

TS-040794

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION RECEIVED  
1300 South Evergreen Park Drive SW  
P. O. Box 47250  
Olympia, WA 98504-7250  
(360) 664-1222  
APR 29 2004  
WASH. UT. & TP. COMM.

**COMMERCIAL FERRY APPLICATION**

Application is made in accordance with RCW 81.84 for a Certificate of Public Convenience and Necessity to operate vessels in furnishing Passenger - Freight - Excursion - Ferry Service.

**\$200.00 APPLICATION FEE MUST ACCOMPANY THIS APPLICATION**

Complete this application in its entirety, adding additional sheets if necessary.

FOR OFFICIAL USE ONLY		
RECEPTION NO. <b>0006827</b>	MAP _____ INSURANCE _____ SAFETY INSP. CERT. _____ TARIFF _____ TIME SCHEDULE _____ SHIPPER SUPPORT _____	DATE REC'D <b>4/30/04</b> APPLIC'N NO. <b>B-79276</b> MOT CAR NO. <b>42655</b>
AMOUNT \$ <b>200.00</b> (111-0268-0216-02)		

<u>INDICATE TYPE OF APPLICATION:</u> (Only one type per application)	<u>INDICATE TYPE OF SERVICE APPLYING FOR:</u>
<input type="checkbox"/> Original Certificate <input type="checkbox"/> Extension of Authority <input type="checkbox"/> Transfer all Authority <input type="checkbox"/> Transfer a Portion of Authority <input checked="" type="checkbox"/> Temporary Certificate <input type="checkbox"/> Lease of Certificate <input type="checkbox"/> Mortgage of Certificate <input type="checkbox"/> Acquisition of Control	<input checked="" type="checkbox"/> Certificated commercial ferry – including excursion service and/or launch service <input type="checkbox"/> Excursion service only <input type="checkbox"/> Launch service only

1. Name of applicant **Kitsap Ferry Company, LLC (Limited Liability Company)** ( ) Individual  
 ( ) Partnership  
 ( ) Corporation

2. d/b/a **Kitsap Ferry Co.** Unified Business Identifier (UBI) No. **602 318 861**

3. Physical Address **197 Parfitt Way SW, Suite 100**  
 (City, State, Zip) **Bainbridge Island, Washington 98110**

Mailing Address **Same as above**  
 (City, State, Zip) **Same as above**

**Posted**

Telephone Number (206) 780-1440 Fax Number (206) 780-0484

4. List names and addresses of all persons having an interest in the business. If a CORPORATION, give names and addresses of two principal officers, noting their titles, and indicate in which state incorporated. If a PARTNERSHIP, attach a certified copy of the partnership agreement, which sets forth the responsibility of the interested individuals.

**100% Pacific Marine Group, Inc.**

197 Parfitt Way SW, Suite 100

Bainbridge Island, WA 98110

**Gregory A. Dronkert**

President (sole officer)

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Incorporated in Washington State

UBI #602 053 888

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5. List the territory in which you wish to operate:

**Between Bremerton and Seattle, Washington**

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**Waiver of ten-mile restriction:** Are you applying for territory which would require a waiver to provide service otherwise forbidden by the ten-mile restriction in RCW 47.60.120?

Yes       No

If yes, state fully the circumstances that justify Commission grant of such a waiver:

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6. Attach a map which shows in detail the proposed routes, clearly showing beginning, ending, and intermediate points to be served. Also show the routes of other carriers giving similar service into the same or neighboring territory (if known to applicant). **Please see Exhibit A.**

7. Will an attorney be representing you at the hearing?       Yes       No

If yes, give specific attorney's name \_\_\_\_\_

Telephone Number (    ) \_\_\_\_\_ Address \_\_\_\_\_

8. Attach a copy of the tariff you propose using. The tariff must contain proposed fares and rates to be assessed for service and the rules and regulations governing same. The tariff must comply with WAC 480-51-080 and the rules in the Commission's Tariff Circular No. 6 (WAC 480-149). **Please See Exhibit B.**

9. Attach a copy of the time schedule you propose using. The schedule must show routes, trips, times, points served, distances and available facilities. The time schedule must comply with WAC 480-51-090 of the Commission's Laws and Rules Relating to Commercial Ferry Service. **Please See Exhibit C.**
10. List vessels which are owned (unless otherwise stated) and will be used in the proposed service: **Please See Exhibit D.**

Name	Passenger Freight or Ferry Type	Power	Passenger Capacity	Freight Capacity	Owned, Leased, other?
Spirit of Adventure	Passenger Catamaran	Diesel	250		Leased
					TMT Corp.

11. List the docks which will be used in the proposed service. (List all facilities giving names, location, description, value if owned, and any other information of value showing the proposed service)

Bremerton – City of Bremerton, POF (passenger only ferry) dock  
 Seattle – Argosy piers 54 – 57

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12. Complete the following financial statement:

FINANCIAL STATEMENT

Cash on hand and in bank	\$ 22,500		Notes payable	\$ _____
Notes receivable	_____		*Accounts payable	\$ 4,500
Accounts receivable	_____		Other liabilities:	_____
Stocks in other companies	_____			_____
Vessels (listed above)	_____			_____
Bonds	_____			_____
Docks (listed above)	_____			_____
Machinery, tools, etc.	_____			_____
Real estate (listed below)	_____			_____
Other assets (listed below)	4,500		Equity	22,500
<b>Total</b>	<b>\$ 27,000</b>		<b>Total</b>	<b>\$ 27,000</b>

\* Professional legal

List all Real Estate as to location and value (List here only such property as cannot be listed under item 10)

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

A. List total "Other Assets" mentioned above:

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

13. List conditions that exist which would justify the granting of a Certificate of Public Convenience and Necessity:

Ferry service is a key element of Washington State's transportation network and provides a vital link between Kitsap and King Counties.

Passenger-only ferry (POF) service between Bremerton and Seattle was deemed necessary by the State of Washington and inaugurated by Washington State Ferries (WSF) in 1986. This service was extremely well received; and during 2001 the WSF POF carried 840,079 passengers between Bremerton and Seattle (an average of approximately 3,231 persons per day).

WSF passenger-only service was successfully operated until September of 2003 when funding shortfalls caused the service to be discontinued. Immediately, in November of 2003, Kitsap Transit, as the local Public Transportation and Benefit Area (PTBA), tried to initiate its own passenger-only service but failed due a lack of support for its public funding (tax) plan.

Today there is an **urgent and immediate** need for this service. Kitsap Ferry Company, LLC was formed to serve this need in a safe, reliable and efficient manner. Kitsap Ferry Company, LLC has reached agreement with Kitsap Transit (as the local PTBA) to reintroduce this service between Bremerton and Seattle on a commercial basis.

14. List names and addresses of all persons, firms, or corporations now furnishing similar service between any of the points or along any portion of the route proposed to be served:

N/A – for passenger only

_____	_____
_____	_____

15. State applicant's prior experience, if any, in providing commercial ferry service:

Pacific Marine Group, Inc. owns Pacific Navigation Company, LLC, which will be responsible for day to day operations of Kitsap Ferry Company, LLC.

