



Worldwide Marine Appraisers,
Surveyors and Consultants
Inland and Ocean

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National Association of Marine Surveyors
and
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on Staff

September 18, 2013

Condition and Valuation
As of
August 23, 2013

ALGIERS POINT FERRY LANDING

SURVEY REPORT NO. 1411-01N13-1

THIS IS TO CERTIFY that the undersigned Marine Surveyor did, on August 23, 2013, at the request of Elliott Bay Design Group and for the account of Veolia Transportation, survey the all welded steel non-self-propelled inland deck barge utilized as the Algiers Point Ferry Landing dock, Louisiana Department of Transportation and Development, Owners and Operators, while the subject vessel lay afloat at the facilities of the Algiers Point Ferry Landing, Algiers, Louisiana, in order to ascertain the general condition of the vessel and her value as of August 23, 2013 for insurance purposes.

Note: All sizes, shapes, dimensions, and capacities are approximate, unless otherwise noted.

GENERAL DESCRIPTION:

The vessel is a non-typical non-self-propelled inland deck barge used as a vehicle ferry landing dock. The vessel has a square raked bow, square box stern, and a flat main deck with a recessed doghouse located forward.

VESSEL PARTICULARS:

Built	:	Unknown
Official Number	:	Unknown

VESSEL PARTICULARS: (continued)

Dimensions : 151' x 40' x 7' 4"
Weight : 1,064,000-lbs (also includes ballast water)

Running along the starboard side of the vessel is a 14" coaming constructed of angle iron with support angles spaced approximate every 3'.

The starboard side of the vessel is faced with wooden timbers with plastic guards attached to each timber to act as fendering.

Deck fittings consist of the following:

- Port, starboard, forward, and aft 48" kevels
- Nine starboard side single bits of varying sizes

Located forward in way of the main deck of the vessel is a hydraulically operated car ramp. The ramp measures approximately 45' to 50' with the starboard portion of the ramp being constructed of steel grating. Hydraulic rams located beneath the ramps were in place for operation. The ramp has been reported as having not been operated in several years.

Located forward in the port side No. 2 void space area is a recessed storage/auxiliary machinery compartment accessed through a doghouse.

Centerline forward is a 500-watt light tower. Navigational light towers are located on the starboard side forward and aft.

The vessel is secured to the starboard side dolphins by means of interlocking bracing systems. Forward and aft are fitted with steel bracings welded to the hull of the barge and slotted into dual I-beams welded to the dolphins themselves. The vessel is additionally secured by means of chain link and wire rope in the vicinities of the securing mechanisms.

A passenger walkway leading from the shore side facility to the ferry landing is welded to the deck in multiple locations.

HULL COMPARTMENTATION:

Hull compartmentation is as follows:

- The vessel's forwardmost compartment is the bow rake compartment
- The next five compartments are divided into port and starboard void spaces
- The last compartment aft is the box stern void space

HULL COMPARTMENTATION: (continued)

Bulkheads are constructed of steel and are designed watertight.

AUXILIARY MACHINERY:

The following auxiliary machinery is located in the recessed storage compartment located in way of the No. 3 port side void compartment:

- One bilge/ballast manifold operated via a 5-HP electric motor *(Non-operational)*
- One hydraulic power unit fitted with two 5-HP electric motors driving pumps and set over a common oil reservoir *(Non-operational)*

CERTIFICATES/DOCUMENTS:

At time of survey, no certificates or documents were sighted onboard the vessel.

SERVICE:

In the opinion of the undersigned, service of this vessel should be limited to lakes, bays, and sounds.

CONDITION:

The vessel was sighted afloat and secured to the dock at the Algiers Point Ferry Landing facility.

The vessel's hull was noted to be in good condition and coated with older and fading coatings. Insets of 0-1" were noted in scattered areas throughout. Light rust and marine growth was noted throughout as well.

