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April 11, 2016

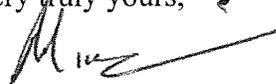
Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: A & R Marine Corp., d/b/a Prudence Bay Islands Transport
Rate Change Application – Docket No. 4586

Dear Luly:

As you know, this office represents A & R Marine Corp., d/b/a Prudence & Bay Islands Transport (A & R).

Enclosed for filing are the original and nine (9) copies of A & R's Responses to the 3rd set of data requests from the Public Utilities Commission.

Very truly yours, 

Michael R. McElroy

MRMc:tmg

cc: Christy Hetherington, Esq.
Andrew M. Teitz, Esq.
Kevin P. Gavin, Esq.
Stephen Antaya
David Bebyn, CPA
Service List

**A&R Marine Corp. – Docket No. 4586 - General Rate Filing
Updated 2/23/16**

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File original & 9 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
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**Public Utilities Commission
A&R Marine Corp.'s Responses to the
March 21, 2016 3rd set of Data Requests of the Commission to A&R Marine Corp**

April 11, 2016

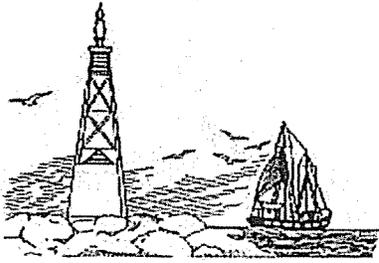
1. Please provide a copy of the marine survey for the vessels in the fleet.

RESPONSE:

See attached.

- A. Prudence Ferry as of June 24, 2014 = \$140,000 fair market; \$1,500,000 replacement cost.
- B. Herbert C Bonner as of September 27, 2013 = \$535,000 fair market; \$2,600,000 replacement cost. (Note That this survey was done prior to substantial improvements made by A&R Marine)

Prepared by David G Bebyn CPA



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Marine Safety Consultants, Inc.

Tel: (508) 996-4110
Fax: (508) 990-2094

26 Water Street P.O. Box 615

Fairhaven, MA 02719-0615

June 24, 2014
File No.: 14-0561

A & R Marine
PO Box 1017
Bristol, RI 02809

Attn.: Dan Antaya

CONDITION & VALUATION SURVEY REPORT

VESSEL	: PRUDENCE FERRY
OFFICIAL NO.	: 695425
OWNER	: Prudence Leasing Inc. Church St. Wharf Bristol, RI 02809
LENGTH	: 61.5'
BREADTH	: 35'
DEPTH	: 7.2'
GROSS TONS	: 94
NET TONS	: 80
PROPULSION	: Diesel single screw
FUEL CAPACITY	: 897 gallons (approximate)
BUILT	: 1986; Blount Marine Corp., Warren, RI, Hull #MWF-263

THIS IS TO CERTIFY THAT the undersigned surveyor did, on June 6, 2014, and subsequent dates at the request of Dan Antaya conduct a survey of the passenger vessel PRUDENCE FERRY while hauled ashore and blocked at Fairhaven Shipyard, Fairhaven MA in order to ascertain the general condition and valuation of the vessel and its suitability for service as a passenger vessel.

The survey was conducted unaccompanied.

DESCRIPTION/GENERAL ARRANGEMENT

The vessel is of an all welded steel construction and operating as a small USCG inspected passenger vessel between Bristol, RI and Prudence Island in Narragansett Bay. Built by Blount Marine; the keel was laid on August 12, 1985 and delivered the following March. It has roll on and roll off capabilities for 10 vehicles and 149 passengers. The vessel is documented at the National Vessel Documentation Center on a coastwise unrestricted route not more than one mile from land. In addition the Certificate of Inspection requires one master and one deckhand.

The vessel is divided by 4 main transverse watertight bulkheads at frames 7, 15, 26, and 30.

UNDERWATER BODY

The vessel is a heavy displacement vessel with a single chine. It has a deep V on the bow with the bottom gradually flattening out moving aft. Above the chine the bottom is more heavily raked forward than it is aft.

At the time of the survey the vessel was receiving a new coat of primer, and another coat of anti-fouling bottom paint. Sacrificial zincs were being renewed

The vessel has a single four blade propeller which was painted over with bottom paint and has no nozzle. A single rudder is hung from a post. There are keel coolers to port and starboard.

HULL ABOVE WATERLINE AND WEATHER DECKS

The topsides are in good condition and are painted white.

The vehicle/passenger deck of the PRUDENCE FERRY is open and gray colored paint coatings are lightly treated with non-skid material. Both the bow and stern have overhangs extending either forward or aft of the weather deck in order to accommodate vehicles to drive on and off the vessel. These areas are roped off with netting. There are passenger cabins to starboard and port. The remaining perimeter of deck is enclosed with pipe rail approximately 42' in height. To port and 5 feet forward of passenger cabin is a removable section presumably to comply with ADA passenger loading.

SUPERSTRUCTURE/PILOTHOUSE

The vehicle deck contains passenger seating to port and starboard in individual enclosed steel superstructure cabins. The super structure to port is on the aft quarter and the pilot house with helm station sits atop this structure.

The passenger seating area to port is entered through a sliding door and is approximately 15' x 8'.

There is bench seating on the outboard and inboard side with a single bench seat forward as well as aft. There are three windows with the forward and aft windows being fixed and the middle window having sliding capabilities. The most aft area of cabin there is a locker containing life jackets. The overhead consists of painted over peg board and contains 3 light fixtures. The floor has carpet but was pushed over presumably to access lazarette hatch. Access to the port side of engine room is through a raised combing hatch in front of cabin and access to the aft lazarette is through a bolt hatch cover on inboard side of cabin. The fuel shut off valve is located in the forward part of this cabin.

The passenger seating cabin to starboard is larger, approximately 35' x 8'. The forward 20 feet of seating area is enclosed but no door is present. This forward section has a dock box containing life jackets, one window on inboard side and two windows on outboard side. The overhead is the superstructure itself which is painted over, and the floor is painted over just as the weather deck is. A single bench is on outboard side and is not secured to vessel. (See surveyor's recommendations.) The shore power connection for vessel is located aft in forward section. The aft 15 feet of superstructure is accessed by a sliding door and is identical to the port side cabin but the locker aft contains a head which was inaccessible at the time of the survey.

The pilot house is accessed by a fixed ladder on front of port side passenger cabin. Once atop one needs to walk around aft to two stairs up to the enclosed pilot house accessed through a wooden door. The perimeter of this deck is surrounded by 36" high rails and a generator is located aft of pilot house door. The pilot house contains three forward facing windows with the one to starboard having the ability to open, two sliding windows to port and starboard, and a fixed window aft, on inboard side of access door. The overhead is painted over peg board, and the floor is partially covered with old carpet. Steering is by wheel with a single throttle.

BELOW DECK COMPARTMENTS

The below deck voids are separated by transverse watertight bulkheads.

Void number one is the forecastle, is accessed by a bolt on hatch forward and slightly to port, and contains no equipment. Coatings in void are around 90% but are showing signs of blistering. A new reach rod was installed for this compartment during the dry dock period.

Moving aft void one which is accessed by a bolt on hatch located to port. The void is empty of any equipment.

Moving aft, void two is accessed through a bolt on hatch. Two fuel tanks are located here, one to port, and one to starboard with the waste water tank located aft and on centerline in void.

Moving aft is void number 3 which contains the engine. This area is accessed through either a hatch to port or a hatch to starboard located in the passenger cabins. Hatches are on an 18" raised coaming.

Hatches are on hinges and both gaskets are in poor condition. See surveyor's recommendations.

Moving aft is the lazarette where the steering gear is located. It is accessed through a bolt on hatch cover in the port side passenger seating area.

NAVIGATION AND ELECTRONICS

The vessel is fitted with navigation and communications electronics equipment which appear to be in good working order. The owner reports that all the equipment is operating satisfactorily.

The following is a list of the equipment aboard this vessel:

RADAR	: (1) Furuno
LORAN / GPS	: Not sighted
VHF COMMS	: (1) Uniden MC535
SOUNDER / PLOTTER	: Not sighted
COMPASSES	: (1) Danforth 6" magnetic (See surveyor's recommendations)
LOUD HAILER	: (1) Portable battery operated bull horn
MISCELLANEOUS	: (1) Searchlight mounted on cabin top : (1) Sandpiper DC depth finder : (1) Micronto power meter

Additional equipment provided for the navigation of the vessel includes an appropriate handheld horn, bell, navigation, charts, documents and publications required for navigation.

The navigation station is fitted with bilge alarms for below deck spaces including the engine room, fuel tank void, shaft alley and lazarette. The alarm is visible and audible in the pilothouse. The alarms are activated by float switches located in each bilge space.

FIRE PROTECTION AND LIFE SAVING

The vessel is fitted with hand held portable fire extinguishers installed as follows:

<i>No.</i>	<i>Type</i>	<i>Location</i>	<i>Date Tagged</i>
1 -	15#Co2	Starboard passenger cabin	June 2014
2-	15#Co2	* see note	June 2014
3-	20#Co2	Port passenger cabin	June 2014
4-	10#ABC	Engine room	June 2014
5-	5#ABC	* see note	June 2014
6-	20#ABC	Port passenger cabin	June 2014
7-	5#ABC	Pilot house	June 2014

* Note - At time of survey fire extinguishers were moved while dry docked to areas where welding was occurring.

Installed portable hand held fire extinguishers are fitted with pressure gauges that show proper charge and were found to be in the green at the time of survey.

Fire station # 1 is forward of port side passenger cabin and fire station # 2 is forward of starboard side passenger cabin with hose diameter of 1.5" and length sufficient for vessel type.

Lifesaving equipment consists of the following:

PFDs : (151) Adult Type I PFD's
(16) Child Type I PFD's
* No lights or whistles are required or attached to PFD's

Distress signal kits : (3) USCG hand held smoke flares - expire October 2015
(4) USCG red hand held flares - expires expire November 2015

Life ring buoys : (1) 24' orange ring buoy with MOB marker light located to port
See surveyor's recommendations

First aid kit : (1) Basic first aid kit located in pilot house
See surveyor's recommendations

MAIN PROPULSION

The vessel is powered by a single Detroit Diesel V-12 14 liter series 71 diesel engine rated at 450 horsepower. The engine meter had 2,879.53 hours on it. The engine is mounted on steel frames. The transmission is a Twin Disc with a ratio of 3:1 and a serial number of 5KP153. Exhaust is dry and is well wrapped.

At time of survey there was a fair amount of oil in the bilge but was cleaned by shipyard for further

visual inspection of bilge.

ELECTRICAL

The vessel's primary electrical system is 12V DC and comes from alternator mounted on engine. There are four batteries stored in two boxes, each box consisting of two batteries. One set is for starting the other set serving as house batteries. The battery switch is located aft in the engine room.

The vessel also has 120V shore power with the shore power connection located in the forward half of the starboard side passenger cabin. In addition the vessel has a small Onan generator stored outside of the pilot house, with the switch between shore power and generator inside the pilot house. Access to generator was limited and a light sheen of diesel oil was on the deck adjacent to generator.

TANKAGE/FUEL SYSTEM

Fuel storage consists of port and starboard tanks of steel construction located in the second void with a reported capacity of approximately 897 gallons. Each tank is filled and vented on the main deck area. A new sounding rod was installed for the port tank at the time of the drydocking.

The holding tank is also located aft in this void and is on centerline.

BILGE PUMPING/ALARMS

Bilge alarms are in pilot house and pumps are of the Rule type. Alarms and pumps are in void #1, void # 2, and machinery space.

DECK, CARGO AND MOORING EQUIPMENT

There are sufficient cleats and bitts around the periphery of the vessel for mooring and handling of lines. The forward and aft roll on and roll off deck wings are enclosed by wire. Hooks are mounted in these areas to secure deck cargo.

DRY DOCK WORK LIST

Vessel was hauled for its scheduled dry docking. The USCG noted the following for work list based on audio gauge and visual inspections.

1. In forepeak between frame 6 and aft bulkhead on port side on side shell, the wasted stiffeners were cropped and renewed.