Pacific Navigation Co. currently operates the *M/V Spirit of Adventure* (the vessel that will be used by Kitsap Ferry Co.) as a passenger-only ferry for the US Navy between Bremerton and Everett, WA.

Pacific Navigation Co. also manages Pierce County's passenger / vehicle ferries as well as the ferry terminal serving the community of Steilacoom and Ketron and Anderson Islands.

Pacific Navigation Co. manages the vessel operations of Pacific Boat Enterprises, LLC (dba Mosquito Fleet), which provides commercial ferry service to the San Juan Islands.

Pacific Navigation Co. operates small passenger cruise ships in Washington, British Columbia and Alaska.

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16. All applicants must attach separate sheets containing the following information:

- a. Pro forma financial statement of operations (projections of incomes and expenses for first year operations). **Please See Exhibit E.**
- b. Ridership and revenue forecasts. **Please See Exhibit E.**
- c. The cost of service for the proposed operation. **Please See Exhibits.**
- d. An est. of the cost of the assets to be used in providing service. **Please See Exhibit D.**

17. If certificate is granted, carrier will begin operations within 90 days of that grant.

**18. If this is a transfer application, you must:**

- Complete attachment A.
- If this application is for transfer of a portion of certificated authority, attach document clearly showing authority to be transferred and a document clearly showing the authority to be retained.

**If this is an application for a temporary certificate you must:**

- Attach proof of insurance
- Attach statements from potential customers showing immediate and urgent need for service. *OK*
- Attach proof that all vessels to be operated under the temporary are inspected and found to be safe and seaworthy.

**If this is a transfer through acquisition of control of the stock, you must:**

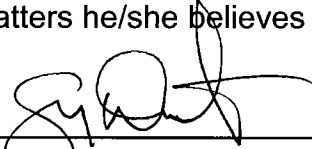
- Attach copy of the corporate minutes authorizing such transfer.

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he applicant certifies he/she is familiar with the provisions of Chapter 81.84 RCW and Chapter 480-51 WAC, Laws and Rules of the Washington Utilities and Transportation Commission, governing the operation of vessels and ferries upon the waters of the state of Washington. Applicant further certifies that vessels operated under Certificates of Public Convenience and Necessity are in no way released from the necessity of observing all Federal and State laws providing for the registration of vessels, the observance of navigation and maritime rules and regulations, and other matters subject to Federal or State enactments.

Applicant affirms that its operations shall be at all times within the provisions of such acts, and requests the Washington Utilities and Transportation Commission to make its order granting a Certificate of Public Convenience and Necessity as provided in Chapter 81.84 RCW and Chapter 480-51 WAC.

The applicant swears or affirms that he/she has read the foregoing application and knows the contents, that the same is true of his/her own knowledge, except as to matters which are therein stated on information or belief, and as to those matters he/she believes them to be true.

  
\_\_\_\_\_  
Signature of Applicant

4/28/04  
\_\_\_\_\_  
Date

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**EXHIBIT A - ROUTE**

**EXHIBIT B - TARIFFS**

**EXHIBIT C - SCHEDULE**

**EXHIBIT D - SOA SPEC SHEET  
COI  
INSURANCE INFO.**

**EXHIBIT E - PRO-FORMA  
RIDERSHIP DATA**

**EXHIBIT F - KITSAP TRANSIT  
AGREEMENT**

**EXHIBIT G - DOCK USE LETTER**

**EXHIBIT H - LETTERS  
OF SUPPORT**

**EXHIBIT A**

Ferry Route from Bremerton to Seattle, WA.





EXHIBIT B

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( ) Revised Title Page

Tariff No. KFC 01

Of

Company Name: Kitsap Ferry Company, LLC

Certificate of Convenience and Necessity Number: \_\_\_\_\_

Operating under the Trade Name of: Kitsap Ferry Co.

**NAMING FARES AND RATES FOR  
COMMERCIAL FERRY SERVICE**

IN THE FOLLOWING DESCRIBED TERRITORY:

Between Bremerton, WA – Seattle, WA

Issued by: Kitsap Ferry Company, LLC

Name/Title of Issuing Agent: Gregory A. Dronkert, Manager

Mailing Address: 197 Parfitt Way SW, Suite 100  
Bainbridge Island, WA 98110

Telephone Number: (206) 780-1440

E-mail Address: gdronkert@pacificmarinegroup.com

Fax Number: (206)780-0484

Issue Date: April 28, 2004

Effective Date: Upon Issuance

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Page Effective Date

Docket No.

Commission Order No.

Company Name: Kitsap Ferry Company, LLC

**Passenger Fare Schedule**

This fare schedule applies to: Kitsap Ferry Company, LLC

All prices are inclusive of tax

Between: Bremerton, WA – Seattle, WA

	One way	Round Trip	20 Ticket Book	Monthly Pass
Adult	\$7.00	\$14.00	\$6.00	\$5.00
Seniors 65+	\$5.25	\$10.50	\$4.50	\$3.75
Child under 3	Free	Free	Free	Free
First Cabin	NA	NA	NA	\$7.50
Each Bicycle	\$1.00	\$2.00	\$1.00	\$1.00

Issue Date: April 28, 2004

Effective Date: Upon Issuance

Company Name: Kitsap Ferry Company, LLC

**Passenger Rules and Regulations Kitsap Ferry**

**Round trip fares:** Round trip fares consist of two one way fares.

**Commuter fares:** **Ticket Books**

Commuter ticket books, containing 20 tickets to be used within 60 days of the date of sale, will be sold between any of the above named points for 86% of the price of one-way fares. The total price of a ticket book is \$120.

**Monthly Pass**

Commuter monthly pass must be used in the month specified on the pass, will be sold between any of the above named points for 71% of the price of one-way fares. The total price of a monthly pass is \$215.

**Adult fares:** Fares published are adult fares, applying to all passengers who have reached and passed their third (3rd) birthday.

**Children's fares:** Children under 3 years of age, when accompanied by an adult passenger will be carried free of charge.

**Senior fares:** Seniors over 65 years of age will be sold between any of the above named points for 75% of the price of adult fares (applies to one-way, ticket books and monthly passes).

**Ticket limitation:** One-way tickets are good on the date of sale only.

**Ticket redemption:** None.

Issue Date: April 28, 2004

Effective Date: Upon Issuance

Company Name: Kitsap Ferry Company, LLC

**Passenger Rules and Regulations Kitsap Ferry Continued**

**Schedule maintenance:** The Company will not be liable for delays caused by accidents, breakdowns, storms, or other conditions beyond its control. Though every effort will be made to meet the published time schedule, the carrier makes no guarantee to arrive at, or depart from, any point at a specific time.

**Objectionable passengers:** The Company reserves the right to refuse to transport persons under the influence of drugs or liquor, or who are incapable of taking care of themselves, or whose condition, conduct, or behavior may be objectionable to other passengers.

