING)



(STILL OF GOUGE ALONG STARBOARD SIDE)

APPENDIX A: NDT READINGS



BOW

		Anode	0.454		0.432	Anode	
5 Anodes inside Sea Chest coating loss on bars	sea chest minimal coating loss	Anode	0.342		0.332	Anode	sea chest same as port
Anode	0.328	30% remain Anode	0.302		0.302	coated over Anode	0.306 Anode
Anode							Anode
Anode	0.314		0.252		0.254		0.256 Anode
Anode	0.256	0.254	0.248		0.302	0.252	0.298 Anode
Anode			minor blistering & coating loss				Anode
Anode	0.248	0.244	0.254		0.24	0.252	0.248
			Anode		Old coated over Anode		X Anode Small Scratches on bottom & side of hull
	0.246	0.250	0.25		0.258	0.256	0.252
	Anode		Anode		Anode		Anode

STERN

Black Eyed Susan Estimated Repair & Maintenance Budget

These are the projected expenses (initial and annual) to repair and provide maintenance (initial and annual) for the Black Eyed Susan. The cost estimated for these outlined repairs is an estimate. Actual repair costs may decrease/increase based on varying factors; materials, labor, and additional items that may be discovered. The repair items have been evaluated and reviewed with the intent to outline work that would allow for the vessel to operate in a safe working condition for years as a passenger carrying vessel. Most of the outlined work has also been highlighted by the survey performed on Aug 14th by Capt. Phineas McHenry, Ltd. The following repairs outlined are recommended and should be considered as initial expenses and likely would be required in the first 5-6 years. The outlined repairs do not include or consider yard fees, storage fees, environmental protection costs and any regular annual salaried positions.

1. Stern/Transom Structural Metal Repairs/Replacement:

\$75,000+

- a. Repairs to compression posts, drives and support framing for paddle wheel.
 - i. Cut/Replace Steel
 - ii. Repair/Clean/Protect
- b. Repairs to handrails
 - i. Cut/Replace Steel
 - ii. Repair/Clean/Protect

2. Engine Room: \$15,000.

- a. Keel-cool piping
- b. Main seal leak
- c. Exhaust elbows
- d. New Pressure Gauges
- e. Required General Maintenance
- f. Degreasing/Cleaning
- g. Wire and pipe support

3. Steering: \$10,000

- a. Bearings and bearing surfaces
- b. Corrosion
- c. Connections

- d. Hydraulic lines
- e. Supports
- 4. Paddle Wheel: \$7,500.
 - a. Babbitt bearings
 - b. Drive trains
 - c. Corrosion
 - d. Wood replacement and fastening
- 5. Dehumidifier System (for all below deck zones): \$7,500+
 - a. Purchase
 - b. Install
- 6. Helm Reconfiguration: \$7,500+
 - a. Reconfigure
 - b. Organize
 - c. Rewire
- 7. Engine Room Electrical: \$5,000
 - a. Upgrade batteries
 - b. Battery Switches
 - c. Provide proper wiring
- 8. Water Pump: \$2,500
 - a. Replumb
 - b. Repair Leaks

Additional work list items of importance:

- 1. Underpowered
 - a. The size of the generators and the demands on the hydraulics and the electrical systems.
 - i. Not all systems are able to be energized (AC/Heat)
 - ii. RPM and power at the wheel
 - b. Additional Generator
 - i. To run all electrical systems.
 - 1. Purchase
 - 2. Install
 - 3. Reconfigure electrical systems.
- 2. Electrical
 - a. Vessel has Romex wire throughout
 - i. Fire hazard
 - ii. Non-Compliant
 - iii. Insurance liability and coverage conflict
 - b. Removal of all wire
 - i. Expensive; \$50,000+
- 3. Mold
 - a. Compartments still have Black Mold present
 - i. Contract specialized company to remove

4. Wheelhouse AC

- a. Replace with new unit
 - i. \$2,500

5. Remove Exterior Carpet

- a. Replace with non-skid deck

6. Exterior Paint

- a. All exterior surfaces require removal of rust, rust conversion and paint protection.
 - i. Overall assessment and determination of importance and quality desired to determine adequate budget.
 - ii. This could be a task for a full-time position, staff person(s).
 - iii. \$20,000+

Annual Budget Work List Items (labor not included):

1. Engines- \$2,500
2. Hydraulics- \$1,500
3. Restrooms- \$1,500
4. Vessel Exterior Maintenance- \$5,000+
5. Winterize Systems-\$2,500+
6. HVAC Maintenance-\$1,500+
7. Pump Outs-? Town providing?
8. Shore Power (electric)-? Town providing?
9. Garage/Trash Disposal-? Town providing?
- 10 Insurance-?
11. Security- Cameras; \$1,000
Personnel?
- 12.Cleaning Materials- \$2,500+
13. Uniforms for Crew- \$1,500

The costs to make the necessary repairs that will likely be required initially (withing first 5 years) are estimated around \$200,000- \$250,000. This includes the items in the first section of outline with a buffer included. The additional costs that need to be considered are the costs associated with the hauling out of the vessel. At a minimum it is every 5 years, and next one is required 2022. The fees to haul out the vessel range between \$20,000 and \$30,000 (yard fees only) and the avg. costs for a haul out could be \$50,000- \$60,000 without any major repairs to the hull or plating.

The annual budget avg. for the vessel could range from \$50,000- \$75,000 for materials and parts costs. Large portion of

that budget is for upkeep and appearance as well as general maintenance. This cost should be understood after 2 years of operation.

The surface and facility report were not considered for these estimated figures. Dockside facilities like floating docks, workspace/facility and securing of the vessel need to further be investigated. Initial and annual budget for these items need to be outlined.