2. In forepeak; reach rod for remote shut off valve was renewed.
3. In the #1 void, stiffeners were cropped and renewed from the most forward stiffener to the 1st stiffener outboard of the keel on port side.
4. In the #2 void port side, the #1, 2, and 3 transverse frames and plating from keel outboard was cropped and renewed.
5. In the #2 void, the inboard vertical frame on port fuel tank was cropped and renewed.
6. In the #2 void, the frame adjacent to port side fuel tank was cropped and renewed.
7. In void #2 the transverse frames on port and starboard under the sewage tank were cropped and renewed.
8. In machinery space, clean bilge under main engine for further inspection.
9. Remove sea valve in machinery space for further inspection.
10. In the #1 void space a section of bottom plate approximately 4' x 30" between welded seams was cropped and renewed.
11. In the #2 void the bottom plating, which was approximately 3' x 10' on port side directly outboard of keel, was cropped and renewed.
12. In forepeak on port side deck a section of bottom plating approximately 18" x 18" was cropped and renewed.
13. In the #2 void, stiffeners in 2nd bay were cropped and renewed.
14. Ladder rungs in void # 2 on port side fuel tank were replaced.
15. Lower sections of ports side fuel tank were cropped and renewed.
16. Port forward deck light conduit was cropped and renewed.

CONDITIONS FOUND

Considering the age of the vessel, overall conditions were found to be satisfactory. Wastage and scale was noted in all below deck compartments below hatches. Where scale build up was the most prevalent was addressed by cropping and renewing frames and bottom plate in those areas.

Furthermore, the undersigned noted limited hours on the engine. This is due to the limited use of the vessel as it serves as a back up to the primary vessel serving Prudence Island.

RECOMMENDATIONS/REMARKS

From a general examination of the vessel while afloat, as far as practical, without making removal to expose concealed parts at the time of survey and without witnessing operation of the vessel, it is the opinion of the undersigned surveyor that the vessel is in satisfactory condition for operation, provided the below list of recommendations are complied with.

1. A single wooden bench in the starboard side passenger cabin needs to be secured to deck of vessel.
2. Gaskets on engine room access hatches needs replacement.
3. A deviation card for compass needs to be created and placed aboard vessel.

4. The 24" life buoy to port needs to have 60 feet of floating line attached to it and the battery needs to be changed and recorded.
5. The first aid kit in pilot house needs to be updated with a USCG approved kit and items in it need to be within expiration date.

VALUATION

Subject to consideration of the preceding remarks, and considering the age of the vessel, its condition in comparison to vessels of like size, age and service, and in consideration of the current market, the following estimated values are considered appropriate:

ESTIMATED FAIR MARKET VALUE	: \$140,000.00
ESTIMATED HULL REPLACEMENT COST	: \$1,500,000.00

This report is based on examination of the vessel, and of those parts, spaces and equipment that could be sighted without removals or operation, and is rendered without bias or prejudice. In accepting same, it is agreed that the extent of obligation of this surveyor, with respect thereto, is limited to furnishing a competent survey, and in the making of this report, this surveyor is acting on behalf of the person or firm requesting same and no liability shall attach to this surveyor, for the accuracy, errors and/or omissions therefore.

Naval architecture and marine engineering analysis as usually performed in the design stage of the vessel's construction were not part of this survey and typical subjects such as adequacy of stability and seakeeping were not within the scope of this survey.

Submitted without prejudice,
MARINE SAFETY CONSULTANTS, INC.



Daniel J O'Connor
Marine Surveyor

Enclosures: 1. Photographs
2. MSC Invoice (under separate cover)



FOUR WINDS MARINE SURVEYING
AND
MARINE SERVICES
PO BOX 1092
BEAUFORT, NC 28516
PHONE: 252 504-0422 EMAIL: romawadc@hotmail.com
27 SEPTEMBER 2013

1970 112.4-FOOT MOTOR VESSEL

“HERBERT C BONNER”

REPORT OF PARTICULARS AND FINDINGS FROM THE CONDITION AND VALUATION SURVEY OF 25th AND 26th OF SEPTEMBER 2013 FOR CAPTAIN STEVEN ANTAYA

On 19 September 2013 I was requested by CAPTAIN STEVEN ANTANA to survey a vessel for condition and value. On 25 September 2013 I started the survey and completed it on 26 September 2013. I hired another certified surveyor, Sparkey Piner, USCG RETIRED, to accompany me to finish the survey in three days. The present owner's son was present for part of the survey.

THIS IS TO CERTIFY THAT the undersigned surveyor attended survey to the Motor Vessel “HERBERT C. BONNER” to determine condition and value at your request. The following survey represents the full findings of the attending surveyor on the dates of survey and is subject to the below limitations:

1. No withdrawal of shafting undertaken.
2. No opening of joiner-work, paneling, void spaces, coffer dams or tankage taken.
3. No removal made or destructive testing undertaken.
4. No disassembly of engines, machinery, electrical, plumbing or other equipment undertaken; assessment thereof is limited to what was externally visible or ascertainable from operations.
5. Survey does not contain a full inventory, and any items not mentioned, or items put aboard at a later date that would be normally be included under insurance should be listed, and the list be appended to the document.
7. Tankage not fully pressed. No pressure testing undertaken.
8. Vessel specifications taken from provided literature only. No field measurements taken.
9. The bottom was not inspected.
10. No sea trial was conducted.

Subject to the above limitations, the undersigned surveyor submits the following report and recommendations without prejudice.

PARTICULARS

OWNER: CAPTAIN JULIAN MONROE BROWN

ADDRESS: 770 PIGOTT ROAD
GLOUCESTER, NC 28521

TELEPHONE NUMBER: 252-729-5521

PROSPECTIVE BUYER: CAPTAIN STEVEN ANTAYA

ADDRESS: 72 FENNER STREET
CRANSTON, RI.

VESSEL: STEEL MOTOR VESSEL AUTO/PASSENGER FERRY

YEAR: 1970

BUILDER: NEW BERN SHIPYARD NORTH CAROLINA

ADDRESS: SOUTH FRONT STREET
NEW BERN, NC

IMO: CE2017

ENDORSEMENT IN SERVICE: ANY ROUTE IN THE NORTH CAROLINA FERRY
SYSTEM. 100 PASSENGERS AND 22 VEHICLES

OFFICIAL NUMBER: 527174 WHEN IN SERVICE

LENGTH OVERALL: 122 FEET

KEEL LENGTH 112.4

BEAM: 40.0 FEET

MOLDED DEPTH: 8.5 FEET

DRAFT: 3.6 FEET

GROSS TONS: 199 TONS

NET TONS: 135 TONS

DISPLACEMENT: 504,080 POUNDS

HULL MATERIAL: STEEL

NORMAL PASSENGERS: 150

NORMAL CARS: 25

MAIN ENGINES: 3 GM 6-71N

HORSEPOWER: 165 EACH TOTAL 495

YEAR: 1970

CRUISE SPEED: 10 KT

FUEL: DIESEL

FUEL CAPACITY: TWO TANKS APPROXIMATELY 1,000 GALLONS EACH, 2,000 TOTAL GALLONS, LOCATED AFT OF ENGINE ROOM

REDUCTION GEAR: TWIN DISC

REDUCTION: 3.0:1

SHAFT: 3-INCH STAINLESS STEEL

PROPELLERS: DIAMETER: 38 PITCH: 26

MATERIAL: BRONZE STEEL

GENERATORS: THREE GM

TWO PROVIDE ELECTRIC SERVES TO THE BOAT, ONE EMERGENCY GENERATOR WHICH APPEARS TO BE INOPERATIVE

MODEL: GM-3-53N

OUTPUT: 30KW

FRESH WATER: PRESSURE DEMAND

WATER CAPACITY: ONE TANK, 1000 GALLONS

TOILETS: TWO

TREATMENT SYSTEM: RED FOX CERTIFICATION EXPIRES 2016

COST NEW 1970: \$700,000.00

VALUE: \$535,000.00 PRESENT REPLACEMENT VALUE: \$2,600,000.00

NARRATIVE

CONSTRUCTION DETAILS:

Subject vessel is a custom-built single-deck passenger and vehicle ferry, built by New Bern Shipyard, New Bern, NC. New Bern Shipyard has been known for their expert high-quality workmanship. As with all custom-built ferryboats, this is one of a kind; there are always differences among vessels, even those built from the same plans.

The vessel was built under the US Coast Guard passenger vessel inspection program where all materials used in construction must be of the approved type. A continued inspection would be ongoing throughout different parts of the construction. Steel used in the construction must meet the requirements of Standards Specification for Structural Steel. The specification covers carbon steel that is to be welded; therefore, all welders in the construction process must be Coast Guard certified. The welds on this vessel were complete welds not spot welded like some vessel.

The hull is reinforced via seven full-height watertight transverse bulkheads. Further reinforcement of the hull is a series of 3-inch by 5/16-inch stiffeners between the hull frames; also at both of the chines is a 1-inch solid chine bar going completely around the hull. The hull is covered with 5/16-inch plate steel.

The main/vehicle deck is constructed of 35 1/4-inch by 3 1/2 3-inch by 5-inch by 5/16-inch transversing angle steel beam. At frames 14, 22, 38, 46, 50, 58 and 65, they are increased to 3-inch by 10-inch by 5/16-inch. The deck is reinforced by the eight watertight bulkheads above, and at each place where the 3-inch by 10-inch by 5/16-inch transverse frame joins the longitudinals, there is a 3-inch pipe stanchion to the main deck frame. The deck is covered with 5/16-inch steel plate.

The crew's lounge has windows on each side. The Heads (men aft and women forward on the main deck aft section of the cabin, each with a portlight on each side) and bridge are constructed with 3-inch by 5-inch by 5/16-inch angle steel covered with 1/4-inch steel plate. The deck is 5/16-inch plate steel. The lounge and bridge are supported above the main deck by 3-inch steel stanchions joined to 4-inch by 12-inch by 5/16-inch frames. The outside of the deck is supported by 3-inch by 5-inch by 5/16-inch frames. On the starboard side are the vents for the Engine Room. Behind those is a fire station with no hose.

Just forward is the MSD compartment, forward of that is a void compartment with a sounding tube. At the bow is a compartment with a bilge suction system.

On the aft side of the Bridge is an emergency escape hatch.

UNDERWATER MACHINERY:

The vessel's underwater machinery was not inspected.

UNDERWATER HULL:

The vessel's underwater hull was not inspected.

VESSEL LAYOUT

BRIDGE: The steering station has a crew compartments under the sole. Access is up a ladder from the Lounge deck. The sole finished with two-part epoxy paint over steel. Walls are finished with fire resistant paint. A PFD is stowed in a box mounted on the overhead. The area is surrounded by windows, with a windshield wiper on the center front window.

The Helm Station forward has the following electronics: One Furuno Radar, two Raytheon RAY 55 VHF's, Motorola VHF, Bogen amplifier. Above the center front window is a rudder angle degrees indicator. On the port side of the Helm Station is an engine alarm box with a general alarm switch under the hydraulic steering handles. Inboard of that is a 6-inch Danforth compass. On the starboard side is instrument panel with an RPM gauge, oil pressure, and water temperature for each engine. To starboard is the control for the windshield wiper. In front of the panel are three engine control levers; behind it is an electric fan. To port is the emergency steering and a sound-powered telephone under. On the port side wall is the running light panel, then a chart table with a Kenmore refrigerator under. Next to that is a small space heater, a first aid kit and a CO2 fire extinguisher. On the starboard side is a fog signal timer, the AC panel and steering pump switch behind it. The six-spoke wheel is installed on the front of the Helm Station below the compass.

EMERGENCY GENERATOR

ROOM: Located under the Steering Station

CREWS

LOUNGE: Above Heads on main deck. The wall is finished with paint. The overhead is finished in paint. The sole is finished with what I think is two-part epoxy paint. Entrances and exits are aft down a ladder to the Main Deck. A long stowage bench seat with six PFDs is to port, a water fountain is forward to starboard, and two CO2 fire extinguishers are to port. Windows are along both sides above the bench. Men's and women's toilets are on the Main Deck forward and aft under the Crew's Lounge. Wall and overhead is finished with paint. The sole is finished with two-part epoxy paint with a removable carpet over the paint.

MAIN DECK: The vehicle transport area also has line handling equipment necessary for mooring. There is a ladder down to the Engine Room on the Starboard side of the Deck House, and access to all voids through hatches.