**Baggage rules and charges:** Hand baggage not exceeding 40 pounds for each adult fare and not exceeding 10 pounds on each child's fare will be carried free.

**Excess weight:** For baggage weight in excess of the free allowance above, the charge will be \$5 per unit; limited to maximum of 80 lbs per unit.

**Valuation:** The carrier will not be liable for lost or damaged baggage caused by accidents, or other conditions beyond its control.

**Animals:** Dogs, cats, and other animals or birds will not be allowed.

***Exception:** Dogs traveling with sight or hearing-impaired passengers will be carried free of charge. The dogs will not be permitted to occupy a seat, but must lie or stand by their owner.*

**Bicycles:** Will be charged an additional \$1.00 per shipment for a maximum of 15 bicycles per sailing.

Issue Date: April 28, 2004

Effective Date: Upon Issuance

EXHIBIT C

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( ) Revised Title Page

Time Schedule No. KFC 01

Of

Company Name: Kitsap Ferry Company, LLC

Certificate of Convenience and Necessity Number: \_\_\_\_\_

Operating under the Trade Name of: Kitsap Ferry Co.

Providing Commercial Ferry Service  
In The Following Described Territory:

Between Bremerton, WA – Seattle, WA

With Terminals At:  
Piers 54-57, Seattle  
and  
Passenger Only Ferry Terminal, Bremerton

Issued by: Kitsap Ferry Company, LLC

Name/Title of Issuing Agent: Gregory A. Dronkert, Manager

Mailing Address: 197 Parfitt Way SW, Suite 100  
Bainbridge Island, WA 98110

Telephone Number: (206) 780-1440

E-mail Address: gdronkert@pacificmarinegroup.com

Fax Number: (206)780-0484

Issue Date: April 28, 2004

Effective Date: Upon Issuance

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Page Effective Date

Docket No.

Commission Order No.

Company Name: Kitsap Ferry Company, LLC

**Time Schedule**

<b>Morning Schedule</b>	<b>Time</b>	<b>Distance</b>
Leave Bremerton	5:20 AM	0 miles
Arrive Seattle	6:00 AM	14 miles
Leave Seattle	6:10 AM	0 miles
Arrive Bremerton	6:50 AM	14 miles
Leave Bremerton	7:00 AM	0 miles
Arrive Seattle	7:40 AM	14 miles
Leave Seattle	7:50 AM	0 miles
Arrive Bremerton	8:30 AM	14 miles

<b>Afternoon</b>	<b>Time</b>	<b>Distance</b>
Leave Bremerton	2:50 PM	0 miles
Arrive Seattle	3:30 PM	14 miles
Leave Seattle	3:40 PM	0 miles
Arrive Bremerton	4:20 PM	14 miles
Leave Bremerton	4:30 PM	0 miles
Arrive Seattle	5:10 PM	14 miles
Leave Seattle	5:20 PM	0 miles
Arrive Bremerton	6:00 PM	14 miles

- Bremerton arrivals and departures at City of Bremerton passenger only dock.
- Seattle arrivals and departures at Argosy Cruises pier 54-57.

Issue Date: April 28, 2004

Effective Date: Upon Issuance

Page Effective Date

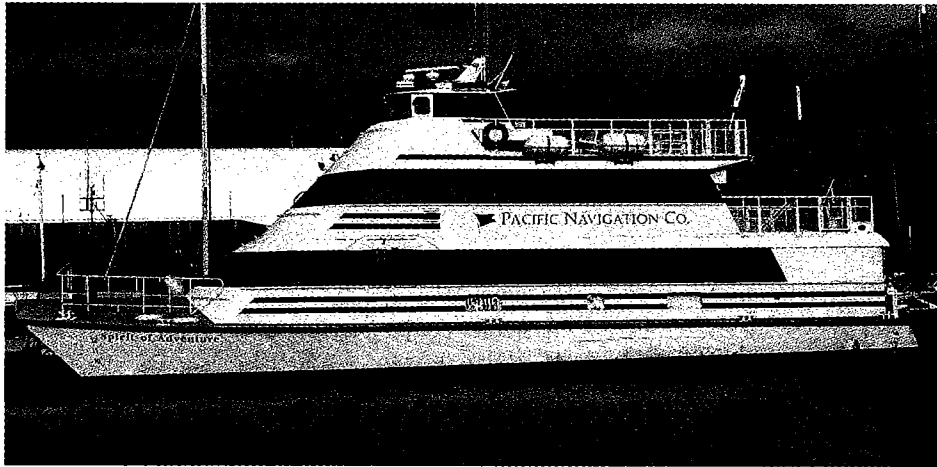
Docket No.

Commission Order No.

## EXHIBIT D

### Spirit of Adventure

#### Passenger Ferry



#### *M/V Spirit of Adventure – Particulars*

Capacity	250 passengers
Tonnage	99 Gross Registered
Owner	TMT Corp. - WA State
Operator	Kitsap Ferry Company, LLC
Manager	Pacific Navigation Co.
Est. Value	\$2,250,000
Certification	United States Coast Guard, Sub-chapter T
Official Number	D 684714
Service	High speed catamaran
Design	Incat
Builder	Nichols Bros. Boat Builders, Freeland, WA
Built	1985
Speed	25 knots
Length	86 feet
Main propulsion	2 ea. DDC MTU 16V2000 diesel engines with propellers (installed 1999)
Horsepower	1285 @ 2100 rpm (2 ea.)
Generators	1ea 55 kW and 1ea. 30 kW
Fuel	5,200 gallons
Fresh Water	500 gallons
Sewage	400 gallons (plus approved marine sanitation device)
Additional Features	Full galley, service station, 5 private heads (one handicap accessible), 2 Televisions, 1 VCR, public address and sound system.



United States of America  
Department of Homeland Security  
United States Coast Guard

Certification Date: 24 Apr 2002  
Expiration Date: 24 Apr 2007  
IMO Number:

# Certificate of Inspection

Vessel Name: SPIRIT OF ADVENTURE  
Official Number: 684714  
Call Sign: WAM3815  
Service: Passenger (More Than 6)

Hailing Port: GLACIER BAY AK  
Hull Material: Aluminum  
Horsepower: 1346  
Propulsion: Diesel Reduction

Place Built: FREELAND, WA  
Delivery Date: 07Jun1985  
Date Keel Laid: 04Mar1985  
Gross Tons: R-99  
Net Tons: R-67  
DWT: I-264  
Length: I-96  
R-85.8  
I-82.1

Owner: GLACIER BAY MARINE SERVICES INC  
107 W DENNY WAY SUITE 303  
SEATTLE, WA 98119  
UNITED STATES  
Operator: GLACIER BAY PARK CONCESSION, INC.  
226 2ND AVE W  
SEATTLE, WA 98119-4204

**This vessel must be manned with the following licensed and unlicensed personnel. Included in which there must be 0 certified lifeboatmen, 0 certified tankermen, 0 HSC type rating, and 0 GMDSS Operators.**

1 Master	Master & 1st Class pilot	Radio Officer(s)	Chief Engineer	QMED/Rating
Chief Mate	Mate & 1st Class Pilot	Able Seamen/ROANW	1st Asst. Engr/2nd Engr.	Oilers
2nd Mate/OICNW	1 Lic. Mate/OICNW	Ordinary Seamen	2nd Asst. Engr/3rd Engr.	
3rd Mate/OICNW	1st Class Pilot	4 Deckhands	3rd Asst. Engr.	
			Lic. Engr.	