The main deck was well coated with older and fading non-slip coatings and sighted with light surface rust in areas throughout. Heavier rust and scale was noted in areas near midships. Insets of 0-1½" were noted just inboard of the starboard coaming with moderate amounts of dirt in way.

The area of the car ramp was note with its forward and aft rubber fenders torn and some partially adrift. The vessel's wooden timbers (approximately 60%) were noted with some degree of damage and spitting. The car ramp was noted to have a slight 0-2" set down on the forward portion.

Note: Almost all of the compartments were noted to be coated with epoxy coatings.

CONDITION: (continued)

Internal Condition:

Bow Rake Compartment:

The compartment was noted to be in good condition but with 0-4" of water at its aft bulkhead. No damages, but light rust, were noted throughout.

Port No. 1 Compartment:

The compartment was not able to be accessed due to 3-4' of water.

Starboard No. 1 Compartment:

The compartment was noted to be well coated and in good condition. The upper outboard side longitudinal was bowed due to a hull set in over the majority of its length. Two side support angles were crimped and crushed 0-4" to conform and corner brackets were also noted to be set in. The compartment contained 0-5" of water throughout.

Port No. 2 Compartment:

The compartment's recessed storage area was noted in good condition.

Starboard No. 2 Compartment:

The compartment was noted in the same condition as the starboard No. 1 compartment with the exception of two side longitudinals being crimped and distorted and no water in the compartment.

Port No. 3 compartment:

The compartment was noted to be in overall good condition with 0-2" of water.

Starboard No. 3 compartment:

The compartment was noted to be in the same condition as starboard No. 2 compartment.

The port and starboard No. 3 compartments were inaccessible due to 3-4' of water.

Port No. 4 Compartment:

The compartment was noted to be dry and well coated but with some light rust and scale on its inboard bulkhead. The compartment also allows access to the No. 5 port side compartment which was located under the car ramp by means of a bolted manhole cover.

CONDITION: (continued)**Internal Condition:** (continued)**Port No. 5 Compartment:**

The compartment was noted to be in excellent condition.

Starboard No. 5 Compartment:

The compartment was unable to be entered due to the car ramp obstructing access.

Box Stern:

The compartment was noted to be in good condition with 0-1" of water throughout. Light rust and scale were noted in some scattered areas.

As far as may be ascertained from a general examination of this vessel afloat, without removals or opening up to expose parts ordinarily concealed, and without taking drillings to ascertain thickness of structural members, testing for tightness, or opening up the machinery, it is the opinion of the undersigned that her hull, machinery and equipment will be in satisfactory condition for operation after the following recommendations have been compiled with.

RECOMMENDATIONS:

1. Replace as found necessary any broken and/or dried and cracked gaskets in way of manhole covers.

VALUATION:

Opinion of Fair Market Value as of August 23, 2013:.....	<u>\$345,000</u>
Opinion of Orderly Liquidation Value as of August 23, 2013:.....	<u>\$260,000</u>
Opinion of Forced Liquidation Value as of August 23, 2013:.....	<u>\$205,000</u>
Opinion of Replacement Cost as of August 23, 2013:.....	<u>\$640,000</u>

NARRATIVE:

The replacement cost of the subject landing barge has been determined to be \$640,000. The replacement cost was generated by a quotation from a Gulf Coast barge construction facility for a new construction cost of the landing barge. We also canvassed local hydraulics and machinery vendors to determine replacement costs for the machinery and equipment aboard the subject vessel.

NARRATIVE: (continued)

Once we determined the replacement cost, we considered both the cost and sales comparison approaches in determining fair market value.

Utilizing the sales comparison approach, we canvassed the local marine brokerages seeking similar ferry landing barges currently offered for sale.

It should be noted that these are specially and dedicated services barges. Our research indicated that of the websites utilized, there are no similar ferry landings or docking barges currently offered for sale. There are numerous deck barges in the size range of the subject vessel; however, these are just straight deck material barges and are not considered as true comparables.

Based upon the foregoing, we utilized the cost approach to determine fair market value.

