

## **Purpose of Pre-Purchase Survey**

The purpose of a pre-purchase survey is to provide information about the condition and value of a boat, its machinery and equipment, sufficient for our clients to make an informed purchase decision. Insurance underwriters and lenders also rely upon our reports in making their commitments. Our surveys include a written report of the surveyor's observations, recommendations and an opinion of current market value and replacement cost.

Prior to the survey, a prospective purchaser should request full disclosure from all parties to the sale, to include, but not be limited to, the boat's title status, service history, damage experience, records of maintenance and repairs, engine logs, owner's manuals, etc.

We require that boats undergoing pre-purchase surveys be hauled out for a hull inspection. We have equipment that enables us to inspect boats that are "hailed out" on boat lifts. This is a great advantage to our clients and boat owners who find the trip to a commercial haul out facility is not feasible due to distances involved, scheduling, etc.

That service is available at a modest extra charge and is subject to limitations of access on the lift, such as tide, wind, lift condition and other impediments to accessing the bottom and hull appendages of the boat.

A test run of the boat, sometimes termed a "sea trial," is strongly recommended. If a test run is requested, the owner or the owner's authorized agent must operate the boat so the surveyor can concentrate on the inspection process. If a test run is not requested, the owner or the owner's authorized agent must be available to start and operate propulsion and auxiliary machinery, which is then observed in static operating mode only. Please note that our insurance liability restrictions preclude us from operating boats, starting machinery or igniting combustible fuel appliances such as stoves, heaters, etc.

Pre-purchase inspections are conducted in a thorough and professional manner with due care and diligence. No assurance can be made, however, that every deficiency will be discovered. The facts as discovered and presented in our written report should not be deemed a guarantee or warranty, either expressed or implied, for the boat, its machinery or equipment. All observations are strictly in the nature of opinion and may be subject to further qualification. Given today's complicated marine systems, few surveyors can be considered expert in all matters and ship's systems. Qualified specialists should be consulted when circumstances dictate. Expert inspections of rigging, machinery and electrical systems, independent from the primary survey, may be in your best interest and will be recommended when the need is indicated.

Propulsion engines and auxiliary generating machinery represent a large percentage of the investment in a boat and we recommend an independent engine survey for all such machinery. Such an inspection is usually performed concurrent with our survey and each professional protocol generally complements the other. The engines used in modern marine applications are often marinized versions of automotive, truck or industrial engines. The marine modifications can shorten engine life, which is complicated by the unique factors present in the normal marine operating environment. A qualified marine engine surveyor is able to focus solely on the machinery, its operating and performance characteristics, its compliance with manufacturer's specifications and tolerances and the surveyor can identify maintenance needs and make service and repair recommendations for proactive response. The inspection also includes the engine accessories, transmission, exhaust system, fuel system, engine mounts and bearers and engine and transmission fluid laboratory analysis. Fuel sampling is sometimes included in the laboratory testing if its quality is suspect.

Attending the survey is a valuable experience and we encourage our clients to be on hand to observe and participate in the process. During the survey, our first priority is the inspection

process. An on-site, post survey consultation will follow the inspection during which we can address questions and concerns and visually qualify important findings. Other interested parties (owners, brokers, etc.) often attend the survey as well. We will politely but firmly and strictly limit activity by onlookers that inhibits or interferes with the surveyor's inspection process or creates personal safety problems for any person present. Our obligation is to our client's interests and our discoveries and opinions are reserved solely for him or her. A high-risk discovery, however, will also be reported immediately to the owner or his/her agent. A survey may be aborted or interrupted if a high-risk discovery poses a hazard to personal injury or property damage.

Preparing the boat for survey is the owner's responsibility. Specifically, the owner should take the actions necessary to ensure reasonable access to the boat's machinery, tanks and thru-hull fittings, as well as steering, electrical (including batteries) and other systems. In sailboats, this may require temporary relocation of gear stowed in cockpit lockers and/or beneath berths (such as sails, anchors, inflatable boats, cleaning and maintenance products, cushions, etc.) In powerboats, carpet or heavy furniture that limits access to machinery spaces must be removed or moved. Engine space hatches must have positive supports. Carpet that is tacked or glued in place will not be lifted. If the boat's owner lives aboard, he/she should be present to move/remove personal effects that restrict the surveyor's access to areas of the boat to be inspected.