In addition, this vessel may carry 250 passengers, 4 other persons in crew, 0 persons in addition to crew, and no others.  
Total persons allowed: 260

Route Permitted and Conditions of Operation:

**---Lakes, Bays, and Sounds plus Limited Coastwise---**

LIMITED COASTWISE: PACIFIC OCEAN AREA BETWEEN SANTA BARBARA, CALIFORNIA, AND SAN DIEGO, CALIFORNIA, NOT MORE THAN 20 MILES FROM A HARBOR OF SAFE REFUGE. A VOYAGE TO SANTA CATALINA ISLAND, AND ANYWHERE WITHIN 5 MILES OFFSHORE OF SANTA CATALINA ISLAND, IS CONSIDERED TO BE WITHIN THE SCOPE OF THIS ROUTE. WHEN PROCEEDING TO SANTA CATALINA ISLAND, THE VESSEL MAY NOT VENTURE MORE THAN 20 MILES FROM A HARBOR OF SAFE REFUGE.

LAKES, BAYS AND SOUNDS: THE INSIDE WATERS OF SOUTHEAST ALASKA, DIXON ENTRANCE TO CAPE SPENCER, AND THE INTERNAL WATERS BETWEEN CAPE PUGET TO CAPE SUCKLING, ALASKA ON THIS ROUTE A MAXIMUM OF 230 TOTAL PERSONS MAY BE CARRIED; ALSO PUGET SOUND, WASHINGTON, AND THE CONNECTING AND TRIBUTARY WATERS THERETO EAST OF THE BOUNDARY LINE AS DEFINED IN 46 CFR

\*\*\*SEE NEXT PAGE FOR ADDITIONAL CERTIFICATE INFORMATION\*\*\*

With this Inspection for Certification having been completed at Seattle, WA, the Officer in Charge, Marine Inspection, MSO PUGET SOUND certified the vessel, in all respects, is in conformity with the applicable vessel inspection laws and the rules and regulations prescribed thereunder.

Annual/Periodic/Quarterly Reinspections			
te	Zone	A/P/Q	Signature
4/1/03	SEAMS	A	[Signature]
4/16/04	SEAMS	A	[Signature]
-	-	-	-
-	-	-	-

This Amended Certificate issued by:

*John E. Veentjer*  
JOHN E. VEENTJER By direction of the  
Officer in Charge, Marine Inspection  
MSO PUGET SOUND  
Inspection Zone





# Certificate of Inspection

SPIRIT OF ADVENTURE

7.145; ALSO SAN FRANCISCO BAY, CALIFORNIA, AND TRIBUTARIES.

WHEN 149 OR FEWER PASSENGERS ARE ON BOARD, THE VESSEL'S CREW MAY BE REDUCED TO 1 MASTER, 1 MATE AND 3 DECKHANDS.

AN ADDITIONAL DECKHAND WHO IS DESIGNATED BY LETTER AS THE SENIOR DECKHAND AS PROVIDED IN NVIC 1-91 MAY BE CARRIED IN LIEU OF THE MATE.

IF THE VESSEL IS AWAY FROM THE DOCK, OR PASSENGERS ARE ON BOARD OR HAVE ACCESS TO THE VESSEL FOR A PERIOD EXCEEDING 12 HOURS IN ANY 24 HOUR PERIOD, AN ALTERNATE MASTER AND CREW SHALL BE PROVIDED, AND THE NUMBER OF PASSENGERS SHALL BE DECREASED ACCORDINGLY SO THAT THE TOTAL PERSONS ALLOWED DOES NOT EXCEED 260.

WHEN THE VESSEL IS AWAY FROM THE DOCK, OR PASSENGERS ARE ON BOARD OR HAVE ACCESS TO THE VESSEL FOR A PERIOD NOT EXCEEDING 12 HOURS IN ANY 24 HOUR PERIOD, A LICENSED MATE IS NOT REQUIRED.

NOT MORE THAN 12 PASSENGERS MAY BE CARRIED ON AN INTERNATIONAL VOYAGE.

WHEN OPERATING ON AN INTERNATIONAL VOYAGE:

(1) ALL LICENSED INDIVIDUALS MUST HOLD LICENSES AUTHORIZING SERVICE ON VESSELS OF A TONNAGE AT LEAST EQUAL TO THE VESSEL'S U.S. REGULATORY TONNAGE AS INDICATED ON THIS CERTIFICATE OF INSPECTION AS PROVIDED FOR IN IMO RESOLUTION A.540 (XIII);

(2) UNLICENSED DECKHANDS PERFORMING NAVIGATIONAL WATCHKEEPING DUTIES MUST MEET THE QUALIFICATIONS AND BE DESIGNATED BY LETTER AS A SENIOR DECKHAND AS PROVIDED IN NVIC 1-91.

### ---Hull Exams---

Exam Type	Next Exam	Last Exam	Prior Exam
Drydock	06Mar2005	06Mar2003	05Apr2001
Internal structure	06Mar2005	06Mar2003	05Apr2001

### ---Stability---

Letter                      Approval Date / 21May1999                      Office/ MSC

### ---Lifesaving Equipment---

	Number	Persons		Required
Total Equipment for		260	Life Preservers(Adult)	260
Lifeboats(Total)	0	0	Life Preservers(Child)	26
Lifeboats(Port)*	0	0	Ring Buoys(Total)	3
Lifeboats(Starbd)*	0	0	With Lights*	1
Motor Lifeboats*	0	0	With Line Attached*	1
Lifeboats W/Radio*	0	0	Other*	1
Rescue Boats/Platforms	0	0	Immersion Suits	0
Inflatable Rafts	5	230	Portable Lifeboat Radios	0
Life Floats/Buoyant App	0	0	Equipped with EPIRB?	Yes

(\* included in totals)



# Certificate of Inspection

SPIRIT OF ADVENTURE

Page 3 of 3

Certification Date:  
24Apr2002

### ---Fire Fighting Equipment---

Number of Fireman Outfits/ 0

Number of Fire Pumps/ 2

#### \*Hose information\*

Qty	Diameter	Length
2	1.5	50

#### \*Fixed Extinguishing Systems\*

Capacity	Agent	Space Protected
60	Halon 1301	PORT LAZARETTE
60	Halon 1301	STBD LAZARETTE

#### \*Fire Extinguishers - Hand portable and semi-portable\*

Qty	Class Type
1	B-I
8	B-II

### ---Certificate Amendments---

#### \*Current Amendment\*

Port Amending/ MSO PUGET SOUND

Date Amended/ 06Mar2003

#### Remarks-

Completed Credit Drydock Examination & Internal Structural Examination.