VOIDS:

- Void #1: Forward with bow supports and a Bilge suction, otherwise empty.
- Void #2: Is empty. Painted wall and deck
- Void #3: Red Fox sewage treatment tanks.
- Void #4: On both sides of the fuel tanks
- Void #5: Forward of engine compartment, used for engineers office and work space.
- Void #6: Aft of the Engine Room. Exhaust mufflers for main engines.

ENGINE ROOM: Large and spacious. Exit aft and up. Located forward is the engineers' office and work space.

LAZERETTE: Steering gear.

GROUND TACKLE: None Sighted

STEERING CONTROLS:

The vessel is equipped with a steering station, with a mounted lever driving hydraulic steering pumps. The pump system drives three hydraulic single arm rams mounted on a platform forward of the rudder posts. Each arm is connected by link plate to the rudder posts tied together.

All equipment and installation appear to be in good order. As much as possible, all hydraulic connections and lines were inspected and showed no indication of significant leakage.

The position of the wheel and engine controls meets the requirements in ABYC H-1
VISIBILITY FROM THE HELM POSITION.

SELF-STEERING/AUTO-PILOT:

No auto-pilot installed.

PROPULSION MACHINERY:

The vessel's propulsion machinery is based on three GM 6-71N series, fresh water cooled, six-cylinder diesel engines rated at 165 HP each. Engines drive via Twin Disc marine reduction gears, rated at 3:1, and solid taper-lock couplings to the 3-inch propshafts.

Engine fuel feed is through approved Arequip, and rubber hose, feeding primary filters, engine mounted lift pumps and injection pumps. Installation of hosing and fuel distribution was found to be good and in compliance with all legal requirements. No evidence of significant leakage was obvious in the fuel systems.

The engine cooling is based on fresh water intake through internal bronze through-hull from a side keel cooler enclosed system, feeding a gear-driven fresh water pump, through the engines, then exits aft back into the keel cooler system. All components and installation appear to be in good serviceable condition.

The exhaust is a dry system and exits through steel pipe and muffler aft of the engine room. All components and installation appear to be in good and serviceable condition.

The propshafts exit the hull through Columbia bronze packing glands that are connected to the shaft tubes. All components and installation appear to be in good order, and the shafts appear to be secure in their couplings.

The packing glands were inspected and no unusual amount of water was leaking. All appeared to be in operating order. Full testing and inspection of the packing glands should be made underway and adjustments or repacking made as needed.

The engines' gauge and alarm systems consist of engine-mounted station panels with gauges for revolutions, oil pressure, fuel pressure, exhaust temperature, oil temperature, water temperature, manifold air pressure, clutch pressure and clutch temperature. The alarm system is mounted on the forward bulkhead and is operational. Full testing and confirmation of accuracy of all gauges should be performed.

Cosmetically the engines are in poor condition. The engines are mounted on solid mounts forward and aft which are attached to the main bedlogs. All mounts appear to be intact, but sea-trials should be conducted to indicate that the engines are fastened down securely. No oil was noted in the bilge area or drip pans.

The propulsion machinery meets the ABYC standards H-24 DIESEL FUEL SYSTEMS and P-14 PROPULSION CONTROL SYSTEMS.

The ventilation for the fuel compartment and engine-room meets the requirements in ABYC H-2 VENTILATION OF BOATS USING DIESEL FUEL.

The fuel hoses meet the requirements of UL 1114 FUEL HOSES.

The fuel filters meet the requirements of ANSI/UL 1105 MARINE USE FILTERS AND SEPARATORS.

ENGINE ROOM:

The Engine Room is accessed by two hatches, one coming down from the Starboard side deck house on the Main/Vehicle Deck and one emergency hatch in the overhead of the Engine Room. Ventilation is accomplished both naturally and by blowers, and appears sufficient for the volume of the Room.

The deck is aluminum plate with a booth centered just aft of the main engines.

General cleanliness in the Engine Room is poor with a thorough housekeeping clean-up and painting is needed. Installation of propulsion machinery and accessory equipment within the Room was found to be excellent and in compliance with ABYC, NFPA and USCG regulatory standards.

ELECTRICAL:

The vessel's primary electrical system is 120-volt ac and is based on two GM 3-53N generators rated at 30 KW each and an Emergency Generator. The generators feed a 120-volt circuit breaker panel. Each circuit has its own separate breaker. Wiring is of the plastic-coated, stranded copper wire type and, where inspected, appears to be of quality marine grade and of the proper gauge.

The 120-volt system is supplemented by a 240-volt 200-amp system through a shorepower cord, and a marine grade Constavolt Marine converter.

Installation of the electrical system appear to be good and in compliance with ABYC, NFPA and USCG regulatory standards.

AIR CONDITIONING AND HEATING:

The vessel is equipped with a small number of air conditioning units. All components and installations appear to be in good order. The units were tested briefly and found to operate normally in the cooling mode. Present equipment is thought to be adequate for the vessel's accommodations volume.

There is an electric heater in the Passenger Lounge.

CORROSION ANALYSIS:

No test taken.

SEA TRIAL:

No sea trial was conducted.

ELECTRONICS:

The electronics consist of the following:

All electronics were tested by turning on. All were operational. The limited number of electronics on the vessel is consistent with its service.

TANKAGE

Diesel fuel is stored in two custom-built, UL approved style galvanized tanks, located amidships, in Engine Room, with a total capacity of 2,000 gallons. The tanks appear to be securely

mounted and show no obvious signs of leakage where they could be inspected. The fuel tanks are in compliance with ABYC H-24 DIESEL FUEL SYSTEMS.

Fresh water is stowed in a custom-built galvanized tank, located in the engineers' work space forward of the Engine Room. The tank appears to be securely installed and shows no obvious signs of leakage. The capacity of the tank is approximately 1,000 gallons.

The hydraulic reservoir tank, custom built of galvanized steel, is located on the starboard side of the Engineers' Compartment aft, and appears to be installed correctly. It has the capacity of approximately 260 gallons. There were no leaks noted in the hoses and tank where they could be inspected.

Hot water is supplied through a water heater, located on the port side of the Engine Room, with a capacity of approximately 50 gallons. There were no leaks noted in the hoses and tank where they could be inspected.

Sewage is retained and treated in two approximately 500-gallon steel tanks located in a void forward of the fuel tanks. The sewage is treated by a Red Fox sanitation system that allows the treated sewage to be pumped overboard. The system meets the requirements of 33 CFR 159.7 for a certified type marine sanitation device.

Ultimately tank leakage can only be confirmed through pressure testing which is beyond the scope of this inspection.

PUMPING SYSTEM AND PLUMBING:

The vessel's bilge pump system consists of a manually-operated belt-driven pump from Number 1 generator by a power takeoff unit. The same unit powers the salt water firefighting system. From paperwork provided, the unit was tested on September 2000 and was operational.

Pressure cold and hot fresh water is provided to the head fixtures and water fountain by 12-volt demand pumps to Well Trol pressure tanks.

Miscellaneous plumbing and hosing throughout the vessel appear to be of marine grade, and all installations are in good order.

THROUGH-HULLS AND BONDING:

Through-hulls below the waterline are all bronze construction and are equipped with bronze sea valves where needed. All valves were found to be accessible. The valves were cycled at the time of survey and were found to operate correctly.

NAVIGATION:

The vessel's primary navigation system is based on a liquid damping, dash-mounted magnetic compass.

The navigational light fixtures were found to be in compliance with 33 CFR 2033 and ABYC A-16 ELECTRIC NAVIGATION LIGHTS.

FIRE AND SAFETY EQUIPMENT:

1. Thirteen CO2 15-pound fire extinguishers. Last inspected August 2000.
2. Eight B-II dry chemical fire extinguishers. Last inspected August 2000.
3. Seven salt water fire stations with 50 feet 1 1/2-inch hose with a Navy All Purpose Nozzle.
4. Fixed CO2 system in the Engine Room. Last inspected August 2000.
5. Salt water sprinkler system on the main/vehicle deck.
6. No up to date flare kit was noted.
7. One hundred Type I Life Preservers adult. Ten percent were inspected by me and found to be serviceable. The rest are assumed to be serviceable. The life jackets are stowed in a locker in the front section of the bridge just forward of the crew's lounge.
8. Twenty Type I Life Preservers child. Ten percent were inspected by me and found to be serviceable. The rest are assumed to be serviceable.
9. Two Type IV Ring Buoys both were inspected by me and found to be serviceable. The retrieving lines are dry rotten.
10. First aid kit.

WATERTIGHT INTEGRITY:

All through-hull and through-deck penetrations appear to be watertight with no significant leakage observed. There was a small amount of water in each of the voids but I feel that came from condensation. All hatches that enter the voids appear to be in good condition.

SPARES AND MISCELLANEOUS GEAR:

The vessel is equipped with a modest complement of spares. A full inventory was not recorded and other inventory items appear throughout the text of this report. Additional inventory items that would normally be covered under insurance should be listed, and the list appended to this report.

REGULATORY STANDARDS:

Standard references are intended as a guide only, and do not encompass all standards that may apply or mitigate any of the findings. Many standards are quoted in part. The reader is advised to obtain copies of applicable standards for his own information and interpretation. Standards organizations referenced are:

ABYC - AMERICAN BOAT & YACHT COUNCIL

ANSI - AMERICAN NATIONAL STANDARDS INSTITUTE

ASME - AMERICAN SOCIETY OF MECHANICAL ENGINEERS

ASTM - AMERICAN SOCIETY FOR TESTING AND MATERIALS

CFR - CODE OF FEDERAL REGULATIONS TITLE 33 AND 46

COLREGS - INTERNATIONAL REGULATIONS FOR PREVENTING COLLISIONS AT SEA

NFPA - NATIONAL FIRE PROTECTION ASSOCIATION

UL - UNDERWRITERS LABORATORIES

USC - UNITED STATES CODE

AMERICAN BOAT AND YACHT COUNCIL STANDARDS

This vessel meets the following American Boat and Yacht Council (ABYC) recommended standards and practices:

- A-16 The installed navigation lights comply with the International Regulations for Preventing Collision at Sea, 1972 (COLREGS) and the Inland Navigation Rules of 1980. They are installed so as not to be obscured by any fixed structures under normal operating conditions. The anchor light can be turned on separately from the required underway navigation lights. They were not inspected as no DC power was available.
- A-20 The vessel is equipped with a battery charger that meets the requirements of this section. The charger meets the marine requirements of ANSI/UL 1236. The charger has an overload protection that meets the requirements of UL 1236. It is wired in accordance with ABYC E-8 and E-9.
- A-23.7 The boat is equipped with a sound signal appliance that would meet the

requirements of a vessel operating in international waters. The United States recognizes that all vessels complying with International Rules are complying with Inland Rules. It could not be inspected.

- H-1.4 Controls for the steering, shift and throttle are positioned so that the operator's hand contact can be maintained without moving his eyes below the eye position for which the boat is designed. There is a clear 30-degree sector of visibility throughout the range of visibility described in ABYC H-1.5b.
- H 3.4 The vessel is provided with a readily accessible and unobstructed means of exit from the passenger area. There is a second accessible means of exit from the area if fire should block one exit. Both exits would qualify as weather-tight closures.
- H-23.7 The potable water system components are located above the normal bilge water level. Installation of the system allows for ease of service and removal of components as needed. All potable water contact materials are chemically and structurally suitable for the application
- H-27.4, H-27.5 All through-hull fittings penetrating the hull below the waterline are H27.6 equipped with seacocks. The seacocks and through-hull fittings meet the requirements of ANSI/UL 1121 (Marine Through-Hull Fittings and Sea-Valves). These would be used to prevent the admission of water if there was a failure in the piping system. The seacocks are securely mounted and readily accessible, and so oriented that their handles are easy to operate. They are constructed of a corrosion resistant material and are galvanically compatible with other material. All hose fittings are double hose clamped as required.
- H-32 The vessel is provided with a ventilation system that meets the requirements for vessels using diesel fuel.
- H-33 The diesel fuel system will meet the requirements of this section. All components will meet the requirements of Title 33 CFR, Section 183.590. The flexible fuel hose complies with UL 1114 (Marine Flexible Fuel-Line Hose) and SAE J1527 (Marine Fuel Hoses). The fuel tanks are installed in accordance with ABYC H-33.10. The fuel filters meet the requirements of ANSI/UL 1105 (Marine Use Filters and Separators).
- H-40 The vessel is not equipped with the necessary fittings, ground tackle and mooring lines compatible with its intended use.
- H-41 The vessel is provided with the necessary handholds to reduce the possibilities of falls overboard. The side areas have a handhold device located on each side of the cabin. All devices meet the construction and

installation requirements.