Utilizing this approach, we applied a formula of depreciation to the replacement cost after deducting a residual value.

Our formula of depreciation was based upon a normal useful life of forty years and a remaining useful life of twenty years based upon the physical conditions present at the time of survey.

We then added back the residual value to the equation to arrive at a figure of \$355,000.

It was reported that the machinery aboard the subject vessel, notably the generator and ramp hydraulic system, are not in operation.

Since it was reported that the machinery aboard the subject landing barge is not operational, we have deducted an amount representing a cost to cure from the aforementioned figure.

After the subject deduction, it is our estimate that the estimated present day fair market value of the subject landing barge is in the amount of \$345,000.

To determine the orderly liquidation of the subject barge, we applied a discount of 25% to the fair market value to arrive at an orderly liquidation value of \$260,000.

To arrive at the forced liquidation value, we applied a discount of 40% to the fair market value to arrive at a forced liquidation value in the amount of \$205,000.

The income approach was considered but not utilized due to lack of information.

SPECIFIC REFERENCE MATERIAL:

1. Shipyard quotes
2. Dufour, Laskay & Strouse, Inc. journal

SPECIFIC REFERENCE MATERIAL: (continued)

3. Dufour, Laskay & Strouse, Inc. database
4. Maroon International
5. Damco Marine, Inc.
6. Tassin Marine Transportation, LLC
7. Ocean Marine Brokerage
8. Lee Felferman & Associates

SCOPE OF WORK:

The vessel was sighted afloat and moored to the Algiers Point Landing facility. A visual inspection of both external and internal areas was carried out, where possible.

LIMITING CONDITIONS:

1. This is a limited summary appraisal report which was done for insurance purposes. 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 vessel and equipment were appraised under the assumption that there was responsible ownership and management, competent crewing, and ongoing maintenance.
5. The vessel and equipment were appraised on the premise that they were 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 condition and location.

LIMITING CONDITIONS: (continued)

9. It is assumed that the vessel is in full compliance with all applicable international, federal, state or local regulations unless otherwise stated in the report.
10. The vessel was sighted afloat; therefore, its underwater condition could not be determined.
11. Various mid-body void spaces were made available for internal inspection.
12. No electronics or vessel systems were operated.
13. No responsibility is assumed for latent defects of any nature that could have an effect 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.
14. Equipment descriptions are included in the report for purposes of identification and classification. Descriptions are intended for informational purposes only, but are not intended to detail all conditions or list all features associated with each item described.
15. 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.
16. This report was made by Dufour, Laskay & Strouse, Inc. and will be considered as confidential. Copies of this report will only be made available to other parties with prior written consent of the purchaser/owner of this report. Any confidential information received in preparation of this report will be kept confidential.
17. Information supplied by others that was considered and utilized in constructing this report is from sources believed to be reliable and no further responsibility is assumed for its accuracy.
18. The appraisal was done without regard to any possible problems associated with the Americans with Disability Act (ADA) or violations of the ADA.

PROCEDURES AND ANALYSIS:

In general, marine equipment is built for a dynamic market and can be used worldwide, subject to limitations in mobilization, both physical and economical. 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 three approaches to value as appropriate to the appraisal assignment.

PROCEDURES AND ANALYSIS: (continued)

Using the *cost approach*, the appraiser starts with the current replacement or reproduction cost of the property being appraised and then deducts for the loss in value caused by physical deterioration, functional obsolescence, and economic obsolescence. The logic behind the cost approach is the principle of substitution: a prudent buyer will not pay more for a property than the cost of acquiring a substitute property of equivalent utility.

For the cost approach analysis, we determine equipment's current day replacement cost, the cost of building a new vessel of like design, capacity and/or horsepower at the current market rates. After deducting an estimated terminal value, this value is then depreciated over the expected economic life of a similar piece of equipment. The calendar remaining economic life is adjusted, either up or down, for the condition of the equipment as noted by the surveyor at time of survey to reflect the apparent physical remaining economic life.