\*\*\*END\*\*\*

<b><i>Hull &amp; Machinery / War</i></b>
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***Carrier:*** 50% Continental Insurance Co. (MOAC)  
50% Zurich American Insurance Co.

***Policy No.*** WS0305

***Coverages:*** Hull & Machinery

***Vessel:*** M/V SPIRIT OF ADVENTURE

***Insured Value:*** \$2,300,000

***Deductibles:*** \$50,000 any one accident or occurrence

***Conditions:*** American Institute Hull Clauses (7/2/77)  
American Institute Hull War Risks and Strikes Clauses (87B-108)  
American Hull Insurance Syndicate Addendum to American Institute Hull War Risks and Strikes Clauses – December 1, 1977 (April 1, 1984)  
Automatic Acquisition Clause  
Leased Equipment Clause  
Equipment Away from Vessel Clause  
Blanket Additional Assureds / Waivers of Subrogation as may be required by contract.  
American Institute Strikes Riots Civil Commotion Clause (Sept. 8, 1959)  
Radioactive Contamination Clause  
Brokers Cancellation Clause (30 days)

***Hull Rate:*** 1.15% (M/V SPIRIT OF ADVENTURE)

***War Rate:*** 0.05%

***Hull Premium:*** \$ 25,450 per annum

***War Premium:*** \$ 1,150 per annum

***Protection & Indemnity***

***Carrier:*** 50% Continental Insurance Co. (MOAC)  
50% Zurich American Insurance Co.

***Policy No.*** WS0305

***Coverages:*** Protection & Indemnity

***Vessel:*** M/V SPIRIT OF ADVENTURE

***Limits of Liability:*** \$1,000,000 any accident or occurrence, Combined Single Limit including Crew Liability and Liability to Passengers.  
Sub-limits:  
Personal Effects: \$1,000 Per Occurrence  
Medical Payments: \$2,500 Per Person

***Deductibles:*** \$2,500 any one accident or occurrence  
*Except:*  
Personal Effects \$100  
Passenger Liability Nil  
Medical Payments Nil

***Conditions:*** SP 38  
Affiliated Companies Clause  
Automatic Acquisition Clause  
American Institute Pollution Exclusion and Pollution Buy-Back (A)  
Blanket Additional Assureds/Waivers of Subrogation as may be required by contract.  
Radioactive Contamination Exclusion Clause  
Brokers Cancellation Clause (30 days)  
Punitive Damage Exclusion

***Premium:*** \$20,750 per annum

<i>Excess Protection &amp; Indemnity</i>
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***Carrier:*** Navigators Insurance Co.

***Policy No.*** SE03LIA8511/81

***Coverages:*** Excess Protection & Indemnity

***Vessel:*** M/V SPIRIT OF ADVENTURE

***Limits of Liability:*** Excess Protection & Indemnity  
\$4,000,000 any accident or occurrence,  
Excess of  
\$1,000,000 any one accident or occurrence

***Conditions:*** Excess Marine Liabilities to follow terms, conditions and clauses of underlying policies.

***Premium:*** \$ 4,000 per annum

<b><i>Vessel Pollution Coverage</i></b>
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***Carrier:*** Great American Insurance Company of New York

***Policy No.:*** OMH3492845

***Coverage:*** Oil Pollution Act and CERCLA

***Vessels:*** M/V SPIRIT OF ADVENTURE

***Limit of Liability:*** \$5,000,000 any one vessel any one incident

***Conditions:*** Great American Vessel Owner Pollution Coverage  
Oil Pollution Act 1990 (Federal)  
Oil Pollution Act 1990 (State)  
CERCLA  
Miscellaneous Spill Liability  
Defense Costs  
Firefighting and Salvage  
Limited Administrative Penalties (Limited to \$250,000 per vessel per incident)  
Public Relations (Limited to \$100,000 per vessel per incident)

***Premium:*** \$ 700 per annum

# BINDER OF INSURANCE

PAGE 1 OF 2

DATE (MM/DD/YY)  
20-MAY-2003

PRODUCER Willis of Seattle, Inc. P O Box 34201 15th Ave. So., #200 Seattle WA 98124		PHONE (A/C, No, Ext): (206) 386-7400	COMPANY Continental Insurance Company of New Jersey		BINDER # 00028549-01				
Contact : Diana Wales		ADMITTED		X	NON ADMITTED				
ACCOUNT ID 560300		DATE		EFFECTIVE	TIME	DATE	EXPIRATION	TIME	
INSURED Pacific Marine Group, Inc. 197 Parfitt Way SW Suite 100 Bainbridge Isl. WA 98110		13-MAY-2003		12:01	X	AM	11-AUG-2003	X	12:01AM
						PM			NOON
		Policy #: WS0305		Expiring Policy #: N/A					
		DESCRIPTION OF OPERATIONS		Hull, War, and P&I "Spirit of Adventure" Policy Period: 5/13/03 to 5/13/04 Annual Premium: \$25,450.					

**COVERAGE TERMS AND CONDITIONS AS LISTED BELOW:**

See attached Client Coverage Confirmation.

Carriers: 50% Continental Insurance Co. (MOAC) - Policy No. H872968  
50% Zurich American Insurance Co. - Policy No. MH3546088

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS ON THE SECOND PAGE OF THIS FORM.

WILLIS CORROON REPRESENTATIVE



AUTHORIZED REPRESENTATIVE

DATE

# BINDER OF INSURANCE

PAGE 1 OF 2

DATE (MM/DD/YY)  
20-MAY-2003

PRODUCER  
Willis of Seattle, Inc.  
P Box 34201  
L Fifth Ave. So., #200  
Seattle WA 98124

PHONE  
(A/C, No, Ext): (206) 386-7400

COMPANY  
Navigators Insurance Company

BINDER #  
00028545-01

ADMITTED

NON ADMITTED

DATE EFFECTIVE TIME

DATE EXPIRATION TIME

13-MAY-2003

12:01

AM

11-AUG-2003

12:01AM

NOON

Policy #: SE03LIA8511/81

Expiring Policy #: N/A

Contact : Diana Wales

ACCOUNT ID 560300  
INSURED

Pacific Marine Group, Inc.  
197 Parfitt Way SW  
Suite 100  
Bainbridge Isl. WA 98110

DESCRIPTION OF OPERATIONS

Excess Protection & Indemnity  
"Spirit of Adventure"

Policy Period: 5/13/03 to 5/13/04

Annual Premium: \$4,000.

COVERAGE TERMS AND CONDITIONS AS LISTED BELOW:

See attached Client Coverage Confirmation.

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS ON THE SECOND PAGE OF THIS FORM.