- P-1.6 The engine has a wet exhaust system. All fittings, clamps and supports are accessible for inspection and repair. All exhaust connections are secured to produce a secure vapor tight joint. All components used in the exhaust system meet the requirements of UL 1129 (Standards For Dry Exhaust Components For Marine Engines).
- P-4.5 P-4.6 The engines are GM 6-71 designed for saltwater operation. All component parts of the engine are accessible without the use of tools for normal maintenance of the engine. All belts are changeable without dismantling any major part of the engine. The electrical is negative ground as required for marine engine. The fuel system meets the requirements of ABYC H-33 (Diesel Fuel System)
- P-14.5 P-14.6 The propulsion controls system is a single station, top mounted, two-lever
P-14.7 control located at the operator station. The control head is securely mounted approximately ten inches from the steering wheel. It is possible to operate the controls without changing hands on the wheel during operations. The control cables are routed as direct and un-crowded by accessory equipment as possible.

US COAST GUARD REQUIREMENTS

This vessel meets the following United States Coast Guard regulations in effect and applicable:

- 33 CFR 2033 SOUND PRODUCING DEVICE. This vessel has the necessary means to sound the proper signals .
- 46 CFR 28.110 PERSONAL FLOTATION DEVICES (PFDs). PFDs must be Coast Guard Approved, in good and serviceable condition, and of appropriate size for the intended user. On board are 100 Type I Adult and 20 Type I Child PFDs.
- 46 CFR 28.117 TYPE IV THROWABLE DEVICE. This vessel has two Type IV orange ring buoys, but need 60 feet of line attached to each.
- 46 CFR 28.165 INJURY PLACARDS. All commercial vessels must post an "INJURY PLACARD." None sighted.
- 46 CFR 28.160 FIRE EXTINGUISHERS. Fire extinguishers are required if one or more of the following conditions exist: This vessel has the necessary devices but all need to be inspected by a certified
- Inboard engines.

- Closed compartments under thwarts and seats where portable fuel tanks may be stored.
- Double bottoms not sealed to the hull or which are not completely filled with flotation material.
- Closed living spaces.
- Closed stowage compartments in which combustible or flammable materials are stored.
- Permanently installed fuel tanks.

This vessel has the required devices, but they need to be inspected by a certified examiner.

- 33 CFR 155.45 OIL POLLUTION PLACARD. Vessels 26 feet in length and over must display a placard at least five inches by eight inches, made of a durable material, fixed in a conspicuous place in the machinery spaces, or at the bilge pump control station. Sighted.
- 33 CFR 155.330 POLLUTION EQUIPMENT. Vessels less than 400 gross tons must have the capability to retain onboard oily mixtures.
- 33 CFR 151.59 GARBAGE DISPOSAL PLACARD. Vessels 26 feet in length and over must display a placard at least five-inches by eight-inches, made of a durable material. None sighted.
- 46 CFR 28.230 COMPASSES. All documented commercial must have a magnetic steering compass and a compass deviation table. This vessel has the compass but not a deviation table.
- 47 CFR 80.405 FCC SHIP RADIO STATION LICENSE. All vessels with radio transmitting equipment must have their license onboard. None sighted
- 33 USC 2020 NAVIGATION LIGHTS. Vessels are required to display navigation lights between sunset and sunrise and other periods of reduced visibility. This vessel is equipped with the proper lights for vessels more than twelve meters but they could not be tested.
- 46 CFR 28.210 FIRST AID. All commercial vessels must have a First Aid Manual and Medicine Chest. This vessel has the proper equipment onboard.

STATEMENT OF SURVEY:

On the 25th and 28th of September 2013, the undersigned surveyor attended survey to the motor vessel "HERBERT C. BONNER" to determine condition and value for purchase considerations. The vessel was examined in the water at Beaufort, North Carolina.

The vessel has all the quality construction and craftsmanship standards of a vessel custom built by New Bern Shipyard Inc, New Bern North Carolina. The vessel has been well maintained by the North Carolina Ferry System and is in fair condition. Up until 2006, it was an inspected

vessel and held a Certificate of Inspection from the United States Coast Guard, and was inspected every two years before. No major modifications are obvious to hull, superstructure or accommodations areas, and it appears the vessel is in sound structural condition and is in fair cosmetic condition.

Because of the care and maintenance given to the vessel, it has held a higher value than might be expected of vessels this class and age.

Upon completion of survey, the undersigned surveyor finds the vessel suitable to her intended design use.

VALUATION:

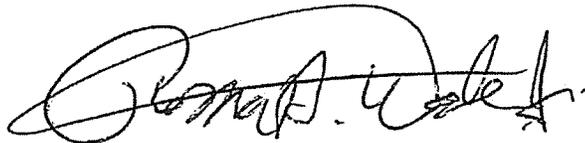
In its present condition with any defects allowed for, the vessel has an approximate fair market value of \$535,000.00. The vessel has an estimated present day replacement cost value of \$2,600,000.00 as so constructed and equipped.

Note: Values appearing in this report are based on an average selling price of a vessel of this size, type and condition, considering all extras and accessories onboard, and are intended for insurance, purchase and financial evaluation only. They are not intended to influence the purchase or non-purchase of the motor vessel.

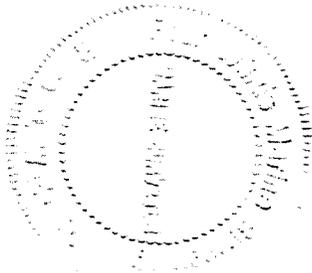
CONCLUSION

- This report is based on items observed at the time of the survey, with no warranty given or implied. Hidden flaws and latent defects which could not be determined under the limitations previously set forth are not covered in this report.
- The SURVEYOR will not be responsible for matters of a legal nature that either affect the vessel or the title to it.
- This SURVEYOR will not give testimony or appear in court because he made an appraisal of the vessel in question, unless specific arrangements to do so have been made.
- This SURVEYOR has obtained information, estimates, and opinions that were expressed in this survey from sources that he believes to be true and correct. The SURVEYOR does not assume responsibility for the accuracy of such items that were furnished by other parties.
- This SURVEYOR will not disclose the contents of this survey unless requested by the party listed as owner.
- This survey report is my own personal, unbiased and professional opinion. I have no present or prospective interest in this vessel that is subject to this report. I have no present or prospective personal interest or bias with respect to the participants in this survey.
- It is agreed by all parties who make use of this report that this SURVEYOR, the offices and its heirs are indemnified and discharged of any and all liabilities that may arise therefrom.

- This report should be considered as an entire document and no single section is meant to be used except as part of the whole. It is current to the named client, underwriters or lenders for thirty (30) days of undisturbed lay-up or vessel's first use. Subsequent updating and/or transfer of this survey report is solely the right of the undersigned SURVEYOR.
- I performed this survey in conformity with the Standards of Professional Marine Surveyors.
- I personally prepared all conclusions and opinions used in the survey report.



CWO 4 ROMA D. WADE JR. AMMS
ACCREDITED MASTER MARINE SURVEYOR
CHIEF WARRANT OFFICER
US COAST GUARD RETIRED
MARINE SURVEYOR



RDW/emw

FINDINGS AND RECOMMENDATIONS

HERBERT S. BONNER

1. RECOMMEND THAT YOU ARRANGE A COAST GUARD INSPECTION AS SOON AS YOU GET THE FERRY TO WHERE IT IS GOING TO OPERATE. THERE IS A BIG DIFFERENCE BETWEEN COAST GUARD DISTRICTS AS TO HOW THE INSPECTION IS CARRIED OUT. USE THAT INSPECTION TO DO THE THINGS THAT THE 1ST DISTRICT REQUIRE AND THEN MEET THOSE REQUIREMENTS.
2. THE MAIN ENGINES/GENERATORS/SHAFT BEARING SUPPORTS ARE VERY RUSTY AND SOME PARTS HAVE TO BE REPLACED, THEN WIRE BRUSHED, PRIMED AND PAINTED.
3. RED FOX SYSTEM IS BEGINNING TO RUST. CHECK BOTH UNITS FOR CORRECT OPERATION.
4. ALL VOIDS ARE STARTING TO RUST. SAND, PRIME AND PAINT.
5. THE VESSEL COULD NOT BE CHECKED THOROUGHLY BECAUSE THERE WAS NO AC POWER. WE DID THE BEST WE COULD WITH FLASHLIGHTS.
6. RUDDER ARMS, SHAFTS AND NUTS ARE VERY RUSTY. NUTS AND ARMS SHOULD BE REPLACED.
7. RUDDER RAM CYLINDER IS RUSTY. IT SHOULD BE INSPECTED VERY CLOSELY.
8. TYPE IVs RETRIEVING LINES ARE ROTTEN.
9. DECK FIRE STATION DOES NOT HAVE A HOSE.
10. STARBOARD MAIN ENGINE BILGE IS FULL OF OIL.
11. A CERTIFIED ELECTRICIAN SHOULD CHECK ALL OF THE WIRING. I NOTED SOME ELECTRIC WIRES THAT WERE WORN BADLY AND WIRE NUTS USED ON OTHERS.
12. ENGINEROOM SHOULD BE PAINTED AND BILGES CLEANED AND PAINTED IF NECESSARY.
13. ALL VALVES ON THE VESSEL NEED TO BE REWORKED. A LOT OF THEM WOULD NOT TURN AND ARE RUSTY.
14. ALL FIRE EXTINGUISHERS AND FIRE SUPPRESSION SYSTEMS NEED TO BE INSPECTED BY A QUALIFIED COMPANY. INSPECT ALL MATERIAL FOR ROT ON HOSES AND THAT THE STAND PIPES OPERATE CORRECTLY.
15. SOME OF THE HATCHES ON DECK NEED TO BE LOOSENED UP. IT TOOK US 35 MINUTES TO OPEN THE MSD COMPARTMENT.
16. CHECK ALL ELECTRIC HEATERS FOR PROPER SERVICE.
17. CHECK THE AUTOMATIC FIRE SUPPRESSION SYSTEM.

18. **PROCURE A MAN OVERBOARD BOARDING LADDER.**
19. **CHECK ALL FLARE KITS TO ENSURE THAT THEY ARE UP TO DATE.**
20. **FLUSH AND SANITIZE FRESH WATER TANK AND FILL WITH WATER.**
21. **CHECK ALL BILGE PUMPS FOR OPERATION AND THAT THEY OPERATE BOTH IN AUTOMATIC AND MANUAL.**
22. **ALL ELECTRONICS ARE OLD AND WILL NEED TO BE UPDATED.**
23. **INSTALL NEW RETRIEVING LINES ON THE TYPE IV RING BUOYS.**
24. **INSPECT ALL LIFE JACKETS FOR SERVICEABILITY.**
25. **HAVE A QUALIFIED ELECTRICIAN INSPECT THE ELECTRICAL SYSTEM. I NOTED WIRE NUTS BEING USED AND SOME OF THE WIRING IS HANGING LOOSE.**
26. **WHEN THINGS ARE READY, CHECK AND RUN THE FIRE FIGHTING SYSTEM.**
27. **THE ENGINE ROOM NEEDS A NEW LIGHTING SYSTEM AS THE PRESENT SYSTEM IS OLD. THEY NOW HAVE THE LED AND OTHER NEWER LIGHTING SYSTEMS THAT WOULD BE BETTER. IN FACT THE WHOLE VESSEL SHOULD HAVE NEW LIGHTING.**
28. **CHECK THE RED FOX MSD SYSTEM. THERE ARE NEWER SYSTEMS THAT WOULD DO A BETTER JOB FASTER. THE RED FOX SYSTEM IS BEGINNING TO RUST. REMOVE RUST, INSPECT TANKS, PRIME AND REPAINT, IF YOU ARE GOING TO KEEP THE RED FOX SYSTEM.**
29. **REPLACE ELECTRIC HEATING SYSTEM WITH A NEWER SYSTEM.**
30. **MAIN ENGINES NEED TO BE CLEANED OF RUST AND OTHER CONTAMINATES. REPAINT ENGINES/GENERATORS AND OTHER SYSTEMS.**
31. **CHECK THE LAZERETTE WHERE THE RUDDERS ARE LOCATED. REMOVE RUSTED TOP NUTS AND CHECK THE STEERING ARMS.**
32. **CHECK THE RUDDERS RAMS.**
33. **DOOR TO CREW LOUNGE IS SPRUNG AND WILL NOT CLOSE.**
34. **INSTALL SAFETY CHAINS ON FORWARD AND AFT CAR BOARDING OPENINGS.**
35. **THERE IS A LARGE NUMBER OF ITEMS THROUGHOUT THE VESSEL THAT ARE CORRODED AND NEED TO BE CLEANED AND CHECKED FOR SERVICEABILITY AND REPAINTED.**
36. **MAKE SURE ALL MACHINERY, ELECTRICAL SYSTEMS, FIRE FIGHTING AND ANY SHIP OPERATIONS LIKE THE BRIDGE GAUGES AND SWITCHES ARE PROPERLY LABELED.**

