

Sea Gate Partners, Inc.

Offering Memorandum for Sea Gate Marina Improvement Project

Sea Gate Partners, Inc. (“SGP”) is a North Carolina Corporation organized by a group of Sea Gate Property owners for the sole purpose of building a new 56 slip floating dock system (“new docks”) for Sea Gate Association (“SGA”). These Sea Gate property owners have a vested interest in protecting their property values and are willing to invest their money to build the new docks and sell the new docks to SGA at cost plus a reasonable return on their investment. To protect its investors SGP is willing to enter a short-term lease with SGA for the unused basin area and adjoining upland areas for the purpose of building new docks, with certain limitations and expectations as follows:

To become a Sea Gate Partner, you must be a Sea Gate Association property owner who is willing to invest a minimum of \$2,000.00 for one membership share or up to a maximum of \$100,000.00 for 50 membership shares.

PROSPECTIVE MEMBERS OF SEA GATE PARTNERS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISK INVOLVED.

OVERVIEW

SGP plans to build a 56-slip marina new docking facility (“new docks”) on Sea Gate Association property to replace the 56-slip fixed dock currently in use which is beyond repair. To secure the investment by the SGP, the SGA Board of Directors must issue a temporary lease to SGP. The lease must include the following: The upland parking facility, new fixed docks with power distribution and water provided by SGA, permission for SGP to tie into the fixed docks with new floating docks, built by Sea Gate Partners, and include legal access to the ICW.

From the revenue generated by the new docks constructed on the leased SGA property, SGP would pay SGA Marina a fee to manage the new docks and pay any operating costs associated with the normal operations, to include all insurance and repairs. On October 15th of each year, the remaining funds would be used to pay SGP an annual return of 6% (See Exhibit A) and to pay SGA a lease payment. SGA would in turn use the lease payment to pay back investors on a pro-rata basis, thereby purchasing the new docks. When SGP has been paid for the new docks on the leased property at its cost of construction plus a 6% return to the investor and operating expenses; the lease would terminate, and any improvements would become the property of SGA.

A deposit of 10% will be due for each share of ownership in SGP upon the execution of a Subscription Agreement to be issued to the Board of Directors of SGP. The balance of the purchase shall be due when, and if, all the conditions precedent to closing are met. The conditions precedent to closing are as follows:

- (a) SGP will have received subscriptions in the amount necessary to cover the estimated cost of constructing the new docks and a reasonable contingency. (See Exhibit B)
- (b) SGP shall have a signed lease agreement with SGA to secure its investment. The lease will confirm that SGA agrees to purchase the new docks with the revenue from the lease.
- (c) SGP shall have a management agreement with SGA Marina to manage the new docks.
- (d) SGA shall have secured all permits required to complete construction of the new docks.

- (e) SGP shall have a firm contract with a floating dock company including the cost, delivery, off load, and assembly of the new docks.
- (f) SGP shall have a firm contract with a qualified electrical contractor to install the electrical service on the new docks as required by the engineered drawings.
- (g) SGP shall have a firm contract with a qualified marine contractor to set the piles for the new docks.
- (h) SGP shall have firm contracts for all materials required to construct the new docks not provided by contractors.
- (i) SGA shall have firm contracts and funds, committed by the SGA Board of Directors, available to complete the upland development. This will include the landscaped parking lot, fixed docks, water tap and power distribution panels. (See Exhibit C)

The deposits for the SGP shares will be deposited in a bank account to be managed by an outside CPA arranged by SGP. If all Conditions Precedent to Closing as defined above are not met by or before November 1, 2021, all Subscription Agreements will terminate, and all deposits will be returned to investors without interest. When and if all Conditions Precedent to Closing are met, the closing shall be held as soon as possible, and in no event later than November 1, 2021.

THE CORPORATION

The Corporation was organized on July 26, 2021 as a North Carolina Sub-Chapter C corporation for the purpose of building a new floating dock system for Sea Gate Association Marina. The corporation has no operations, other than planning for and construction of the related new docks. The Corporation has no history of prior operations, and no financial history. It has no employees. The corporation will contract with or hire experienced personnel as and when needed to provide oversight of contracting and construction and for management of the new docks.

MEMBERSHIP SUMMARY

The Corporation (Sea Gate Partners, Inc) is offering shares of ownership to any person who is at least 21 years of age or older and is a property owner in Sea Gate Association Community. SGP will offer shares at \$2,000.00 per share sufficient to cover the cost of the new marina project. One share at \$2,000.00 is the minimum investment to become a SGP and fifty shares or \$100,000.00 is the maximum investment allowed.

NO PERSON IS AUTHORIZED TO MAKE ANY REPRESENTATIONS OR TO PROVIDE ANY INFORMATION WITH REGARD TO SEA GATE PARTNERS INC. MARINA IMPROVEMENT PROJECT THAT ARE CONTRARY OR IN ADDITION TO THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM, INCLUDING EXHIBITS.

SITE LOCATION AND DESCRIPTION OF PLANNED FACILITIES

The new docks will be located on the west side of the existing marina and will consist of two 28 slip floating docks. Each slip will have an Eaton Lighthouse power pedestal; each power pedestal will include sufficient power sized for the slip with water faucet at each slip and lighting. The site to be leased from SGA will be surveyed to include the new landscaped parking lot, fixed dock facilities, space for the new docks and access to the ICW. (See Exhibit D). SGP intends to begin construction of the new docking facility as soon as practicable after all

Conditions Precedent to Closing are met. The commencement of the marina construction, and the time at which the marina is open and ready for use, will be subject to the weather and other factors generally affecting construction.

RISK FACTORS

While all reasonable effort has been made to identify and minimize the various risks, members need to recognize that risks do exist including, but not limited, to:

- (a) Risks associated with construction to include unanticipated delays, material cost increases, adverse weather, and material shortages.
- (b) Risks generally associated with the operation of a private marina including adverse developments in the national and local economies, seasonal fluctuations, and competition from local marinas.
- (c) Uninsured losses: SGP will arrange for comprehensive insurance including liability, fire and extended coverage, and other types of insurance customarily obtained for similar properties. However, certain types of losses (generally of a catastrophic nature or from punitive damages) are either uninsurable or not economically feasible.

THIS SEA GATE PARTNERS INC. OFFERING MEMORANDUM IS QUALIFIED BY THE DEFINITIVE INFORMATION SET FORTH IN THE CORPORATION'S ARTICLES OF INCORPORATION AND BY-LAWS WHICH ARE ATTACHED AS EXHIBIT HERETO. ANY PERSON CONSIDERING INVESTING IN SEA GATE PARTNERS INC. SHOULD READ THE ARTICLES OF INCORPORATION AND BY-LAWS.

USE AND CONTROL OF PROCEEDS

All proceeds from the sale of shares in SGP offered hereunder will be used exclusively by the Corporation to build the new docks for SGA Marina, to the extent funds are then remaining they would be used by SGP for operational costs in the first year.

The rental income from the new docks would be collected by SGA Marina Operation as a part of its management agreement and distributed by an outside CPA in the following manner:

- (a) A percent to be determined annually of the rental income would be paid monthly to the Sea Gate Marina Operation as a management fee.
- (b) The balance of the rental income would be placed into the SGP's bank account, managed by an outside CPA, to be used as follows:
 1. Pay operational costs such as Insurance, repairs, and maintenance.
 2. Pay SGP members an annual 6% return on the remaining unpaid balance on the funds collected from investors towards the cost of construction of the new docks.
 3. Pay SGA a lease fee to be used by SGA to repay SGP for the cost of construction as set forth in (Exhibit E "Cost of Construction").