

Sea Gate Partners, Inc.

656 Sea Gate Drive Newport, North Carolina 28570

Web Site: seagatepartnersinc.com

The Investor's Meeting was held at the Marina Annex on Oct 17, 2021 Time: 2:00 PM

Purpose of the meeting was to update project status, have a Q/A session, subscribe members, elect the permanent Board of Directors, and officially incorporate by approving the By-Laws.

SGP Attendees:

- 1) Bill Mitchum
- 2) Karl Jaranyi
- 3) Donna Keeler
- 4) Betty Nelson
- 5) Raymond Everett
- 6) Danny Lassiter

Guests:

- 1) Buzz Shackelford - Consultant
- 2) Norm Price - Consultant
- 3) John Imhauser SGA Board President
- 4) Deanna Wilson SGA Treasurer

In attendance were the above and an audience of over 35 investors and spouses. Donna Keeler made introductions of the Interim Board, SGA Board members, and the Consultants. After brief comments about the status of the project, the audience of subscribed members and others asked several questions about the mechanisms of financing the project. Norm Price answered many questions while reviewing the pro forma. A specific inquiry about what will happen to future profits from the new marina docks after the investors were eventually all paid back; was answered as follows: "Once all investors have been paid back for the construction costs, with final interest and principal payments made to all partners, the corporation will be dissolved and future incomes would belong to the Sea Gate Marina and therefore the Sea Gate Association."

The meeting recessed for 30 minutes to allow unsubscribed members to make official their subscriptions by completing the Subscriber's Agreement and Acknowledgment Forms and deposits. Twelve people subscribed and this brought the total number of investors up to 49 with a near even split of 24 having made the 10% minimum deposit and 25 having paid in full for their shares. It was emphasized that the remaining funds would be due on or before November 1, 2021 for those that provided the 10% deposits.

A brief financial update was given by Karl Jaranyi stating that we had \$173,200.00 in the bank account to date; and of this \$6000.00 was "initial expenses seed money" provided evenly by the 6

interim board members for startup expenses. The remaining \$167,200.00 was subscriber's funds. No bills or expenses have been presented to this date so all those funds remain on deposit. An audience member questioned whether there was a mechanism for that seed money to be repaid? Answer: Operational expenses would provide those re-imbursments, once the project was generating revenue from the new docks.

An updated projected total in the bank after the 12 new subscribers will be \$202,200.00, adding in the remaining balances due November 1st from subscribers of \$235,800.00, this will bring the total to \$438,000.00 (219 Shares). The initial goal of allowing 1 share investors to participate in this community project has been met. Officially there are: 14 investors at the 1 share level; 9 at the 2 share level; 4 at the 3 share level; 11 at the 5 share level, 1 at the 6 share level; 6 at the 10 share level, 3 at the 13 share level and 1 at the 15 share level. There were indications from several of the investors that they would be willing to invest more funds in order to keep the project alive.

It was mutually agreed that there was enough momentum to move forward and incorporate. Community members and Board members agreed to "shake the trees" and contact other prospective investors to attempt to reach the ~ \$500,000.00 goal needed for the project.

Four of the six interim board members were nominated en mass, by Deanna Wilson, to continue serving on the board for continuity, and the nomination was seconded by Mike Murray. Diane Jaranyi nominated Doug Brugger to serve, seconded by Debby Forbush. A motion was made to close the nominations and hold the vote. A unanimous show of hand votes confirmed the following to serve as Directors of the Board: Donna Keeler, Danny Lassiter, Bill Mitchum, Karl Jaranyi, and Doug Brugger.

There was a Q/A session discussing the proposed By-Laws followed by a near unanimous hand vote to accept them; officially forming the Sea Gate Partners Inc. Corporation. The meeting was adjourned at 3:20PM.