37. ENSURE ENGINE CONTROL BOOTH SOUND PROOFING IS IN GOOD CONDITION AND REPLACE IF NECESSARY.
38. CHECK CENTER MAIN ENGINE FIRE FIGHTING PUMP IS WORKING CORRECTLY.
39. CHECK FIRE ALARM SYSTEM.
40. CHECK STEERING SYSTEM FOR LEAKS.
41. CHECK ALL WATERTIGHT DOORS FOR PROPER OPERATIONS.
42. CHECK TOILETS FOR PROPER OPERATIONS.
43. CHECK ALL RUNNING LIGHTS.
44. AFTER AIR COMPRESSOR IS STARTED CHECK FOG HORN AND SIGNAL TIMER.
45. DID NOT SEE A POLLUTION PLACARD.
46. DOOR TO EMERGENCY GENERATOR IS SPRUNG.
47. CHECK ALL FIRST AID KITS.
48. CHECK ALL VOID COVER PLATES.
49. CHECK ALL BATTERIES FOR SERVICEABILITY.
50. CHECK REFLECTIVE TAPE ON TYPE IV THROWABLE DEVICES.

FOUR WINDS MARINE SERVICES

Invoice

PO BOX 1092
300 OUR ROAD
BEAUFORT, NC 28516-1092

Date Invoice #
9/30/2013 10-10-91

Bill To
73 PUNCH BOWL

Terms

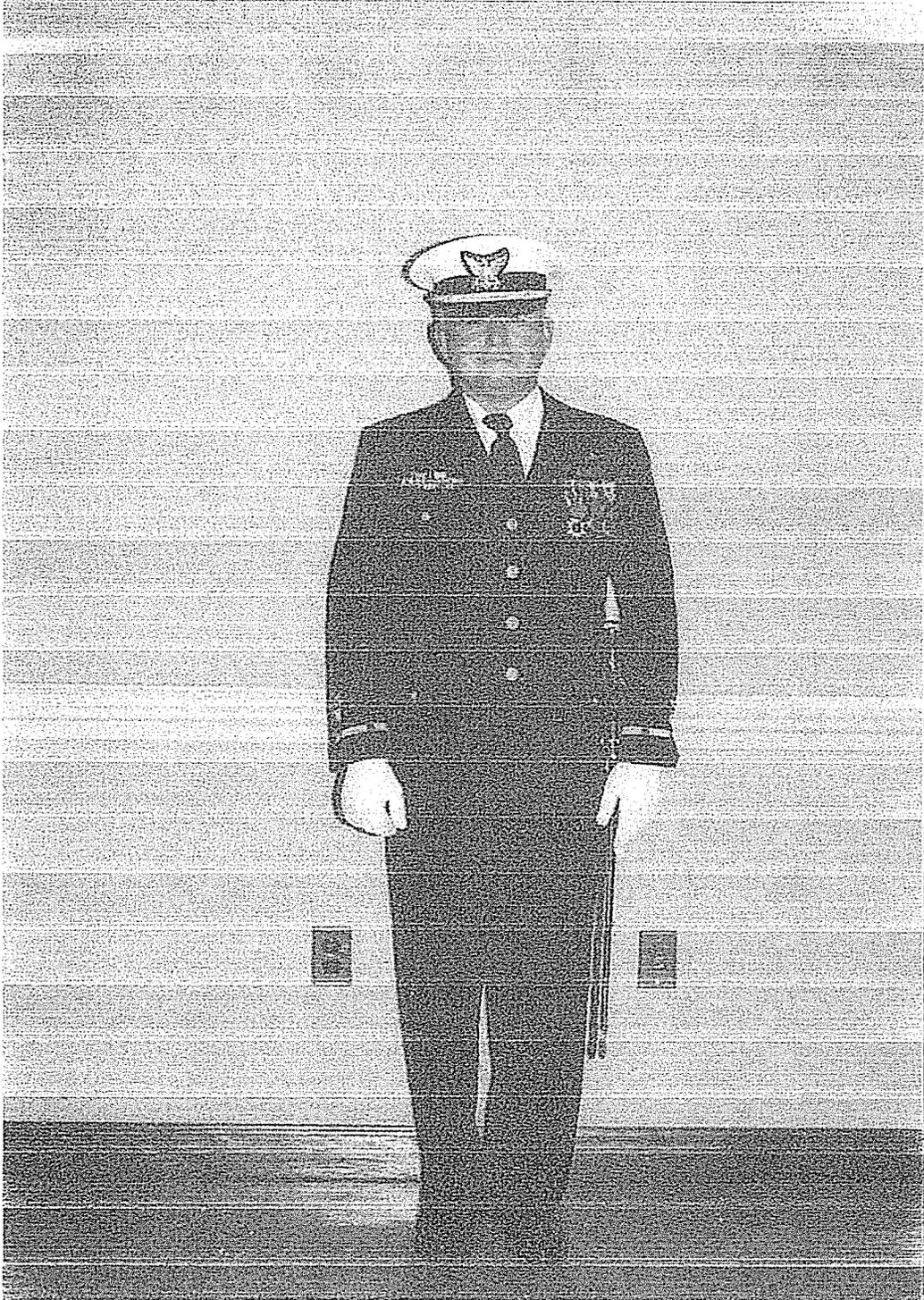
Quantity	Description	Rate	Amount
	Survey a boat per hour		
3	RENT OF BOAT AND CAPTAIN TO TAKE US TO FERRY AND BACK 3 DAYS BECAUSE WE WE CARRYING A LOT OF EQUIPMENT AND TO GET TO THE BOAT BY LAND WAS DANGEROUS	1,500.00 50.00	1,500.00 150.00

Fair Winds with a following sea

Total \$1,650.00

CWO4 ROMA D. WADE

BACKGROUND



CWO ROMA D. WADE AMMS
MASTER MARINE SURVEYOR
FOUR WINDS MARINE SERVICES
MARINE SURVEYING DEPARTMENT
P.O. Box 1092
Beaufort, NC 28516
252 504-0422

- Accredited Master Marine Surveyor United States Surveyors Association Member # 108604W
- 28.5 years U.S. Coast Guard. Retired a Chief Warrant Officer BOSN.
- Have done over 90 Accident Investigations for USAA Insurance Company.
- Qualified Recreational Boat Manufacture Factory Inspector while in Coast Guard.
- Graduate of Coast Guard Boating Accident Investigator School.
- Investigated over 300 Boating Accidents while in Coast Guard.
- Graduate of Navy Fiberglass Repair School.
- Graduate of Navy Welding School.
- Graduate of Navy Vessel Damage Control School.
- Graduate of Coast Guard Explosive Loading School.
- Graduate of Coast Guard Officers Aids to Navigation School.
- Graduate of Coast Guard Boating Safety/Law Enforcement School.
- Graduate of Coast Guard Port Security/Law Enforcement School.
- Graduate of Seaman's Church, Rules of the Road School.
- Operated vessels up to 165 feet, 240 tons.
- Qualified Coast Guard Coxswain. (Operate boat up to 70 feet)
- Qualified Coast Guard Surfman. (qualified to operate in extremely heavy surf)
- Qualified Coast Guard Officer in Charge, Ashore and Afloat.
- Officer In Charge Boating Safety/Law Enforcement Team New Orleans.
- Officer In Charge 82-foot Coast Guard Cutter. CG82356
- Officer in Charge 56-foot Coast Guard Cable Layer CG56023.
- Actively involved in writing Coast Guard Safety Standards for surface forces while assigned at Coast Guard Headquarters.
- Actively involved with A.B.Y.C. in writing their safety standards for vessels while assigned at Coast Guard Headquarters.
- Involved in rewriting Coast Guard Maritime Law Enforcement Training

Manual.

- Worked closely with State Boating Law Administrators in starting Boating Safety Programs.
- Rewrote/updated the Coast Guard Boating Safety Training Manual.
- Trained hundreds of Coast Guard Personnel in Boating Safety/Accident Investigation/Law Enforcement.
- 100 Ton Master Coast Guard license.
- Oversaw the building of a 2004 47-foot composite custom built Jarrett Bay, 2008 35-foot custom boat built by Shearline, 2011 55-foot custom boat built by Shearline, Jarrett Bay, and the repair of many others.
- Have done more than 900 marine surveys that have been accepted by all organizations.
- Started marine surveying with Captain Jon Abercrombie, Annapolis, MD. 1974 while in Coast Guard.
- Awarded Vietnamese Cross of Gallantry Medal.
- Awarded Vietnam Service Medal with 4 Battle Stars
- Awarded Combat Action Ribbon
- Awarded Coast Guard Good Conduct Medal with 5 Stars
- Awarded Coast Guard Unit Commendation Ribbon
- Awarded National Defense Ribbon
- Awarded Navy Unit Commendation Ribbon
- Awarded Coast Guard Restricted Duty Ribbon
- Awarded Coast Guard Expert Rifle Medal
- Awarded Coast Guard Expert Pistol Medal
- Earned Officer in Charge Afloat Pin
- Earned Officer in Charge Ashore Pin
- Earned Cutterman Pin Over Five Years Sea Duty
- Earned Coxswain Pin Qualified To Run All Coast Guard Small Boats
- References:

Ben Green
Senior Broker: Jarrett Bay Boats Works
Beaufort, nc
252-728-2690

Adam Meyer
Charter Lakes Marine
Wrightsville Beach, NC
910-515-4360

**Public Utilities Commission
A&R Marine Corp.'s Responses to the
March 21, 2016 3rd set of Data Requests of the Commission to A&R Marine Corp**

April 11, 2016

2. How many hours are on the vessels' engines and generators?

RESPONSE:

The vessel's port engine has 7,492 hours, the center engine has 6,173 hours and the starboard engine has 5,208 hours. The generators have 5,876 hours on number 1, 5,749 hours on number 2 and 323 hours on the emergency generator.

Prepared by David G Bebyn CPA

**Public Utilities Commission
A&R Marine Corp.'s Responses to the
March 21, 2016 3rd set of Data Requests of the Commission to A&R Marine Corp**

April 11, 2016

3. Referencing PUC-1-15, the insurance policy provided is effective August 1, 2015 to August 1, 2016. The only vessel listed is the M/V Herbert C. Bonner. Is there coverage on M/V Prudence Ferry.

RESPONSE:

Yes. The commercial marine policy attached has endorsement #1 which includes the M/V Prudence Ferry. We are in the process of increasing coverages.

Prepared by David G Bebyn CPA



The Company issuing this policy is indicated below:
 OBI National Insurance Company *
 150 Royall Street
 Canton, MA 02021

* A Stock Company

COMMERCIAL MARINE PACKAGE

Policy Number
 J5JH54845

New

Insured Name and Address:

A & R MARINE CORP.
 DBA PRUDENCE AND BAY ISLAND TRANSPORT
 PO BOX 1017
 BRISTOL, RI 02809-0902

Producer Name and Address: (3859161)

CHATTERTON INSURANCE, INC.
 PO BOX 1146
 PAWTUCKET, RI 02862-1146

Policy Period 12:01 AM at place of Issuance **FROM:** August 01, 2015

TO: August 01, 2016

Schedule of Locations:

See Schedule of Locations Attached

Description of Covered Operations:

Passenger Vessel Operator

Coverage Section	Coverage Part	Covered / Not Covered	Premium
SECTION I – Commercial Marine Liability			
Part I	Marine General Liability	Covered	\$1,000
Part II	Protection & Indemnity	Covered	\$5,235
Part III	Bailee Liability	Not Covered	
Part IV	Limited Pollution Liability	Covered	Included
SECTION II – Hull Physical Damage			
Part I	Hull Physical Damage	Covered	\$10,638
Part II	Hull Builders Risk	Not Covered	
SECTION III – Property Physical Damage			
Part I	Piers, Wharves & Docks	Not Covered	
Part II	Mobile Equipment	Not Covered	
Part III	Fixed Marine Property	Not Covered	
Part IV	Pollution Physical Damage	Not Covered	
PREMIUM			\$16,873
TERRORISM Not Covered			
STATE SURCHARGE			
PREMIUM PAYABLE Direct Bill			
TOTAL			\$16,873.00

SUBJECT TO CONDITIONS OF FORMS ATTACHED HERETO.