Equipment that has recently been rebuilt or repowered would have years added to its remaining expected economic life. Conversely, equipment in need of repairs, maintenance, or repowering would have years removed from its remaining expected economic life.

With the *sales comparison approach*, the basic procedure is to gather data on sales and offerings of similar assets, determine their comparability to the subject asset, determine the appropriate units of comparison, collect and array the data, analyze and adjust the data, and apply the results to the subject.

We continue to analyze value by the sales comparison approach when appropriate data and information are available. Here comparable sales, current asking prices, and general market conditions are considered. The comparables found are adjusted to match the subject being appraised. Some of the information on comparables is based on our constant contact with owners, operators, brokers, buyers and sellers of all types of marine and marine related equipment.

The *income approach* is a method for measuring the present value of a marine asset's expected future benefits, usually via a discounted cash flow analysis. It is used only when sufficient historical data, such as income flows and related expenses, are provided to the appraiser.

GENERAL REFERENCE SOURCES:

This office maintains a journal in which information regarding new construction costs, day rates, repair costs, operational costs, actual/reported sales, and market/industry trends gleaned by this office are recorded. The journal was started during 1966 and provides much information that is used in the adjustment for equipment marketability.

Dufour, Laskay & Strouse, Inc. also maintains a computer database of thousands of vessels and other equipment of all types valued by our office since 1988 and CD-ROM access to domestic and international vessel databases.

DEFINITIONS:

The definitions used in Dufour, Laskay & Strouse, Inc. appraisal reports are based on those adopted by The American Society of Appraisers Machinery & Technical Committee in 2010.

Fair market value is an opinion, expressed in terms of money, at which a property would change hands between a willing buyer and a willing seller, neither under any compulsion to buy or sell, and both having reasonable knowledge of relevant facts, as of a specific date.

Orderly liquidation value is an opinion of the gross amount, expressed in terms of money, that could be typically realized from a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis, as of a specific date.

Forced liquidation value is an opinion of the gross amount, expressed in terms of money, that could typically be realized from a property advertised and conducted public auction, with the seller being compelled to sell with a sense of immediacy on an as-is, where-is basis, as of a specific date.

Replacement cost is the current cost of a similar new property having the nearest equivalent utility as the property being appraised as of a specific date.

Economic useful life is the estimated period of time that a new property may be profitably used for the purpose for which it was intended. Stated another way, economic life is the estimated number of years that a new property can be used before it would pay the owner to replace it with the most economical replacement property that could perform an equivalent service. Functional or economic obsolescence factors may limit a property's economic life. An asset's economic life will often be less than its *normal useful life*.

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.

Terminal or residual value in connection with a tangible asset refers to the value of an asset after expiration of its normal useful life or the value remaining after part of the property's life has been consumed.

SURVEYOR'S CERTIFICATION:

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

SURVEYOR'S CERTIFICATION: (continued)

3. I have no present or prospective interest in the vessel that is the subject of this report, and no personal interest with respect to the parties involved.
4. We are currently unaware of ever having previously provided any professional services involving this marine asset within the last three years. While we attempt to follow owner and name changes, many are not recorded, or not recorded in a manner that provides reasonable transparency.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I have not made a personal inspection of the property that is the subject of this report. Mr. Ryan Armida inspected the property.
10. No one provided significant personal property appraisal assistance to the person signing this certification.

I, Paul F. Deister, hereby certify that, to the best of my knowledge and belief, the statements of fact contained in this report are true and correct, and this report has been prepared using the guidelines of the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers.


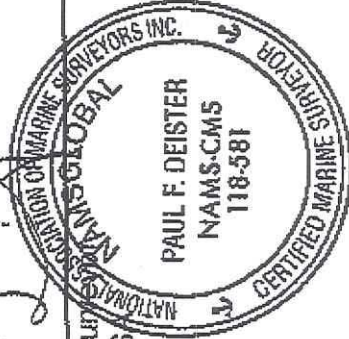
The American Society of Appraisers has a mandatory re-certification program for all of its Senior Members. I, Paul F. Deister, am in compliance with that program.

