

Sea Gate Partners, Inc.

656 Sea Gate Drive Newport, North Carolina 28570

Web Site: seagatepartnersinc.com

Working Meeting was held at the Marina Annex on Sep 26, 2021 Time: 4:00 PM

RECAP:

Purpose of the meeting was to discuss the status of the Lease and Management Agreements between Sea Gate Partners (SGP) and Sea Gate Association (SGA) along with updating the Pro Forma and the Website to possibly include a Frequently Asked Question section from questions contained in these notes.

SGP Attendees:

1. Bill Mitchum
2. Karl Jaranyi
3. Donna Keeler
4. Betty Nelson
5. Danny Lassiter

Absent :

- 1) Raymond Everett

Guests:

1. Buzz Shackelford
2. Norm Price
3. Teresa Shaw – Attended via Telephone

The interim board discussed the status of the Lease Agreement and that it should be back from review by the SGA attorney by mid-week. The SGP Corporation by Laws should be available shortly after the attorneys finish with the Lease Agreement and hopefully by the end of next week. The Management Agreement is currently being drafted along with the new Slip Rental Agreement.

A proposed follow up meeting was scheduled for October 3, 2021 at 2:00PM for the interim board to approve the final Lease Agreement and By Laws and other documents as they are finalized.

A discussion about insurance types and amounts was held and it was agreed that Directors and Officers (D & O) Insurance would be necessary for the SGP Board of Directors.

A detailed review of the Pro Forma was led by Norm Price. The updated Pro Forma, to include investor principal payback, will be posted on the website as soon as it is available. It was noted that exhibit D also needed to be posted on the website. Exhibit E (Cost of Construction) is a future document, which will only be available once construction has been completed.

The target date for the Investor's Meeting was set for October 17, 2021 at 2:00 PM, a two week notification window was suggested. An email will go out to potential investors as soon as the date is firm.

There was a discussion of status and progress being made on all the “Conditions Precedent to Closing” in the Offering Memorandum. A table has been established on the website for updating status of these at the “About Tab” of the website.

There was a discussion of the status of contractor’s bids on the project, and that the permitting process was underway.

Donna Keeler led a review of questions received from one of our investors. The responses are contained in our discussion notes above and the remaining topics are addressed below. Consideration for a “Frequently Asked Questions” tab on the website was discussed and may be developed if the need arises.

- How long is the lease, what is its end date? Answer: The lease will end upon payment of the full principal to investors, currently projected to be approximately 6 or perhaps 7 years.
- Who is responsible for the cost of insurance? Answer: Both the Sea Gate Association (SGA) and the Sea Gate Partners (SGP) will have comprehensive and liability insurance policies in place to cover their respective properties and assets.
- What is the history of annual dock rental increases and are the yearly increases shown on the Pro Forma in line with that history? The previous history was a factor in creation of the initial project estimates. Sea Gate has been below market for a while due to the state of our offering. A fair, conservative, below market rate is reflected in the current Pro Forma.
- Where is payback to interim board for seed money? Also where is payback to Buzz for his out of pocket expenses? Answer: The fact remains that should the project not go forward for any reason; the interim board and Buzz realize they may not be reimbursed. However, if the project does go forward as planned, payback will be through operational expenses at the end of the project after all investors have been fully paid.
- Regarding the annual lease payment—who holds the money and how will it be paid back? Answer: SGP will hold the money with oversight from their CPAs. The payback mechanism is detailed in the “Overview” paragraph of the Offering Memorandum.
- Can our interest in the partnership be sold or transferred in case of death or sale of property? Answer: The short answer is yes; these specifics will be a part of the SGP Corporate By Laws, currently being drafted by the Attorney.
- \$1 million in insurance seems low? Answer: Insurance levels will be determined by the permanent SGP board of directors after a detailed analysis of assets and potential liabilities is conducted.