LIMITS OF LIABILITY, AMOUNTS OF INSURANCE, AND DEDUCTIBLES AS PER THE DECLARATION PAGES.

Coinsurance contract: The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy, with the consent of the insured.

THIS POLICY IS MADE AND ACCEPTED SUBJECT TO THE FOREGOING PROVISIONS AND STIPULATIONS AND THOSE HEREINAFTER STATED, WHICH ARE HEREBY MADE A PART OF THIS POLICY TOGETHER WITH OTHER SUCH PROVISIONS, STIPULATIONS AND AGREEMENTS AS MAY BE ADDED HERETO, AS PROVIDED IN THIS POLICY.

IN WITNESS WHEREOF, this Company has caused this Policy to be executed below, but this Policy shall not be valid unless countersigned by a duly authorized representative of the Company.

Christopher Perry
 Secretary

Michael Hill
 President

Countersigned by this date 08/11/2015

Authorized Representative

3 0 3859161 08/11/2015 JEC CPW PR 1.000

SUPPLEMENTAL DECLARATIONS					Premium
SECTION I DECLARATIONS COMMERCIAL MARINE LIABILITY COVERAGES					
COMBINED SINGLE LIMITS / DEDUCTIBLE (applicable to all Section I Coverage Parts)					
Each Occurrence				\$1,000,000	
Products-Completed Operations Aggregate Limit				\$1,000,000	
General Aggregate (other than Prod./Comp Ops)				\$2,000,000	
Medical Payments Limit of Insurance				\$5,000	
Damage to Premises Rented - Limit of Insurance				\$50,000	
Combined Single Liability Deductible				\$1,000	
COVERAGE PART I - MARINE GENERAL LIABILITY					
Rating Class	Rating Basis	Est. Amount	Rate		
Passenger Vessel Operator	Gross Receipts	If Any	0.00%	Flat Premium	\$1,000
				Subtotal Premium	\$1,000
Endorsements				Subtotal Endorsements	Included
				Total Marine GL Premium	\$1,000
Note: Hull/P&I Policy # J5JH54652.					
COVERAGE PART II - PROTECTION & INDEMNITY					
Vessel				# of Crew	
"Herbert C. Bonner" / 1970 / 120' / Steel Ferry				2	\$3,235
				Subtotal Vessel Premium	\$3,235
Endorsements					
Crew Coverage					\$2,000
				Subtotal Endorsements	\$2,000
				Total P&I Premium	\$5,235
Navigation Area	The waters of Narragansett Bay and Rhode Island Sound not to exceed twenty-five (25) miles from the nearest point of land.				
Note: Deductible: \$1,000BI/\$25,000PD. Passenger Warranty: One Hundred Forty Nine (149).					
COVERAGE PART IV - LIMITED POLLUTION LIABILITY					
Coverage A - Premises & Mobile Equipment				Not Covered	
Coverage B - Watercraft - Owned				Covered	Included
Coverage C - Watercraft in Care Custody or Control				Not Covered	
Pollution Limit of Liability - Sub-Limit of Combined Single Limit				\$1,000,000	
				Total Pollution Premium	Included
SECTION II DECLARATIONS HULL PHYSICAL DAMAGE COVERAGE					

SUPPLEMENTAL DECLARATIONS				Premium
COVERAGE PART I - HULL PHYSICAL DAMAGE				
Description of Vessel(s):				
Vessel	Deductible	Amt Insured & Agreed Value	Rate	
"Herbert C. Bonner" / 1970 / 120' / Steel Ferry	\$25,000	\$575,000	1.85	\$10,638
		Subtotal Vessel Premium		\$10,638
Navigation Area				
The waters of Narragansett Bay and Rhode Island Sound not to exceed twenty-five (25) miles from the nearest point of land.				
		Total Hull Premium		\$10,638

ENDORSEMENT 1	Effective: 08/01/2015	Premium																						
<p style="text-align: center;">This Endorsement Amends The Following Coverage Parts:</p> <p style="text-align: center;">SUPPLEMENTAL DECLARATIONS, IMU 0005 01 07</p> <p style="text-align: center;">COVERAGE PART II - PROTECTION & INDEMNITY</p> <p>ADD Description of Vessel(s):</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Vessel</td> <td style="width: 20%; text-align: right;"># of Crew</td> <td></td> </tr> <tr> <td>"Prudence Ferry" / 1986 / 61.5' / Steel Ferry</td> <td style="text-align: right;">0</td> <td style="text-align: right;">\$3,235 Annual \$3,235 ProRata AP</td> </tr> </table> <p>ADD Endorsements</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Crew - Prudence Ferry</td> <td></td> <td style="text-align: right;">\$2,000 Annual \$2,000 ProRata AP</td> </tr> </table> <p>Navigation Area</p> <p>"HERBERT C. BONNER": The waters of Narragansett Bay and Rhode Island Sound not to exceed twenty-five(25) miles from the nearest point of land.</p> <p>"PRUDENCE FERRY": The waters of Narragansett Bay not to exceed ten (10) miles from the nearest point of land.</p> <p>AMEND Note:</p> <p>"HERBERT C. BONNER": Limit: \$1,000,000. Deductible: \$1,000BI/\$25,000PD.</p> <p>"PRUDENCE FERRY": Limit: \$1,000,000. Deductible: \$1,000BI/\$12,000PD.</p> <p>PASSENGER WARRANTY FOR THE "HERBERT C. BONNER" and "PRUDENCE FERRY": Warranted that the maximum number of passengers onboard the vessel shall not exceed one hundred forty-nine (149), or the number permitted by the U.S.CoastGuard, whichever is less.</p> <p>CREW "HERBERT C. BONNER": Two (2), CREW "PRUDENCE FERRY": Two (2)</p> <p style="text-align: center;">SECTION II DECLARATIONS HULL PHYSICAL DAMAGE COVERAGE</p> <p style="text-align: center;">COVERAGE PART I - HULL PHYSICAL DAMAGE</p> <p>ADD Description of Vessel(s):</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 45%;">Vessel</td> <td style="width: 15%; text-align: right;">Deductible</td> <td style="width: 20%; text-align: right;">Amt Insured & Agreed Value</td> <td style="width: 10%; text-align: right;">Rate</td> <td></td> </tr> <tr> <td>"Prudence Ferry" / 1986 / 61.5' / Steel Ferry</td> <td style="text-align: right;">\$12,000</td> <td style="text-align: right;">\$150,000</td> <td style="text-align: right;">1.85</td> <td style="text-align: right;">\$2,775 Annual \$2,775 ProRata AP</td> </tr> </table> <p>ADD Endorsements</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">BOW - Prudence Ferry</td> <td></td> <td style="text-align: right;">\$100 Annual \$100 ProRata AP</td> </tr> </table> <p>AMEND Navigation Area</p> <p>"HERBERT C. BONNER": The waters of Narragansett Bay and Rhode Island Sound not to exceed twenty-five(25) miles from the nearest point of land.</p> <p>"PRUDENCE FERRY": The waters of Narragansett Bay not to exceed ten (10) miles from the nearest point of land.</p>		Vessel	# of Crew		"Prudence Ferry" / 1986 / 61.5' / Steel Ferry	0	\$3,235 Annual \$3,235 ProRata AP	Crew - Prudence Ferry		\$2,000 Annual \$2,000 ProRata AP	Vessel	Deductible	Amt Insured & Agreed Value	Rate		"Prudence Ferry" / 1986 / 61.5' / Steel Ferry	\$12,000	\$150,000	1.85	\$2,775 Annual \$2,775 ProRata AP	BOW - Prudence Ferry		\$100 Annual \$100 ProRata AP	<p>TOTAL ADDITIONAL PREMIUM</p> <p style="font-size: 1.2em;">\$8,110</p>
Vessel	# of Crew																							
"Prudence Ferry" / 1986 / 61.5' / Steel Ferry	0	\$3,235 Annual \$3,235 ProRata AP																						
Crew - Prudence Ferry		\$2,000 Annual \$2,000 ProRata AP																						
Vessel	Deductible	Amt Insured & Agreed Value	Rate																					
"Prudence Ferry" / 1986 / 61.5' / Steel Ferry	\$12,000	\$150,000	1.85	\$2,775 Annual \$2,775 ProRata AP																				
BOW - Prudence Ferry		\$100 Annual \$100 ProRata AP																						

Insured: A & R MARINE CORP.

Policy: J5JH54845

ENDORSEMENT 1	Effective: 08/01/2015	Premium
SCHEDULE OF FORMS, IMU 0008 01 07		
ADD Form(s): IMU 0010 01 07	Endorsement 1 - AMERICAN INSTITUTE SINGLE INTEREST MORTGAGEE FORM	

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IMU 0020 01 07

PRODUCER

ENDORSEMENT 1

Effective: 08/01/2015

AMERICAN INSTITUTE

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SINGLE INTEREST MORTGAGEE FORM

July 1, 1963

Assured: To be attached to and form a part of Policy No.: J5JH54845 of the OBI National Insurance Company.

Insuring: BankRI, ISAOA/ATIMA, P.O. Box 5284 Norwell, MA 02061 as Mortgagee, for account of themselves, for the interest described below, said Mortgagee being herein referred to as "the Assured".

INTEREST: Upon the interest of the Assured, as mortgagee of the vessel 1986 61.5' Steel "Prudence Ferry" hereinafter referred to as "the Vessel"

LOSSES PAYABLE: Loss, if any, payable to Assured or Order

SUM One Hundred Thousand (\$100,000)-----Dollars
INSURED: Part of One Hundred Thousand (\$100,000)-----Dollars insured this interest, being the unpaid principal amount of a valid mortgage held by the Assured on the Vessel, reducing pro rata to the extent of payments made on account of the mortgage indebtedness. This Policy also insures interest earned and unpaid to date of loss, which, however, with the unpaid balances, shall not exceed the sum insured hereunder.

TERM: At and from the 1st day of August, 2015, Noon E.S. time to the 1st day of August, 2016, Noon E.S. time

PREMIUM: These Underwriters to be paid in consideration of this insurance One Hundred Dollars (\$100) being at the rate of .10 per annum of the sum initially at risk hereunder.

CANCELLATION:

This Policy (other than for non-payment of premium) may be cancelled by either party on 30 days' notice in writing. Such notice, when given by these Underwriters, shall be deemed to have been given at such time as written notice shall have been mailed to the Assured at its last known address or telegraphic notice sent thereto. A written or telegraphic notice sent through the brokers who negotiated this Policy or by them, at the request of these Underwriters, shall operate to effect cancellation of this Policy in the same manner as if sent directly by these Underwriters. Net unearned premium to be returned in the event of cancellation by either party as aforesaid.

In the event of non-payment of premium 30 days after attachment, this Policy may be cancelled by these Underwriters upon five days' written notice being given the Assured in the form provided for above. Such

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ENDORSEMENT 1

Effective: 08/01/2015

Proportion of the premium, however, as shall have been earned up to the time of such cancellation shall be due and payable; but in the event of payment by these Underwriters of the sum insured hereunder by reason of non-payment by underwriters of the Hull Policy of a claim asserted thereunder for any liability, loss, damage or expense of, to or in respect of the Vessel occurring or arising prior to cancellation, the full annual premium shall be deemed earned. As Attached

TERMINATION:

Unless otherwise agreed to in writing by these Underwriters, the insurance afforded by this Policy shall terminate in the event that there has been a change, voluntary or otherwise, in the ownership of the Vessel or it has been placed under new management or chartered on a bareboat basis or requisitioned on that basis.

