



PRECISION MARINE SURVEYING

115 Landry Street, Patterson, LA 70392

Office Phone: 985 397 2848 Fax: 985 395 3525

February 19, 2020

Mr. Randy Joubert
randy@zealousenergy.com

RE: Inspection – Ascertain
Condition & Valuation for financial purposes
As of February 19, 2020

SURVEY REPORT #2020-21

Quarters Barge “Lake House”

Precision Marine Surveyors, LLC has been requested by Mr. Randy Joubert, to perform an appraisal on the subject vessel for financial purposes.

THIS IS TO CERTIFY that the under named surveyor inspected the barge on February 19, 2020 and evaluated documents/comparables, at the request of Mr. Randy Joubert, for the purpose of determining the current Fair Market Value as of February 19, 2020 to whom it may concern.

NOTES:

All sizes, measurements, distances, et cetera, mentioned herein are approximate, unless otherwise specified.

Attending surveyor did not enter barge compartments per owner's representative.

BARGE PARTICULARS:

NAME:	Lake House
HULL ID NUMBER:	N/A
OWNERS/OPERATORS:	Zealous Energy Services
TYPE OF BARGE:	Living Quarters Barge
QUARTERS HULL BUILT:	Approximately 1980
DECK HOUSE BUILT:	1994
LAST DRYDOCKING:	2019
USCG COD:	N/A

USCG INSPECTED:	NO
QUARTERS BARGE SIZE:	120'L x 30'W x 7'H
HOUSE SIZE:	93'L x 26'W x 8'eave height
HOUSE CONSTRUCTION:	All Steel
HULL COMPARTMENTS:	(6) total, (2) transverse & (1) centerline.
MAIN ENGINES:	N/A
STEEL CONSTRUCTION	reportedly 3/8"
SPUDS:	(2) reportedly 10" x 25'
AC/HEAT:	(2) Central Units
FULL BATHS:	(3)
BED ROOMS:	(6)
BEDS:	(26) currently
KITCHEN:	Full kitchen with dining table

GENERATOR BARGE:

BARGE SIZE:	50'L x 18'6"W x 4'H
HOUSE SIZE:	20'L x 12'6"W x 8'H
YEAR BUILT:	Reportedly 1994
WATER STORAGE:	Reportedly 3,000 gal capacity
FUEL STORAGE:	Reportedly 3,000 gal capacity
GENERATORS:	(2) John Deere 60kw

LAST DRYDOCKING

The owner states the quartres barge was drydocked in year 2019 in which the exterior of the hull was coates, spuds were added, hardy board siding was added. The shipyard cost was reportedly \$150,000.

COMPARTMENTATION:

The hull is divided by means of three (3) each transverse and one (1) each longitudinal bulkheads dividing the hull into two (2) each port and starboard main hull compartments and one (1) bow and one (1) stern rake compartments.

Access is provided by means of a 4' x 4' multi-dog hatch into the stern rake compartment and from that compartment, a 4-dog watertight door provides access to the port #2 main hull compartment. Access to the bow rake compartment is through a circular flush manhole and access to the other main hull compartments was not visible.

FENDER SYSTEM:

The sides of the hull are flat with (10) bumper tires to port side and (10) bumper tires to starboard side.

DECK FITTINGS:

Deck fittings consist of the following: 12" diameter circular buttons are fitted one each near each corner of the barge hull. Double 8" diameter bitts are located one each to port and starboard 15' from each end. One each 38" shop made kevel is located near amidships on port and starboard sides.

Hand rails fabricated of 2" diameter pipe to a height of 39" of the three tier design are fitted around the forward and after ends of the open porches at each end of the hull. No chain closures were provided at the openings.

Deck beneath forward and aft porch contains 4" raised cement slab. Same covered with 8" ceramic tiles. Forward deck missing numerous tiles.

(2) spuds measuring approximately 10' x 25'h. Each fitted with a 110v electric winch.

SCANTLINGS:

Scantlings are as follows in way of the main hull compartments:

The barge is framed longitudinally with transverse truss frames spaced on 7'10" centers. Top, outer and lower chords are fabricated of 9" channel, inner chords are of 6" channel. Each truss frame is fitted with two (2) verticals and two (2) diagonals fabricated of 4" x 4" x 3/8" angle.

Side longitudinals are 6" channel on 18" centers, deck longitudinals are 7" channel on 15" centers and bottom longitudinals are 7" channel on 22" centers.

