Dear Members, Volunteers and Friends,

The year 2012 has been an optimistic year for the Schooner Ernestina-Morrissey. One of the more significant events to occur in 2012 has been the receipt of the foremast for the Ernestina. The foremast, purchased by SEMA's members and donors, demonstrated SEMA's commitment to Ernestina as well as SEMA's partnership with the Schooner Ernestina Commission and Department of Conservation and Recreation.

The fall of 2013 will mark three years since our historic/successful Ernestina forum took place. In December of 2012 SEMA issued a vision statement to the Schooner Ernestina Commission and the Department of Conservation and Recreation. In the spring of 2013 the vision statement was followed up by a letter to the Schooner Ernestina Commission focusing on the vision statement. Although, the restoration of the Ernestina is not where we want it to be, our optimism and determination remain strong. The rigging and foremast were completed in summer 2013.

SEMA is close to completing the Memorandum of Agreement (MOA) with the Schooner Ernestina Commission and the Department of Conservation and Recreation. This agreement will significantly enhance SEMA's ability to raise the funds needed to restore the Ernestina to sailing condition. Additionally, the ability to match the challenge grant of $700,000 offered by the Hildreth Stewart Charitable Foundation will be much more attainable with a completed MOA. Finally, SEMA is very optimistic that a meeting with all of the Ernestina-Morrissey stakeholders will take place in the near future and a clear vision will be established for the future of the Ernestina-Morrissey.

It is clear to me that all of the efforts described in this report would not have occurred without the hard work and determination of SEMA's members and volunteers. Warm Regards,

Warm regards,

Julius Britto
President, SEMA
Volunteers

SEMA would be nothing if not for the many, many volunteers who give of their time and lively spirits to wholeheartedly support Ernestina.

Jacy Almeida
Edith Andrews
Paul & Louise Anthony
Denise Barnaby
Henry Boyer
Paul & Jean Brawley
Julius & Sandra Britto
Steve Brown
Paula Curry
Missy Devalles
Ryan Dwelly

Chris Dzioba
Norman Gomes
Henry Gray
LuAnn James
Jack Magee
Annie McDowell
Mary Anne McQuillan
Mary Meehan
Mary Ellen Newby
Joseph & Joey Pacheco
Anna Pax

Stephen Platzer
Rick Porteus
Candida Rose
Alison Robb
Mike & Kathy Roy
Kristen Sarkarati
Chuck Smiler
Fred Sterner
Christina Sobran
Vi Taylor
Mary Walsh

Treasurer's Report

FY2012

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Contributions</td>
<td>$15,288.47</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$540.29</td>
</tr>
<tr>
<td>Ship Repair and Service Expenses</td>
<td>($49,474.37)</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>($3,465.17)</td>
</tr>
<tr>
<td>Net Income (Loss) FY12</td>
<td>($14,748.18)</td>
</tr>
</tbody>
</table>

Total Income (Loss) to Date $108,832.21
On October 30, 2010, over 200 diverse peoples — from as far as Newfoundland and Philadelphia — sailors, Cape Verdean-Americans, civic and business leaders, educators and students convened at the New Bedford Whaling Museum to discuss the future of the Schooner Ernestina-Morrissey. The resounding consensus was that “something special happens” when you are aboard Ernestina-Morrissey; she is a “one-of-a-kind” historic ship that we cannot allow to deteriorate.

While SEMA’s main purpose is to raise funds, SEMA also plays an important role as a convener and voice for the Schooner Ernestina-Morrissey’s various constituents. SEMA believes it is increasingly important, as the ship has increasing maintenance needs, that it is publicly known how SEMA envisions the ship’s future. SEMA offers a vision to help consolidate the various reasons why SEMA and many others are committed to supporting this historic vessel, despite the fact that the organization does not own or operate it. SEMA offers the vision now because time is of the essence – the Schooner Ernestina-Morrissey needs attention quickly before her maintenance situation worsens.

SEMA’s Vision
The long history of this vessel reflects many facets of Massachusetts’ past and present from global maritime trade, fishing, exploration and science, shipbuilding, war-time service, to sail training and education. Indeed, the most recent active years of her history have been in educational service for students of the Commonwealth of Massachusetts.

SEMA’s vision is to see this unique function, as an educational service provider in and around Massachusetts, reborn in the best way possible within the next two years. SEMA feels strongly, based on information from maritime experts, that the wisest and most effective path to Ernestina-Morrissey’s rebirth is one that results in a ship that is actively sailing. It is important to SEMA and Ernestina-Morrissey’s many supporters that all her histories are honored in her educational service:

1) Grand Banks fishing schooner
2) Arctic explorer
3) U.S. Naval ship
4) Cape Verdean trans-Atlantic packet

Action Steps
SEMA believes that the critical, time-sensitive task of defining resources required for Ernestina-Morrissey’s restoration should encompass a thorough and skillful refit and concurrent development of the finest educational and sailing programs possible.

In the next six months, the following actions are necessary to produce SEMA’s vision:
1) A partnership (Memorandum of Understanding or similar document) where SEMA will have a voice regarding the use of the ship.
2) A convening of the various entities with an interest in the ship’s future, resulting in a proposal that will outline a repair and long-term maintenance plan as well as future educational uses of the ship.
3) Unearthing a large matching donation(s) to the $700,000 challenge gift put forth by the Hildreth Stewart Charitable Foundation, presumably resulting from the aforementioned long-term maintenance and usage proposal.

There are difficult steps that need to be taken, but once we move forward, Ernestina-Morrissey will shine brighter as an experiential and inspirational beacon of Massachusetts’ global maritime heritage for generations to come.
Thank you!
We are so grateful for the continued support of our members.

Second Century Club Members
Gifts of $1,000 and above
Benjamin Baker
Robert Hildreth
Laura Pires-Hester
S. Parkman Shaw

Captain Members
Gifts of $500 to $999
Pamela Colgate
Rod McCollester
Margaret Xifaras

Navigator Members
Gifts of $250 to $499
Willi Bank
Mary Anne McQuillan

Explorer Members
Gifts of $125 to $249
Peter DeWalt
Jeffrey Halter
Doug & Elizabeth Randall
Charles Sullivan

Shipmate Members
Gifts of $60 to $124
Norman Baker
Alan Burns
Laurel Furumoto
Dan & Kathy Kahn
David Kaye,
Edward & Judy Lund
John Moore
John & Wendy Sinton
Sally Spooner

Dorymate Members
Gifts under $60
Mauricio Andrade
Gunnar & Martha Berg
Melissa Burgo

Community Support
The support of the community and the following organizations has made an enormous difference in SEMA’s development in 2012.

3rd Eye Open
AHA!
American Schooner Association
Arthur Moniz Gallery
Baker Books
Brockton Fair
Cape Verdean News (CVN)
Commissioner Ed Lambert
Community Foundation of Southeastern Massachusetts

Coolywood
Global Learning Charter Public School
Gloucester Maritime Heritage Center
The Island Foundation
Massachusetts Department of Conservation and Recreation
Mayor Jon Mitchell’s Office
Mayor Scott Lang’s Office
New Bedford Cable Access
New Bedford Harbor Sea Chantey Chorus
New Bedford Whaling National Historical Park
New Bedford Whaling Museum
The Ocean Explorium

Onset Cape Verdean Festival Association
Southeastern Environmental Education Alliance (SEEAL)
WBSM-AM
Working Waterfront Festival