CONDITIONS OF ATTACHMENT AND DURATION OF RISK:

1. It is a condition of this insurance that during the term of this Policy:
 - (a) the Vessel is covered by policies of insurance on the form and in the amount specified below: As Attached
 - (b) The Assured is named as a loss payee in the policies above described, which are herein referred to collectively and separately and defined as "the Hull Policy".

RISKS INSURED AGAINST:

2. This policy insures only against the non-payment by underwriters of the Hull Policy, of a claim asserted thereunder for any liability, loss, damage or expense occurring or arising during the term or this Policy, which non-payment results from any act of, or omission by, the assured(s) named in the Hull Policy, or breach of any warranty, express or implied, in the Hull Policy other than breach of the warranty contained in the F.C.&S. Clause thereof;

PROVIDED that such act or omission or breach of warranty occurred without the consent or privity of the Assured.

EXCLUSIONS:

3. The insurance afforded by this Policy does not cover:
 - (a) the non-payment of a claim for any liability, loss, damage or expense, or any part thereof:
 - (I) collectible under the Hull Policy or which would be collectible thereunder except for the insolvency of the underwriters thereon; or
 - (II) not recoverable under the Hull Policy by reason of any deductible or franchise included therein; or
 - (III) which has been satisfied, repaired or discharged prior

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ENDORSEMENT 1

Effective: 08/01/2015

to payment of a claim hereunder; or
(b) any claim of the Assured arising solely out of the insolvency of the owner of the Vessel.
In no event shall these Underwriters indemnify or contribute to, pro rata or otherwise, underwriters of the Hull Policy.

CONDITIONS PRECEDENT TO CLAIM:

4. As a condition precedent to any claim hereunder, unless waived by these Underwriters:
 - (a) the underwriters of the Hull Policy must have denied the claim for any liability, loss, damage or expense which is the subject of a claim hereunder, and
 - (b) the Assured shall have instituted suit against such underwriters to collect such claim.

SUBROGATION OF UNDERWRITERS:

5. (a) These Underwriters upon payment of a loss under this Policy, shall, to the extent of such payment, be subrogated to all of the rights of the Assured under the Hull Policy, the Mortgage on the Vessel and any note or bond secured thereby, and under any other instrument taken by the Assured as security for the repayment of the mortgage indebtedness. On the request of these Underwriters, the Assured shall execute and deliver all documents necessary to effect a valid assignment of the said policy, mortgage, note or bond, and any other taken by way of security as aforesaid, and of all the right, title and interest of the Assured therein. Any net sum recovered by these Underwriters in excess of the amount due to them by reason of their rights of subrogation as aforesaid shall be held for the account of the Assured.
 - (b) If any event occurs which does and could give rise to a claim under this Policy, the Assured shall not in any way, whether by act or failure to act, impair these Underwriters' rights of subrogation as aforesaid. Any claim under this Policy shall be reduced to the extent that such rights of subrogation have been impaired.

NOTICE OF POSSIBLE CLAIM AND SURVEY:

6. (a) The Assured shall, as soon as practicable, report to these Underwriters any denial of liability by the underwriters of the policies described in Clause "1" hereof for a claim thereunder which denial could result in a claim under this Policy.
 - (b) Whenever requested, the Assured shall arrange for attendance

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ENDORSEMENT 1

Effective: 08/01/2015

at any hull survey of a surveyor appointed by these Underwriters.

The terms and conditions of this Policy are to be regarded as substituted for those of the policy to which it attached, the latter being hereby waived, except provisions require by law to be inserted in this Policy.

Marginal captions are inserted for purposes of convenient reference only and are not to be deemed part of this Policy.

3 0 3859161 08/17/2015 JEC CPW PR 1.000

**Public Utilities Commission
A&R Marine Corp.'s Responses to the
March 21, 2016 3rd set of Data Requests of the Commission to A&R Marine Corp**

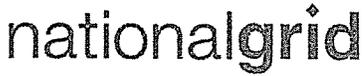
April 11, 2016

4. Please provide a copy of one month of electric bills for each electric account and explain for what each account is used.

RESPONSE:

A copy of a bill for each account is attached. Account 28422-89018 covers the electric on the Bristol dock which includes the small ticketing office and the single phase service for the winch on the transfer bridge. Account 83309-99014 covers the Prudence Island side of the operation and includes the business office, street lamps for the dock and a three phase service for the transfer bridge.

Prepared by David G Bebyn CPA



SERVICE FOR
A&R MARINE CORP
D/B/A PPROVIDENCE & BAY ISLE
157 THAMES ST
BRISTOL RI 02809

BILLING PERIOD
Feb 23, 2016 to Mar 25, 2016

ACCOUNT NUMBER **28422-89018** **PLEASE PAY BY** **Apr 21, 2016** **AMOUNT DUE** **\$ 80.92**

ELECTRIC BILL

www.nationalgridus.com
 CUSTOMER SERVICE
1-800-322-3223
 CREDIT DEPARTMENT
1-888-211-1313
 GAS EMERGENCIES
1-800-640-1595
 POWER OUTAGE OR DOWNED LINE
1-800-465-1212
 CONTACT US
ngrid.com/ri-contactus
 CORRESPONDENCE ADDRESS
PO Box 960
Northborough, MA 01532-0960
 PAYMENT ADDRESS
PO Box 11739
Newark, NJ 07101-4739

DATE BILL ISSUED
Mar 28, 2016

Enrollment Information

To enroll with a supplier or change to another supplier, you will need the following information about your account:
 Loadzone RhodeIsland
 Acct No: 28422-89018 Cycle: 18, A&R

Electric Usage History

Month	kWh	Month	kWh
Mar 15	1361	Oct 15	154
Apr 15	652	Nov 15	961
May 15	180	Dec 15	474
Jun 15	62	Jan 16	596
Jul 15	76	Feb 16	544
Aug 15	68	Mar 16	438
Sep 15	87		

ACCOUNT BALANCE

Previous Balance		199.00
Payment Received on MAR 17 (ACH)	THANK YOU	- 199.00
Current Charges		+ 80.92
Amount Due ▶		\$ 80.92

To avoid late payment charges of 1.25%, \$ 80.92 must be received by Apr 21 2016.

SUMMARY OF CURRENT CHARGES

	DELIVERY SERVICES	SUPPLY SERVICES	OTHER CHARGES/ ADJUSTMENTS	TOTAL
Electric Service	41.54	36.48		78.02
Other Charges/Adjustments			2.90	2.90
Total Current Charges	\$ 41.54	\$ 36.48	\$ 2.90	\$ 80.92

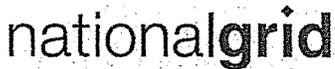
The Energy Charge now includes the Renewable Energy Standard Charge which was previously identified separately on the bill. This charge is collected for the purpose of acquiring a portion of Rhode Island's energy supply from renewable energy resources, as required by Rhode Island General Laws section 39-26-1.

What is the Energy Efficiency Charge on my bill? This charge funds Energy Efficiency programs that can help consumers lower their energy usage and bills, improve comfort in their homes or businesses, and lower pollutants and carbon emissions in our communities. To learn how to take advantage of these programs and your eligibility, please call 1-866-903-2811 or visit www.ngrid.com/ri-ee.

WILL WE BE ABLE TO REACH YOU DURING A POWER OUTAGE?: During a power outage, phones with a direct link to a local phone line are able to operate. Phones that are **not** directly linked (for example, wireless phones with answering machines) need electricity to make/receive calls. If you would like to register another phone number, such as a cell phone, as your account's primary phone number, please go to www.nationalgrid.com/myaccount to update your information so that we may be able to reach you with important information during power outages.

KEEP THIS PORTION FOR YOUR RECORDS.

RETURN THIS PORTION WITH YOUR PAYMENT.



ACCOUNT NUMBER	PLEASE PAY BY	AMOUNT DUE
28422-89018	Apr 21, 2016	\$ 80.92

PO Box 960
 Northborough MA 01532

ENTER AMOUNT ENCLOSED

\$

Write account number on check and make payable to National Grid

A&R MARINE CORP
 D/B/A PPROVIDENCE & BAY ISLE
 PO BOX 1017
 BRISTOL RI 02809-0902

048975

NATIONAL GRID
 PO BOX 11739
 NEWARK NJ 07101-4739

000008092 28422890182000008092112



SERVICE FOR
A&R MARINE CORP
D/B/A PPROVIDENCE & BAY ISLE
157 THAMES ST
BRISTOL RI 02809

BILLING PERIOD
Feb 23, 2016 to Mar 25, 2016

ACCOUNT NUMBER **28422-89018** **PLEASE PAY BY** **APR 21, 2016** **AMOUNT DUE**
\$ 80.92

Enrollment Information

To enroll with a supplier or change to another supplier, you will need the following information about your account:
Loadzone Rhodelsland
Acct No: 28422-89018 **Cycle:** 18, A&R

Choosing an Energy Supplier You can choose who supplies your energy. No matter which energy supplier you choose, National Grid will continue to deliver energy to you safely, efficiently and reliably. We will also continue to provide your customer service, including emergency response and storm restoration. National Grid is dedicated to creating an open energy market that lets you choose from a variety of competitive energy suppliers, who may offer different pricing options. For information on authorized energy suppliers and how to choose, please visit us online at www.nationalgridus.com/energychoice

Right To Dispute Your Bill And To An Impartial Hearing

If you believe your bill is inaccurate or for any reason payment may be withheld, you should first contact our Customer Service Department at 1-800-322-3223. If a mutually satisfactory settlement of this matter cannot be made, you have the right to submit this matter to: Reviewing Officer, Division of Public Utilities and Carriers, 89 Jefferson Blvd., Warwick, Rhode Island 02888 Telephone: 401-780-9700. National Grid will not disconnect your service pending proceedings before a reviewing officer appointed by the Public Utilities Administrator.

LIHEAP Charge

This charge is required under Rhode Island law and will be used to provide funding for a Low-Income Home Energy Assistance Program ("LIHEAP") Enhancement Plan, designed to assist low-income electric and natural gas households with their home energy and heating needs. By law, this charge may not be more than \$10 per year for each electric or natural gas service account.

Explanation of Billing Terms Available

If you would like an explanation of any of the terms used on your bill, you may find them on our web site at www.nationalgrid.com or you may call us at 1-800-322-3223.

DETAIL OF CURRENT CHARGES

Delivery Services

Service Period	No. of days	Current Reading	-	Previous Reading	=	Total Usage
Feb 23 - Mar 25	31	304 Actual		99866 Actual		438 kWh
METER NUMBER 86754399		NEXT SCHEDULED READ DATE ON OR ABOUT Apr 26				
RATE	Small C&I Rate C-06					
Customer Charge						10.00
LIHEAP Enhancement Charge						0.73
Distribution Energy Chg		0.03763 x		438 kWh		16.48
Energy Efficiency Prgms		0.01107 x		438 kWh		4.85
Renewable Egy Dist Chg		0.00233 x		438 kWh		1.02
Transmission Charge		0.02072 x		438 kWh		9.08
Transition Charge		-0.00201 x		438 kWh		-0.88
RE Growth Program						0.26
Total Delivery Services						\$ 41.54

Supply Services

SUPPLIER National Grid						
Energy Charge		0.08327 x		438 kWh		36.48
Total Supply Services						\$ 36.48

Other Charges/Adjustments

Paperless Billing Credit						-0.34
Gross Earnings Tax		0.04166667 x		77.68		3.24
Total Other Charges/Adjustments						\$ 2.90

Right To Electric Service:

During Serious Illness: If you or anyone presently and normally living in your home is seriously ill, we will not discontinue your electric service during such illness providing you: have a registered physician certify in writing to us that such illness exists, the nature and duration of the illness and you make satisfactory arrangements to pay your bill. This certification must be received within seven (7) days from the date that your physician initially contacts our Credit Department at 1-888-211-1313.
You have a child under twenty four months and a financial hardship: If you or anyone presently and normally living in your home has a child under twenty four months old we will not terminate your electric service, provided you also have a financial hardship. Please call our Credit Department at 1-888-211-1313 immediately if this applies to you.

Termination of Service to Elderly or Handicapped Persons

If all residents in your household are 62 years of age or older or if any resident in your household is handicapped, the Company will not terminate your service for failure to pay the past due bill without written approval from the Division of Public Utilities. If you cannot pay your bill all at once, you may be able to work out a payment plan with the Company. The Elderly or Handicapped Forms that must be filled out are available at the Company. The Form also enables you to participate in "Third Party Notification". If you have any questions or want further information, call the Credit Department at 1-888-211-1313.