Vertical bulkhead stiffeners are 6" channel on 24" centers.

The rakes are similarly framed with slight variations in frame sizing.

SAFETY EQUIPMENT:

Safety equipment consists of two (2) each 24" diameter ring buoys, numerous adult type vest PFD's, one (1) each commercial well stocked first-aid kit, two (2) each 12# dry chemical type fire extinguishers and one (1) each 25# CO2 type fire extinguishers. Smoke and fire alarms are fitted throughout the quarters area.

ELECTRICAL:

Electrical wiring is of the household type with Romex and neoprene industrial type wiring. Fixtures are of the household and fluorescent types. Exterior lighting is fluorescent and vapor-proof marine. Voltage of the lighting system is 110-volt AC. Overload protection is by means of circuit breakers. Quarters building is rigged

for shore power hook-up or to be powered from the separate generator barge.

GENERATOR BARGE:

The separate generator barge measures 50' x 18'6" x 4', has a 20' x 12'6" x 8' metal sides and roof building and is fitted with a square raked bow and transom stern. The house on board has steel doors and encloses two fresh water pumps. Outside aft under a steel covered roof are two (2) each John Deere diesel powered 60 KW generator units. Generators were not sighted in operation at time of survey. Generator hours unknown.

AUXILIARY EQUIPMENT:

Auxiliary equipment aboard the main barge consists of two (2) each 240-volt, 50-gallon, electric water heaters and one (1) marine sanitation device.

EXTERIOR OF DECKHOUSE:

The deckhouse is of wood frame and exterior wall construction with a wood framed flat fiberglass covered roof. Building exterior sides are hardy board siding. Exterior doors are of the wooden metal-clad, weathertight type and sliding aluminum safety glass type. Windows are of the fixed metal framed mounted type and double hung sliding aluminum type.

Interior walls are pre-finished plywood or covered in sheetrock. Ceiling and overhead are same. Decks are ceramic tile in the public areas and laminate flooring in the sleeping areas. Overall dimensions of the main deckhouse are approximately 93' long x 26' wide x 8'0" eave height at the main deck level. Interior ceiling is of the flat overhead type.

Deck house is heated and cooled by means of two (2) central climate changing units.

INTERIOR OF DECK HOUSE:

The interior of the deckhouse is arranged as follows starting at the bow and proceeding aft:

Forward port side is an enclosed bedroom housing one (1) double wooden bunk bed. Same noted to starboard side identical bedroom to starboard bow corner.

Next aft is the lounge area which has a built in wood burning fire place, a table with six (6) chairs, entertainment center with big screen television, sound system, coffee table, circular table with ten (10) chairs and end tables.

To port aft of the lounge area is the galley with wooden cabinets with marble tops, 4-burner electric range, dish washer, double stainless sink, commercial refrigerator/freezer, microwave oven, and ice maker.

To starboard opposite the galley is a built-in wooden bar with wall storage and four (4) bar stools.

Aft of the above is a passageway leading aft with rooms on either side. To port are two (2) bunk rooms, one (1) with two (2) double wooden bunks and one (1) head with shower enclosure, toilet, lavatory in a vanity with marble top and a lighted mirror and no bunks. To starboard is a head with shower enclosure, toilet, lavatory in a vanity with marble top and a lighted mirror.

Aft of the head on the starboard side is a large sleeping room with three (3) double wooden bunks and a linen closet.

Aft of the large sleeping room is a head with built in shower, toilet, lavatory in a vanity with marble top and a lighted mirror.

At the aft end of the hallway is a room containing wooden cabinets with Formica tops, dish washer, double stainless sink, upright freezer, (2) upright fridge/freezer, domestic style washer and dryer, (1) stackable washer/dryer, desk with chair, two (2) double wooden bunks and built-in wooden storage cabinets and closets.

The topside of the deckhouse with outside access from a rear stairway is a wood covered deck with partial cover, storage boxes.

CONDITION:

Hull coating 95% effective.

The deckhouse and furnishings appeared to be of much newer construction than the barge hull. All exterior areas were in good condition. All interior areas were clean and orderly with better than average housekeeping throughout. All major appliances appeared in good working order, but were not subjected to individual testing.

The generator barge also appeared to be of newer construction than the house hull and all equipment appears to be in good working order.

Headlog:

Headlog plating generally set in 0-1" at random.

Headlog plating set in 0-2" over starboard half.

Starboard Side:

Side plating contains 0-1" distortions at random.