WILLIS CORROON REPRESENTATIVE

*Donald W. Bacic*

AUTHORIZED REPRESENTATIVE

DATE



# BINDER OF INSURANCE

PAGE 1 OF 2

DATE (MM/DD/YY)

20-MAY-2003

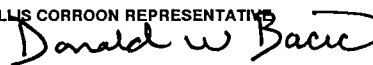
PRODUCER		PHONE (A/C,No,Ext): (206) 386-7400	COMPANY		BINDER #				
Willis of Seattle, Inc. P O Box 34201 Fifth Ave. So., #200 Seattle WA 98124			Great American Insurance Company		00028548-01				
		ADMITTED		X	NON ADMITTED				
		DATE		EFFECTIVE	TIME	DATE	EXPIRATION	TIME	
		13-MAY-2003		12:01	X	AM	11-AUG-2003	X	12:01AM
						PM			NOON
Contact : Diana Wales		Policy #: OMH3492845		Expiring Policy #: N/A					
ACCOUNT ID 560300		DESCRIPTION OF OPERATIONS							
INSURED		Vessel Pollution Liabilities							
Pacific Marine Group, Inc. 197 Parfitt Way SW Suite 100 Bainbridge Isl. WA 98110		"Spirit of Adventure"							
		Policy Period: 5/13/03 to 5/13/04							
		Annual Premium: \$700.							

**COVERAGE TERMS AND CONDITIONS AS LISTED BELOW:**

See attached Client Coverage Confirmation.

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS ON THE SECOND PAGE OF THIS FORM.

WILLIS CORROON REPRESENTATIVE



AUTHORIZED REPRESENTATIVE

DATE

EXHIBIT E (1)

**Kitsap Ferry Company - 8 Trips Per Day  
P&L Year 1**

	TOTAL
PASSENGER FARE REVENUE	1,332,609
ONBOARD SALES	122,821
OTHER REVENUE	106,368
<b>TOTAL REVENUE</b>	<b>1,561,798</b>
SAILINGS	2,080
TOTAL PASSENGERS	245,642
<b>DIRECT EXPENSES</b>	
FIRST CLASS CONSUMABLES	12,282
ONBOARD SALES COST OF GOODS	46,058
CREDIT CARD FEE	13,554
<b>DIRECT EXPENSES</b>	<b>71,894</b>
<b>OPERATING COST</b>	
CREW COST	275,356
FUEL	210,052
LUBES AND GREASE	21,005
OPERATING SUPPLIES	34,634
MOORAGE	59,707
VESSEL COST	395,423
REPAIRS & MAINTENANCE	127,956
INSURANCE	91,833
<b>OPERATING COST</b>	<b>1,215,966</b>
<b>GENERAL &amp; ADMIN</b>	
PAYROLL	175,522
MARKETING	78,125
OFFICE COST	108,609
TAXES	13,903
<b>GENERAL &amp; ADMIN</b>	<b>376,159</b>
<b>TOTAL EXPENSES</b>	<b>1,664,020</b>
<b>EBITDA</b>	<b>(88,926)</b>
Depreciation	21,000
<b>EBIT</b>	<b>(109,926)</b>
Interest Expenditure	1,088
Interest Income	
<b>Net Interest</b>	<b>(1,088)</b>
<b>NET PROFIT PRE TAX</b>	<b>(111,014)</b>
Tax	
<b>NET PROFIT</b>	<b>(111,014)</b>

EXHIBIT E (2)

**Kitsap Ferry Company - 8 Trips Per Day  
Projected Ridership and Revenues Year 1**

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
PASSENGER FARE REVENUE	97,581	103,680	103,876	109,779	108,598	114,658	115,877	105,765	118,317	115,681	120,756	118,041	1,332,609
ONBOARD SALES	8,994	9,556	9,574	10,118	10,009	10,568	10,680	9,748	10,905	10,662	11,130	10,879	122,821
OTHER REVENUE	7,759	7,759	7,759	7,759	7,759	7,759	9,969	9,969	9,969	9,969	9,969	9,969	106,368
<b>TOTAL REVENUE</b>	<b>114,334</b>	<b>120,994</b>	<b>121,209</b>	<b>127,655</b>	<b>126,366</b>	<b>132,984</b>	<b>136,526</b>	<b>125,482</b>	<b>139,191</b>	<b>136,311</b>	<b>141,855</b>	<b>138,890</b>	<b>1,561,798</b>
VESSEL PAX CAPACITY													
LOADFACTOR	45%	48%	50%	51%	52%	53%	54%	54%	55%	55%	56%	57%	
AVERAGE PAX PER SAILING	102	108	112	115	117	120	121	122	123	125	126	127	1,418
SAILINGS	177	177	171	177	171	177	177	160	177	171	177	171	2,080
TOTAL PASSENGERS	17,987	19,111	19,148	20,236	20,018	21,135	21,360	19,496	21,810	21,324	22,259	21,759	245,642

# EXHIBIT F

## AGREEMENT FOR SUBMISSION OF UTC APPLICATION FOR POF SERVICE

This Agreement is made by and between Kitsap Transit, a Washington Municipal Corporation ("KT") and KITSAP FERRY COMPANY, LLC, a Washington Limited Liability Company ("Applicant") as of the 5th day of ~~March~~, 2004.  
APRIL

1. KT agrees that Applicant may file and submit an application (the "Application") for the issuance of a certificate of public convenience and necessity (the "Certificate") to the Washington Utilities and Transportation Commission (the "UTC") for the initiation and operation of Passenger-Only Ferry Service ("POF Service") over the following Route (the "Route"):

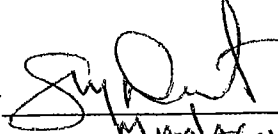
Bremerton to Seattle

2. Applicant and KT covenant and agree that in the event Applicant procures the Certificate, Applicant and KT will immediately execute the POF Service Agreement in the form attached as Exhibit 1, or in a revised form mutually approved by Applicant and KT.
3. Applicant acknowledges that (i) KT would not have signed this Agreement in the absence of Applicant's covenant to sign the POF Service Agreement; and (ii) notwithstanding Applicant's procurement of the Certificate, Applicant may not undertake POF Service without executing the POF Service Agreement.
4. KT acknowledges that it is executing this Agreement pursuant to Resolution No. 04-15 duly adopted on March 2, 2004 by KT's Board of Commissioners' approving KT's agreement to Applicant's Application, and subject to the execution hereof KT will cause its Board to adopt a new Resolution in the form attached as Exhibit 2.

KITSAP TRANSIT

By   
RICHARD HAYES, Executive Director

KITSAP FERRY COMPANY, LLC

By   
Its MANAGER



Share the water. Share the wonder.

1101 Alaskan Way • Pier 55, Suite 201 • Seattle, WA • 98101 • 206-623-1445 • FAX 206-623-5474  
www.argosycruises.com

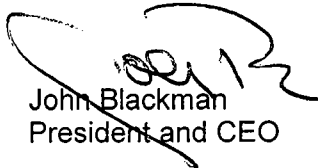
April 20, 2004

Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive SW  
Olympia, Washington 98504-7250

Honorable Commissioners,

Kitsap Ferry Company, LLC has made arrangements with Argosy Cruises for dock space along the central Seattle waterfront to be used for the loading and unloading of passengers in support of scheduled passenger-only ferry operations between Bremerton and Seattle Washington.