SERVICE FOR
 A&R MARINE CORP
 D/B/A PPROVIDENCE & BAY ISLE
 NARRAGANSETT AVE LOT 111,
 POLE 78
 BRUDENCE ISL RI 02872

BILLING PERIOD
 Dec 4, 2015 to Jan 6, 2016

ACCOUNT NUMBER **PLEASE PAY BY** **AMOUNT DUE**
 83309-99014 Jan 31, 2016 \$ 211.74

ELECTRIC BILL

www.nationalgridus.com
 CUSTOMER SERVICE
 1-800-322-3223
 CREDIT DEPARTMENT
 1-888-211-1313
 GAS EMERGENCIES
 1-800-640-1595
 POWER OUTAGE OR DOWNED LINE
 1-800-465-1212
 CONTACT US
ngrid.com/ri-contactus
 CORRESPONDENCE ADDRESS
 PO Box 960
 Northborough, MA 01532-0960
 PAYMENT ADDRESS
 PO Box 11739
 Newark, NJ 07101-4739

DATE BILL ISSUED
 Jan 7, 2016

Enrollment Information

To enroll with a supplier or change to another supplier, you will need the following information about your account:
 Loadzone RhodeIsland
 Acct No: 83309-99014 Cycle: 7, A&R

Electric Usage History

Month	kWh	Month	kWh
May 15	5700	Dec 15	972
Jun 15	417	Jan 16	1260
Jul 15	332		
Aug 15	335		
Sep 15	439		
Oct 15	324		
Nov 15	562		

ACCOUNT BALANCE

Previous Balance		171.77
Payment Received on DEC 18 (ACH)	THANK YOU	-171.77
Current Charges		+ 211.74
Amount Due		\$211.74

To avoid late payment charges of 1.25%, \$ 211.74 must be received by Jan 31 2016.

Your deposit has earned interest of \$ 5.87 . This amount has been credited to your bill account.

SUMMARY OF CURRENT CHARGES

	DELIVERY SERVICES	SUPPLY SERVICES	OTHER CHARGES/ ADJUSTMENTS	TOTAL
Electric Service	97.56	111.69		209.25
Other Charges/Adjustments			2.49	2.49
Total Current Charges	\$ 97.56	\$ 111.69	\$ 2.49	\$ 211.74

The Energy Charge now includes the Renewable Energy Standard Charge which was previously identified separately on the bill. This charge is collected for the purpose of acquiring a portion of Rhode Island's energy supply from renewable energy resources, as required by Rhode Island General Laws section 39-26-1 .

What is the Energy Efficiency Charge on my bill? This charge funds Energy Efficiency programs that can help consumers lower their energy usage and bills, improve comfort in their homes or businesses, and lower pollutants and carbon emissions in our communities. To learn how to take advantage of these programs and your eligibility, please call 1-866-903-2811 or visit www.ngrid.com/ri-ee.

KEEP THIS PORTION FOR YOUR RECORDS.

RETURN THIS PORTION WITH YOUR PAYMENT.



ACCOUNT NUMBER	PLEASE PAY BY	AMOUNT DUE
83309-99014	Jan 31, 2016	\$ 211.74

PO Box 960
 Northborough MA 01532

ENTER AMOUNT ENCLOSED

\$

Write account number on check and make payable to National Grid

A&R MARINE CORP
 D/B/A PPROVIDENCE & BAY ISLE
 PO BOX 1017
 BRISTOL RI 02809-0902

031345

NATIONAL GRID
 PO BOX 11739
 NEWARK NJ 07101-4739

000021174 83309990148000021174031

SERVICE FOR
A&R MARINE CORP
D/B/A PPROVIDENCE & BAY ISLE
NARRAGANSETT AVE LOT 111,
POLE 78
PRUDENCE ISL RI 02872

BILLING PERIOD
 Dec 4, 2015 to Jan 6, 2016

ACCOUNT NUMBER **PLEASE PAY BY** **AMOUNT DUE**
 83309-99014 Jan 31, 2016 **\$ 211.74**

Enrollment Information

To enroll with a supplier or change to another supplier, you will need the following information about your account:

Loadzone Rhodelsland
 Acct No: 83309-99014 Cycle: 7, A&R

Choosing an Energy Supplier You can choose who supplies your energy. No matter which energy supplier you choose, National Grid will continue to deliver energy to you safely, efficiently and reliably. We will also continue to provide your customer service, including emergency response and storm restoration. National Grid is dedicated to creating an open energy market that lets you choose from a variety of competitive energy suppliers, who may offer different pricing options. For information on authorized energy suppliers and how to choose, please visit us online at www.nationalgridus.com/energychoice

Right To Dispute Your Bill And To An Impartial Hearing

If you believe your bill is inaccurate or for any reason payment may be withheld, you should first contact our Customer Service Department at 1-800-322-3223. If a mutually satisfactory settlement of this matter cannot be made, you have the right to submit this matter to: Reviewing Officer, Division of Public Utilities and Carriers, 89 Jefferson Blvd., Warwick, Rhode Island 02888 Telephone: 401-780-9700. National Grid will not disconnect your service pending proceedings before a reviewing officer appointed by the Public Utilities Administrator.

LIHEAP Charge

This charge is required under Rhode Island law and will be used to provide funding for a Low-Income Home Energy Assistance Program ("LIHEAP") Enhancement Plan, designed to assist low-income electric and natural gas households with their home energy and heating needs. By law, this charge may not be more than \$10 per year for each electric or natural gas service account.

Explanation of Billing Terms Available

If you would like an explanation of any of the terms used on your bill, you may find them on our web site at www.nationalgrid.com or you may call us at 1-800-322-3223.

DETAIL OF CURRENT CHARGES

Delivery Services

Service Period	No. of days	Current Reading	-	Previous Reading	=	Total Usage
Dec 4 - Jan 6	33	10341 Actual		9081 Actual		1260 kWh
METER NUMBER 59230835 NEXT SCHEDULED READ DATE ON OR ABOUT Feb 8						
RATE Small C&I Rate C-06						
Customer Charge						10.00
LIHEAP Enhancement Charge						0.73
Distribution Energy Chg		0.03763 x		1260 kWh		47.41
Energy Efficiency Prgms		0.01005544 x		1260 kWh		12.67
Renewable Egy Dist Chg		0.00232181 x		1260 kWh		2.93
Transmission Charge		0.02072 x		1260 kWh		26.10
Transition Charge		-0.00201 x		1260 kWh		-2.54
RE Growth Program						0.26
Total Delivery Services						\$ 97.56

Supply Services

SUPPLIER National Grid						
Energy Charge		0.08865362 x		1260 kWh		111.69
Total Supply Services						\$ 111.69

Other Charges/Adjustments

Paperless Billing Credit						-0.34
Gross Earnings Tax		0.04166667 x		208.91		8.70
Deposit Credit						-5.87
Total Other Charges/Adjustments						\$ 2.49

Right To Electric Service:

During Serious Illness: If you or anyone presently and normally living in your home is seriously ill, we will not discontinue your electric service during such illness providing you: have a registered physician certify in writing to us that such illness exists, the nature and duration of the illness and you make satisfactory arrangements to pay your bill. This certification must be received within seven (7) days from the date that your physician initially contacts our Credit Department at 1-888-211-1313.
You have a child under twenty four months and a financial hardship: If you or anyone presently and normally living in your home has a child under twenty four months old we will not terminate your electric service, provided you also have a financial hardship. Please call our Credit Department at 1-888-211-1313 immediately if this applies to you.

Termination of Service to Elderly or Handicapped Persons

If all residents in your household are 62 years of age or older or if any resident in your household is handicapped, the Company will not terminate your service for failure to pay the past due bill without written approval from the Division of Public Utilities. If you cannot pay your bill all at once, you may be able to work out a payment plan with the Company. The Elderly or Handicapped Forms that must be filled out are available at the Company. The Form also enables you to participate in "Third Party Notification". If you have any questions or want further information, call the Credit Department at 1-888-211-1313.

**Public Utilities Commission
A&R Marine Corp.'s Responses to the
March 21, 2016 3rd set of Data Requests of the Commission to A&R Marine Corp**

April 11, 2016

5. Has A&R Marine performed any analysis of the level of ridership fluctuations due to weather? Has A&R Marine performed any analysis of its level of risk (other than the capital structure) of A&R Marine compared to Interstate Navigation Co.?

RESPONSE:

No.

Prepared by David G Bebyn CPA

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April 11, 2016

6. Please provide a breakdown of health insurance expense by employee. Please indicate the type of Blue Cross plan being offered, including any deductibles and co-shares.

RESPONSE:

There are two individuals on the company's payroll who have policies paid for by the company. The first individual is full time deckhand Eric McAdam. He has an individual VantageBlue 100/600 \$1,500 deductible plan. This plan has a monthly premium of \$346.57 and the employee has a 50% co-share. The second individual is the salaried office manager Pat Rossi. She has a family VantageBlue 100/600 \$1,500 deductible plan. This plan has a monthly premium of \$2,409.35 with no co-share. It should be noted that this family policy also covers the Vice President of Operations Ethan Rossi, Part-time deckhand Michael Rossi and Company Director Matthew Rossi.

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7. Please itemize the rate year dock maintenance expenses.

RESPONSE:

Included in the rate year dock maintenance is \$9,000 for the replacement of 6 pilings per year on the Bristol dock, the addition of zinc anti-corrosion protection to the Prudence Island pilings at a cost \$3,333, and \$4,000 for general maintenance of the docks and lots. There are a total of 18 pilings which need to be replaced on the Bristol Dock at a cost of \$1,500 per piling. The total cost for zinc anti-corrosion protection is \$10,000 which we have amortized over a three year period.

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8. What is the expected impact on ridership that will occur if the proposed rates are approved?

RESPONSE:

Unknown at this time. However, this service has a larger year-round lifeline component than a service which has a more seasonal discretionary tourism based model.

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9. Referencing PUC-1-30, please indicate if A&R Marine has received any tax bills from Portsmouth or Bristol. If so, please provide copies.

RESPONSE:

As of April 11th, A&R had not received any tax bills from either Portsmouth or Bristol. However, Portsmouth has indicated in its response to the Commission that it will assess the new office at an estimated annual tax of \$325.

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10. Please explain why A&R Marine decided to invest in two vessels. What level of redundancy would have been available absent the purchase of the M/V Prudence Ferry?

RESPONSE:

Without the purchase of the M/V Prudence Ferry, there would not be adequate redundancy. In the opinion of A&R Marine, it would be irresponsible for A&R Marine, which operates a year-round lifeline service, not to invest in a second vessel to provide adequate backup in the event the primary vessel becomes inoperative. In the first two months of Company's start of operations the M/V Prudence Ferry was the primary vessel while the M/V Bonner was still being upgraded. Also, once the repairs and updates to the Bristol pier are completed, it is planned that the M/V Prudence Ferry will be used during the slow periods of January, February and March.

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11. Please explain what business functions are performed in the new office building.

RESPONSE:

The new office will provide two ticketing stations during the peak season and one during off peak. The office also serves as the call center for the company. All accounting functions such as recording daily receipts, preparing cash boxes, recording daily receivables and payables, and preparing monthly billing takes place there, as well as scheduling and training. The new office also provides a place to store UPS, Fed-Ex and Rx packages out of the weather for customer pickup. Lastly, there is a small heated lobby for customers to use during the winter months as a waiting area.

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12. Will the new office building be used in any way for the benefit/support of A&R Marine Construction?

RESPONSE:

A&R Marine Construction only has an answering machine and one file cabinet in the building.

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13. PUC-1-22 explains that the rate year advertising & promotion expense of \$3,436 is for the sole purpose of maintaining the company's website. What is the total annual cost of maintaining the company's website and how is that cost allocated between the regulated operations (ferry service) and A&R Marine Construction?

RESPONSE:

The base cost to maintain the website is \$600 plus the cost of periodic changes that are needed from time to time. In the Test Year the total cost was \$3,436 and we believe that this is a reasonable amount to project for the Rate Year. There was no allocation for A&R Marine Construction since it only has an informational page and there is no extra cost for this page. The largest part of the website involves online registration which does not include A&R Marine Construction.

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