Side plating set in 0-2" over 12' diameter at mid height located just forward mid ship level.

Doubler plate 3' x full height located 20' forward sternlog.

Sternlog:

Sternlog contains 0-¾" distortions at random.

Sternlog set in 0-1" over the starboard outboard 4'.

Port Side:

Side plating contains 0-1" distortions at random.

Side plating set in 0-2" over the aft 18".

Doubler plate 3' x full height located 20' aft headlog (appears to have been installed for spud). Bow port corner eave metal edge is damaged over a 10" area.

SCOPE OF WORK:

The undersigned inspected/Surveyed the subject vessel for the purposes of this appraisal. Scope of work was to inspect, survey and evaluate documents and comparables in this assignment.

A review and analysis of information obtained by Precision Marine Surveying, LLC. regarding the current vessel market, any comparable sales, replacement costs, and other information was performed to develop our opinions and conclusions. The following resources were utilized to obtain relevant market information:

- Lee Felterman & Associates
- Boattrader.com
- Louisianasportsman.com
- Yachtworld.com
- Iboats.com

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:

1. This is a limited appraisal report which was done for financial purposes. Some supporting documentation concerning the data developed, and the value calculations, is retained in the appraisal file.
2. The values are statements of opinion. No guarantee can be given that these opinions of value will be sustained or that they will be realized in an actual transaction.
3. The values given in this appraisal are for the stated valuation date only, and only for the stated purpose. They are gross values and do not consider brokerage fees, marketing costs, shifting or relocation costs, security, etc.
4. The vessels were appraised under the assumption that there was responsible ownership and management, competent crewing, and ongoing maintenance.
5. The vessels were appraised on the premise that they are free and clear of all encumbrances, mortgage debt, and special liens.
6. Value is considered to be in cash. Contracts or charters, if any, are not considered in reaching the value.
7. We are unaware of any significant potential environmental hazards associated with this equipment other than normal on board fuel and lubes.
8. The values noted above are based on the unit's existing and assumed condition and location.

9. It is assumed that the vessels are, or will be, in full compliance with all applicable international, federal, state or local regulations unless otherwise stated in the report.
10. All of the facts, conclusions, and observations contained herein are consistent with information available as of the date of valuation. The value of a vessel is affected by many related and unrelated economic conditions; local, national, and international. We assume no liability for unforeseen changes in the future economy or for the inability of the owner to find a purchaser at the value estimates reported herein.
11. Information furnished by others is presumed to be reliable and, where so specified in the appraisal report, has been verified, but no responsibility, whether legal or otherwise, is assumed for its accuracy. No single item of information was completely relied upon to the exclusion of other information.
12. No responsibility is assumed for latent defects of any nature that could have an affect on the equipment's value. No determination of stability characteristics or inherent structural integrity has been made, and no opinion is expressed with respect thereto.
13. This report was prepared for the client of record, as noted, in order to provide an opinion of value under an assumed set of circumstances as requested and mutually agreed upon by that client. Any legal defense, court or deposition preparation related to it will be considered a new and separate assignment.
14. The appraisal report, the final estimate of value, and the analysis included herein are intended solely for the client's information, or any assignees of the client, and should not be relied upon for any other purpose. Neither the appraisal report, nor its contents, nor any reference to Precision Marine Surveyors, LLC may be included or quoted in any offering circular or registration statement, prospectus, sales brochure, appraisal, loan, or other agreement or document without our prior written permission. Any confidential information received in preparation of this report will be kept confidential.
15. All estimates and opinions stated herein are based on limited data received from the client and/or the vessels user and data possibly retained in Precision Marine Surveyors, LLC archives. Assumptions regarding the nature and condition of the subject vessels may have been used. If any of this data and/or assumptions is incorrect, Precision Marine Surveying, LLC reserves the right to amend and/or alter the opinions and estimates stated herein.

PROCEDURES, ANALYSIS, AND VALUATION DISCUSSION:

In general, marine equipment is built for a dynamic market. In estimating the value of equipment, its age, condition, and outfitting are important factors.

To determine an opinion of value of a vessel or unit of marine equipment, an attempt is made to utilize the approach below to value as appropriate to the appraisal assignment.

In regards to the **MARKET APPROACH**, this method is based on historical data for prices paid in actual sales transactions as well as an analysis of the vessels currently

available in today's market. Using this information, we can make appropriate adjustments to account for specific characteristics, capabilities, and the location of the subject vessel as well as the time frame of the sale to get an indication of the FMV (Fair Market Value).