Sincerely,



John Blackman  
President and CEO



# KITSAP COUNTY BOARD OF COMMISSIONERS

April 26, 2004

The Honorable Marilyn Showalter, Chairwoman  
The Honorable Dick Hemstad, Commissioner  
The Honorable Patrick J. Oshie, Commissioner  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive SW  
Olympia, Washington 98504-7250

Chris Endresen  
DISTRICT 1

Jan Angel  
DISTRICT 2

Patty Lent  
DISTRICT 3

Malcolm Fleming  
County Administrator

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

This letter is an expression of support of the combined effort of commercial ferry operators and Kitsap Transit to reintroduce passenger-only ferry service between Bremerton and Seattle.

Passenger-only ferry service is a key element of Washington State's transportation network and provides a vital link between Kitsap and King Counties. Until it was discontinued in September of 2003, this service was provided by the Washington State Ferries (WSF).

Current WSF service between Bremerton and Seattle does not fully meet demand, in terms of frequency and transit time (speed). This restricts economic activity throughout our county and region.

Under legislative authority granted during 2003, Kitsap Transit, acting as the local Public Transportation and Benefit Area, failed in its attempt to re-establish this service. A private-sector ferry operator has reached agreement with Kitsap Transit and has Transit's support to apply to the Washington Transportation and Utilities Commission for a permit to serve this route on an ongoing commercial basis.

There is an urgent and immediate need for this service and we urge the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Sincerely,

Handwritten signature of Patty Lent in cursive script.

Patty Lent,  
Commissioner, District 3, Chair

Handwritten signature of Jan Angel in cursive script.

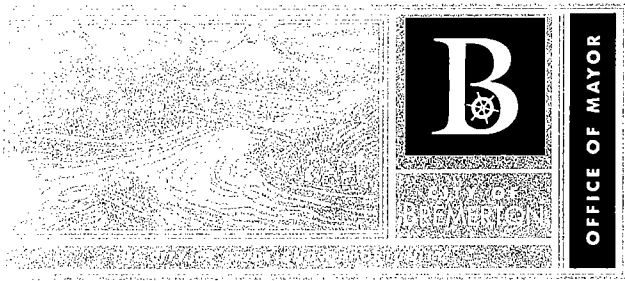
Jan Angel  
Commissioner, District 2

Handwritten signature of Chris Endresen in cursive script.

Chris Endresen  
Commissioner, District 1

cc: Dick Hayes, Executive Director, Kitsap Transit

BOC: kkb  
G:\com\data\District 1\letters\2004\ BOARD - WUTC



Mayor Cary Bozeman

cbozeman@ci.bremerton.wa.us  
360.473.6127  
360.473.5082  
239 4th Street  
Bremerton WA 98337

March 31, 2004

The Honorable Marilyn Showalter, Chairwoman  
The Honorable Dick Hemstad, Commissioner  
The Honorable Patrick J. Oshie, Commissioner  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive SW  
Olympia, Washington 98504-7250

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

This letter is an expression of support of the combined effort of commercial ferry operators and Kitsap Transit to reintroduce passenger-only ferry service between Bremerton and Seattle.

Passenger-only ferry service is a key element of Washington State's transportation network and provides a vital link between Kitsap and King Counties. Until it was discontinued in September of 2003, this service was provided by the Washington State Ferries (WSF).

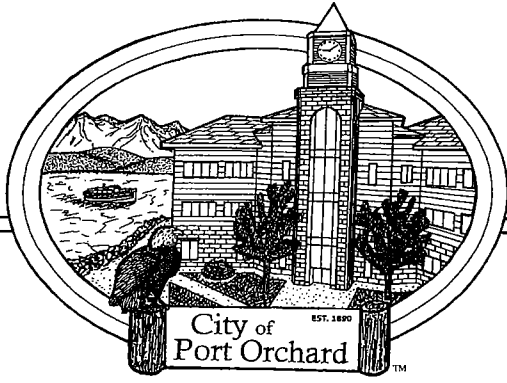
Current WSF service between Bremerton and Seattle does not fully meet demand, in terms of frequency and transit time (speed). This restricts economic activity throughout our county and region.

Under legislative authority granted during 2003, Kitsap Transit, acting as the local Public Transportation and Benefit Area, failed in its attempt to re-establish this service. A private-sector ferry operator has reached agreement with Kitsap Transit and has Transit's support to apply to the Washington Transportation and Utilities Commission for a permit to serve this route on an ongoing commercial basis.

There is an urgent and immediate need for this service and the City of Bremerton urges the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Sincerely,

Cary Bozeman  
Mayor



## CITY OF PORT ORCHARD Office of the Mayor

CITY HALL • 216 Prospect Street, Port Orchard, WA 98366  
(360) 876-4409 • FAX (360) 895-9029

April 19, 2004

The Honorable Marilyn Showalter, Chairwoman  
The Honorable Dick Hemstad, Commissioner  
The Honorable Patrick J. Oshie, Commissioner  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive SW  
Olympia, Washington 98504-7250

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

I am writing to lend the City of Port Orchard's wholehearted support to the combined effort of commercial ferry operators and Kitsap Transit to reintroduce passenger-only ferry service between Bremerton and Seattle.

Passenger-only ferry service is a necessary element of Washington State's transportation network. It provides a vital link between Kitsap and the eastern Puget Sound Counties. Until it was discontinued in September of 2003, the Washington State Ferries (WSF) provided this service.

The current car ferry service between Bremerton and Seattle does not fully meet demand, in terms of frequency, transit time (speed), nor connection opportunities. This restricts economic activity throughout our county and region. Citizens of Port Orchard rely on the ferry for work, education, and entertainment opportunities.

Under legislative authority granted during 2003, Kitsap Transit, acting as the local Public Transportation and Benefit Area, failed in its attempt to re-establish this service. A private-sector ferry operator has reached agreement with Kitsap Transit and has Transit's support to apply to the Washington Transportation and Utilities Commission for a permit to serve this route on an ongoing commercial basis.

There is an urgent and immediate need for this service and the City of Port Orchard urges the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Sincerely,

Kim Abel  
Mayor of Port Orchard





RECEIVED  
4/6/04

April 1, 2004

P.O. Box 229

301 Pacific

Bremerton, WA 98337

Kjartan Gilje  
Kitsap Ferry Company, LLC  
197 Parfitt Way SW, Suite 100  
Bainbridge Island WA 98110

Dear Kjartan,

The Bremerton Area Chamber of Commerce wholeheartedly supports Kitsap Ferry Company's efforts to provide passenger-only ferry service between the Seattle area and communities in Kitsap County.

For many years, the Chamber has been on record as a strong proponent of passenger-only ferry service. It is key to Bremerton's revitalization efforts and an important link for commuters, tourists and commerce.

The service is not simply a convenience – it is a necessity for our community. Kitsap County has about 90,000 employable people but roughly only 70,000 jobs. While many organizations and businesses work hard to bring more employment opportunities to the area, there remains a large gap between employees and jobs. Until that gap is eliminated, our friends and neighbors must have reliable and timely ferry service so they can support their families. Passenger-only ferry service is essential because it enables commuters to spend less time away from their families.