Pre-purchase surveys entail additional preparations, to include ensuring both AC and DC power availability (as applicable) during operational testing. Equipment (e.g., radios, depth sounders, comfort systems, pumps, etc.) to be inspected and/or tested should be available and properly installed. Bilges should be as dry as possible and free of oily residues and debris. Sewage tanks must be empty. Failure to make these provisions may force the surveyor to bypass inspecting a critical system or component due to obstructions to visual access. Additional expense will be incurred if the surveyor must revisit the boat to complete the survey inspection. Please pass a copy of this letter along to the boat's owner, authorized agent or the yacht broker to minimize potential problems in these areas. If the boat cannot be adequately prepared in time for survey, we should be notified so assistance can be employed or so that the survey can be rescheduled. Costs associated with employing a surveyor's assistant will be passed along to our client. A surcharge may also apply in the event of an unusually dirty or cluttered vessel.

The following table is a general guide that reflects the average number of hours needed for a thorough pre-purchase or insurance inspection of a boat of the indicated length including the time required for report preparation and transmission, development of an informed opinion as to market value and the administrative activity related to the assignment.

Pre-purchase	26-30 FT	31-35 FT	36-40FT	41-45 FT	> 45 FT
Inspection/Test Run	5	6	8	10	12+
Report & Valuation	5	5	6	7	8+
Total Hours	10	11	14	17	20+

The actual number of hours needed for a given survey may be more or less than indicated above, depending on the boat's general condition, equipment inventory and housekeeping. If a boat is encumbered with personal possessions or gear that restricts ready access to the hull and installed systems, it will take longer to inspect. Conversely, the time needed can be reduced if the boat is properly prepared for the survey. The boatyard's efficiency in connection with a haul out can also impact the total time required.

Severe weather conditions in our region can limit our ability to complete an assignment. We reserve the right to adjust or limit the inspection schedule due to high winds, drenching rains, thunderstorm activity and other weather or temperature extremes that pose safety hazards, interfere with our normal field testing methods or restrict visibility. The safety of the surveyor and survey attendees is paramount. Whenever practicable, we will perform those parts of the inspection that are feasible and complete the process when adverse conditions abate. Boats in a

state of long-term lay up preclude operation of decommissioned systems. The prospective purchaser of the boat to be surveyed or a yacht broker is usually responsible for making arrangements for yard services (haul out, bottom washing, etc.). The boat's owner should be consulted in this regard and consideration be given to his preferred yard facilities, especially if they are related to unique elements of boat design or other limiting factors, such as draft, adequate lifting equipment, etc. Hull bottoms and underwater gear must be washed and cleared of fouling marine growth to enable proper inspection of wetted surfaces. Most yards require payment at the time of the haul out. Refer to our fee schedule for a description of services and applicable costs. **Payment for the survey is due at the time of the survey and must be received in full prior to transmittal of the survey report. Payment is accepted by personal check or cash. We do not have provisions for accepting credit cards at this time.**

While we recognize the appeal of some surveyors' advertised "rapid" turnaround or "instant" reporting, our reports are written in a narrative style. Each boat deserves thoughtful consideration of survey observations and recommendations and time to research the necessary support for technical and valuation opinions. Our day onboard is focused on gathering the data we need to form our opinions. Our survey report and reference appendices are bound in a durable notebook, designed to provide a clearly articulated impression of the boat's condition. Color pictures are liberally used to enhance understanding of the report findings. The report is intended to be a useful supplement to the boat's manuals. Photographs (digital imagery) are used to illustrate and/or qualify observations.

Reports are emailed in PDF format. A hard copy original of the survey can be sent upon request via standard USPS Priority Mail for an additional cost. Other, non-electronic mail report transmittals and additional certified, hard copies of the report may be subject to transmittal fees. Report copies to other parties to the transaction will be released only with your written permission.

We strongly recommend that our clients read the surveyor's report carefully for a complete understanding of its content and that they obtain reliable estimates for any essential repairs before signing an acceptance of the boat based on the survey report. We do not offer estimate opinions for repairs of any kind. Our report is designed to assist with post survey negotiations, scheduling required repairs, completing routine and preventive maintenance and making decisions for upgrades. It also contains valuable reference detail that should become part of a boat's permanent records.

Please review this information carefully for a thorough understanding of what to expect from the survey process and, just as important, what not to expect. I am available by email or telephone to address questions and concerns about the survey process. I look forward to helping bring boat purchase transactions to successful conclusions.

Best Regards,

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