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

Attending Surveyor:
Ryan Armida

DUFOUR, LASKAY & STROUSE, INC.


Ryan Armida
Marine Surveyor


Paul F. Deister, Surveyor
NAMS - CMS, AS


PFD/dl
Enclosure: Photographs

Distribution:

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1. HULL AND FENDERING



2. HULL AND FENDERING



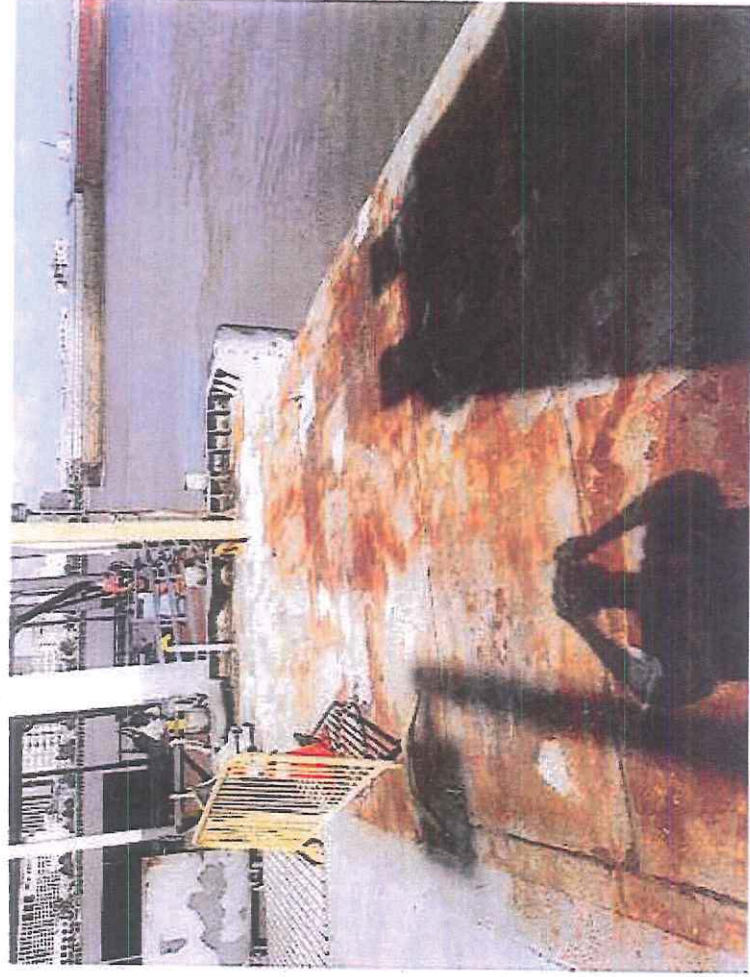
3. HULL AND FENDERING



4. MAIN DECK



5. MAIN DECK



6. MAIN DECK



7. MAIN DECK



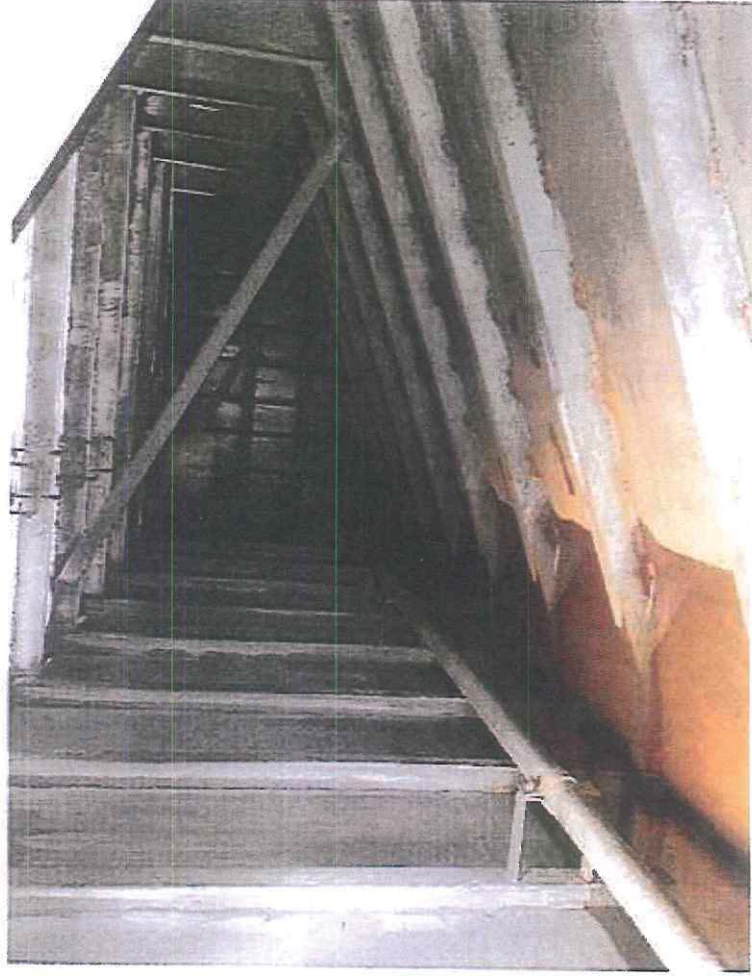
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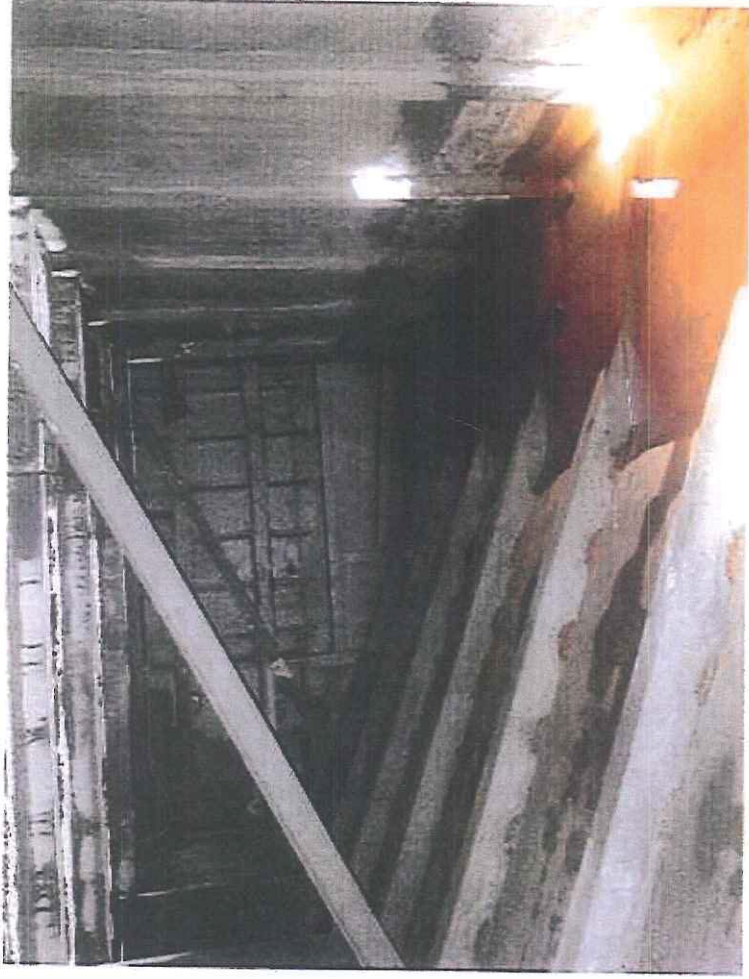
9. HPU



10. INTERNALS



11. INTERNALS



12. INTERNAL