Kitsap Ferry Company's services are also essential for commerce. Businesses rely on technological advances to enhance business opportunities and efficiencies, however, face-to-face meetings are still as essential as ever. Passenger-only ferry service provides an efficient means for businesspeople to meet with clients and suppliers while saving an hour of valuable travel time. The time saved enhances productivity and adds to the bottom line of businesses.

Passenger-only ferry service is a key component of revitalization, quality of life and economic development. We encourage your positive consideration of Kitsap Ferry Company's proposal.

Sincerely,

Silvia Klatman, IOM  
Executive Director

*A Stronger  
Chamber  
Equals  
A Stronger  
Community*

**Bremerton Area  
Chamber of Commerce**

PH: (360) 479-3579

FAX: (360) 479-1033

email: chamber@  
bremertonchamber.org

Web Page:  
www.bremertonchamber.org

April 12, 2004

The Honorable Marilyn Showalter, Chairwoman  
The Honorable Dick Hemstad, Commissioner  
The Honorable Patrick J. Oshie, Commissioner  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive SW  
Olympia, Washington 98504-7250

Dear Madam Showalter, Commissioner Hemstad and Commissioner Oshie:

This letter is an expression of support of the combined effort of commercial ferry operators and Kitsap Transit to reintroduce passenger-only ferry service between Bremerton and Seattle.

Passenger-only ferry service is a key element of Washington State's transportation network and provides a vital link between Kitsap and King Counties. Until it was discontinued in September of 2003, this service was provided by the Washington State Ferries (WSF). The introduction of commercial operators will provide full ferry service to the Kitsap peninsula with rates appropriate for the services they provide.

There is an urgent and immediate need for this service. I urge the Washington Utilities and Transportation Commission to favorably consider the application being made to it by Kitsap Ferry Company, LLC.

Respectfully,



Elizabeth A. Gilje  
President  
KPS Health Plans



April 28, 2004

Ms. Carole J. Washburn  
Secretary  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, WA 98504-7250

RECEIVED  
APR 29 2004  
WASH. UT & TP. COMM.

Re: Temporary permit application for Kitsap Ferry Company, LLC

Dear Ms. Washburn:

On behalf of Kitsap Ferry Company, LLC, please find the attached application for a temporary permit to operate a commercial passenger-only ferry service between Bremerton and Seattle, Washington. As the application indicates, and as emphasized through the enclosed letters of support, there is an urgent and immediate need for a passenger-only ferry between Bremerton and Seattle. We are submitting this application for a temporary certificate to expedite the certificate process with the intent of initiating service as soon as possible this summer. We will be submitting an application for the permanent certificate shortly.

To support today's application, we have provided:

Check for \$200	(Filing fee)
Binder	
Application	(Application)
Exhibit A	(Route)
Exhibit B	(Tariffs)
Exhibit C	(Schedule)
Exhibit D	(SOA Spec Sheet, COI, Insurance Info.)
Exhibit E	(Pro-Forma and Ridership)
Exhibit F	(Kitsap Transit Agreement)
Exhibit G	(Dock Use Letter)
Exhibit H	(Letters of Support)

Please do not hesitate to contact me should you have any questions regarding this application. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gregory A. Dronkert', with a long horizontal flourish extending to the right.

Gregory A. Dronkert

# PACIFIC NAVIGATION CO.



## FACSIMILE

Date: 5/4/04

To: TINA LEIPSKI

Company: WUTC

Facsimile Number: <sup>360</sup>586 1150 Telephone Number: 664 1160

From: GREG DRONKOWITZ

Number of pages: 2 (including cover)

Regarding: KITSAP FERRY CO.

Tina,

HERE IS CURRENT CERTIFICATE THROUGH JUNE 30TH.

DIANA WILL E-MAIL YOU AND I THE REVISION THAT SHOWS KITSAP FERRY AS NAMED INSURED.

WHEN WE REVIEW THE POLICY, WE WILL PROVIDE YOU A NEW CERTIFICATE.

197 Parfitt Way SW, Suite 100  
Bainbridge Island, Washington 98110

Telephone (206) 780-1440 Facsimile (206) 780-0484

www.pacificnavigationco.com

THANKS!

## Certificate of Marine Insurance

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER.  
THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES LISTED BELOW.

<b>NAME AND ADDRESS OF AGENCY:</b> Willis of Seattle, Inc. 505 Fifth Avenue South, Suite 200 Seattle, WA 98104 Phone 206-388-7400	<b>COMPANIES AFFORDING COVERAGE</b>	
	<b>A</b>	Continental Insurance Co. (MOAC) 50% Zurich American Insurance Co. 50%
	<b>B</b>	Great American Insurance Co. of New York
	<b>C</b>	Navigators Insurance Co.

<b>NAME AND ADDRESS OF INSURED:</b> Pacific Marine Group, Inc. dba Pacific Navigation LLC 197 Parfitt Way SW, Suite 100 Bainbridge Island, WA 98110	This is to certify that the policies of insurance listed below have been issued to the Insured named herein for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms exclusions and conditions of such policies.
---	--

CO. LETTER	TYPE OF INSURANCE	POLICY NO.	POLICY TERM	LIMITS
A	Hull & Machinery Protection & Indemnity	WS 0305	5/13/2003 - 6/30/2004	Hull Insured Value \$2,300,000. Hull Deductible \$50,000. P&I \$1,000,000. per occurrence P&I Deductible \$2,500. /occur.
B	Vessel Pollution	OMH3492845	5/13/2003 - 6/30/2004	\$5,000,000. OPA and CERCLA
C	Excess Protection & Indemnity & Pollution Liabilities	SE03LIA8511/81	5/13/2003 - 6/30/2004	\$4,000,000. excess of underlying P&I and Pollution

**COMMENTS / SPECIAL CONDITIONS:**

**Vessels Insured:** M/V "SPIRIT OF ADVENTURE", OFFICIAL NO. 684714

**Forms:** Hull & Machinery as per American Institute Hull Clauses (6/2/77).  
Protection & indemnity as per P&I Clauses SP-38.  
Pollution as per Great American Vessel Owner Pollution Coverage form GAI 2270 (12/02).  
Excess Liabilities as per American Institute Excess Marine Liabilities Following Form.

**RE:** Evidence of Insurance as required by the application for a Commercial Ferry Certificate.

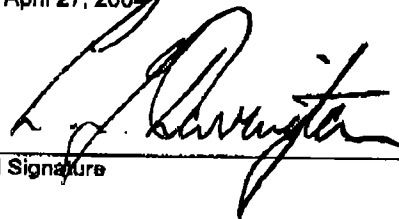
**Cancellation:** Should any of the above described policies be canceled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the certificate holder named below, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representative.

**CERTIFICATE HOLDER:**

Washington Utilities and Transportation  
Commission  
1300 South Evergreen Park Drive SW  
PO Box 47250  
Olympia, WA 98504-7250

**DATED:** April 27, 2004

Authorized Signature



**Willis**