We are unaware of the any recent sales of comparable vessels on the open market within the last six months.

Below are two comparable vessels listed for sale at this time:

- 1.) HB 272 – 100' x 30' built in 1980's - Asking Price \$315,000.
- 2.) HB 241 – 130' x 28' bulilt in 1980's – Asking Price \$270,000.

Precision Marine Surveying, LLC considers this approach to be an appropriate method for the valuation of this vessel.

DEFINITIONS:

The definitions used in Precision Marine Surveying, LLC appraisal reports are based on those adopted by The American Society of Appraisers and are listed below:

Market Approach is based on finding sales offerings or confirmed sales of like or similar properties as the subject. This accumulated information is reviewed and analyzed to determine if there are any unusual terms and conditions associated with them, then they are compared to the property being appraised. Adjustments are made to the comparables to reflect the differences between the comparables and the subject.

Fair market value, also known as Present Market Value, is defined as the most probable price which a property should bring in a competitive and open market with all conditions requisite to a fair sale, buyer and seller each acting prudently and knowledgeably.

Implicit in this definition is the consummation of a sale of a specific date and the passing of title from seller to buyer under conditions whereby:

Buyer and seller are typically motivated;

Both parties are well informed or well advised, and each acting in what they consider their own best interests; a reasonable time is allowed for exposure in the open market;

Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Remaining Useful Life is the estimated period which a property of a certain effective age is expected to be used before it is retired from service.

Scrap value is an opinion of amount, expressed in terms of money that could be realized for the property if it were sold for its material content, not for a productive use, as of a specific date.

Current Fair Market Value:

The owner states the quarters barge was drydocked in year 2019 in which the exterior of the hull was coated, spuds with winches, hardy board siding, and (20) bumper tires were added. The shipyard cost was reportedly \$150,000.

Based on the information available and our research, it is the opinion of the undersigned that the vessel's Fair Market Value

As of February 19, 2020.....\$425,000.00

Values are in United States of America Dollars.

I trust the foregoing meets your requirements at this juncture and if we can be of further assistance, please contact.

Until the invoice for services rendered is paid in full, this report, all information contained within, remain the sole property of Precision Marine Surveying, LLC.

Survey made, signed, and submitted without prejudice to rights and/or interests of whom it may concern.



PRECISION MARINE SURVEYING, LLC

Marc Felterman, Marine Surveyor
ACMS-CMS, NAMS-Associate, SNAME,
USPAP Compliant.

Attachments: Comparables
Photos

Distribution:

Report & Invoice:

Mr. Randy Joubert

randy@zealousenergy.com

COMPARABLES:



HB 272 (Quarters Barge)



P.O. Box 1186, Patterson, La. 70392 | 115 Landry St., Patterson, La
Phone: 985-399-7222 | Fax: 985-395-3525 | office@leefelterman.com

Asking Price: \$315,000.
Size: 100' x 30' x 6'
Type: Steel Barge Living Quarters
Bunks: 28
Kitchen: Complete
Shore Power Connection: yes
Spuds: (2) 35'
Sewerage Treatment System: yes
Washer/Dryer: yes
Generators: (2) 75kw
Central AC/Heat: yes

Location: Louisiana USA

Comments: Good Condition! Great oilfield living Quarters!

DISCLAIMER: Vessel description is believed to be correct, but not guaranteed. Price Subject to change without notice. Subject to prior sale or charter.



HB 241 / Living Quarters



P.O. Box 1186, Patterson, La. 70392 | 115 Landry St., Patterson, La
Phone: 985-399-7222 | Fax: 985-395-3525 | office@leefelterman.com

Asking Price: \$270,000.

Size: 130' x 28' x 6'.

Type: Steel Barge Living Quarters.

Bedrooms: 6.

Sleeps: 22.

Baths: 3.

Kitchen: Complete with Stove, Microwave, Refrigerator, etc...

Shore Power Connection: yes.

Spuds: yes

Sewerage Treatment System: yes

Washer/Dryer: yes

Freezers: (2) deep freezers

Central AC/Heat: yes

Generator Barge:

Water: 15,000 gallons

Fuel: 4,200 gallons

Generators: (2) – Detroit 471

Location: Louisiana USA

Comments: Good Condition! Great oilfield living Quarters!

DISCLAIMER: Vessel description is believed to be correct, but not guaranteed. Price Subject to change without

PHOTOS:





























