

Sea Gate Partners, Inc.

656 Sea Gate Dr. Newport, North Carolina 28570

Web Site: seagatepartnersinc.com

Working Meeting was held at Marina Annex on September 4, 2021 Time: 8:30 AM

RECAP:

Purpose of the meeting was to conduct a cursory review of the draft Lease Agreement between Sea Gate Partners (SGP) and Sea Gate Association (SGA) with each of the boards.

SGP Attendees:

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

Absent:

Karl Jaranyi attended Via Telephone

SGA Attendees:

- 6) Dennis Overby
- 7) Teresa Shaw
- 8) John Imhauser
- 9) Linda Smith
- 10) Joe Hodges

Absent

Chester Polak
Audra Kurzendoerfer
Deanna Wilson

Guests:

- 11) Buzz Shackelford
- 12) Norm Price

Donna Keeler started the meeting off by suggesting that the lease agreement should be discussed at length, since the Offering Memorandum, Subscription Agreement, and Subscriber Acknowledgment Form had already been discussed via email coordination. Buzz Shackelford reemphasized the need to concentrate on the lease agreement, so that it could be officially presented to the Sea Gate Association (SGA) Board of Directors for approval and for the SGA BOD to take the documents to the SGA attorney for review.

Buzz led an in-depth review of the proposed lease agreement. Overall consensus is that it is a good agreement. He also stated that within 2 to 3 weeks, he should have paperwork ready for Danny Lassiter to be able to go after bids for contracts. The following paragraphs provide some details of the discussions that took place as the lease agreement was reviewed.

Concerns were raised over early 2022 slip rental revenue streams, and whether they would be sufficient to cover the necessary costs. It was agreed that flexibility in the lease language, ie: no specific percentage amounts were stated in the agreement; due to that possibility, therefore providing flexibility to adjust amounts as needed. There was agreement that in all likelihood, revenue from the slip rentals would indeed be sufficient to cover the necessary costs outlined in the lease agreement. It was agreed that the management fee would most likely need to be paid on a monthly basis.

The required insurance amount was corrected, in the draft, from \$100,000.00 to \$1,000,000.00. It was agreed that both SGA and SGPs would need to be listed as beneficiaries on the insurance policies and that mutually agreed prorated amounts would be needed for any payouts on any potential insurance claims.

It was agreed that the maintenance of the upland development and fixed dock portion would be the responsibility of SGA, as they already had contracts in place for this.

It was agreed that the Utilities and Services would be the responsibility of SGA and would be offset, to a degree, by SGPs as part of the management fee.

There was discussion of the single bank account that was now open for the SGPs and that a system had been put in place for absences of check signers.

Buzz Shackelford stated that we should have very good estimates for all the costs by the end of the month.

Minor changes to the Exhibits were suggested so that the partners (investors) would understand that specific amounts were not being used in the Lease Agreement, because actual cash flow figures are estimates.

side meeting that was to follow this meeting immediately, to work out details of the Management Agreement.

It was suggested that a side meeting needed to take place after this meeting to discuss the Management Agreement and whether or not it should be a subset of the Lease Agreement or a standalone document.

Dennis Overby stated that the SGA Board of Directors would be having a special meeting the week of 9/6/21 to take action, and if agreement was reached, the Lease would be forwarded to their attorney as soon as possible thereafter for his review.

It was agreed that the previously mentioned documents, along with all exhibits, would be posted on the seagatepartnersinc.com website at the "Members Only Tab," as soon as possible. Karl stated that he would email the investors to notify them to review them; as soon as this has occurred.

It was agreed that the Subscriber's Meeting should be at the Marina Annex on Saturday September 25th at 9:00 AM.

A follow up meeting for the SGP Interim Board will be scheduled for Tuesday 9/14 for review and approval of all partnership agreements documents that are currently in draft form. The documents will then be posted on the SGP website in the Members Only section for review by the investors. Karl will send an email to all potential investors with regards to the documents. Buzz indicated that the Exhibit documents would be completed the week of 9/6/21 and that will complete the packets for the investors.