Marina Meeting notes 11/10/2021:

- Is the marina affiliated with Lake Santee? No. So, you will be running a business out of Lake Santee? No, it is a commercial property located within Lake Santee
- Member doesn't feel this benefits the lake, only Mike. If you get rid of the marina, Mike will profit from sale of lots. Doesn't see it as viable option, rather see it stay as 1 lot. He feels it should all be sold as one unit and ran as a marina. There have been other offers. Selling off lots would make you able to pay more, but it isn't intended as that.
- Member across the street from the marina states that the marina isn't always the prettiest place but it is still the marina. It was the marina when the community was built in 1965 as platted. Has always been the marina. Not supposed to be a small marina and a bunch of houses. He bought his house thinking it was always a marina. Doesn't want to see houses built there.
- Member is concerned about being able to sell the marina with no boat storage capacity or room to flow boats through as we currently have. If the marina portion that is left doesn't sell, will that turn into residential lots too? Doesn't see it as beneficial to community. Marina is supposed to be a benefit to the community. Fear that once you split off lots you won't see another marina. You may see gas pumps, but not a marina. Concerned about the big boat dock proposal. Unsightly. Wouldn't want that as a view from those lots.
- Member complimented Mike for thinking outside the box to get this up and running. Knows the property has been for sale for a long time. Doesn't know if it is because of asking price or expertise needed to service boats and operate as a marina. Doesn't want to know purchase price. As business owner profit is not an ugly word. No problem with Mike making money because he is investing money. Likes the idea but wants it to be owned by LSPOA via an assessment. So, we own it and control its destiny.
- Member stated that not many people can properly back a boat trailer and concerned about adequate space and no guarantee for the future. Mike stated that the triangle would add additional space.
- Member who has a slip currently at the marina by the "triangle". He said clearing out the trash provides more room. He understands concerns for no benefits if it isn't a running marina, but didn't have much this year. Feels Mike's proposal is a great option.
- Member stated originally concerned that it was really going to change things up, but there are not a lot of other options. To hire a boat technician would cost $80,000 - $90,000, then run it, insure it etc. Not a big enough stream of business with current membership to keep a full-service marina viable. It was a niche and they (Geis family) pulled it off for years. He thinks this option is viable with some tweaks but warns of increasing too many boat slips. Still has some questions. It is a big leap and thinks it is cool that someone cares enough to take the risk.
- Member had questions on service building having access to lake? Right away? Not land lock marina. Mike stated there would be easements. Concern for long term boat slip availability.
- Member complimented Mike on this plan and appreciates the out of the box thinking and thankful someone is doing something. However, is concerned about the # of lots and size

of lots. Worries it would be cluttered with houses. Mike stated the lots are 100' – 130' wide and 200' deep.

- Member has a Mercury engine boat but has to have another marina come get his boat, winterize, launch it, etc. Would love to support the marina here and get gas. To him gas is the most important thing. Concern for gas spilling into the lake the last 6 months. Says this is no longer a quaint fishing lake and we need a marina. We want someone that knows what they are doing and can work on all the engines.
- Member is concerned that if the property is divided for residential houses, where are the people renting slips going to park, unload coolers, people, etc.? Mike suggested along trailer parking.
- Member came 3 years ago as a guest on 4th of July and didn't choose to live on another lake because they didn't sell gas. She is grateful that someone came up with a plan to provide gas. Additionally, asked about the clarification of the marina store. Mike said the building would stay a residential home. His family would move in and rehab it.
- Member doesn't have a boat, but likes the proposal. Wants Mike and LSPOA to commit to having a credit card for automatic gas pumps or LSPOA pay employee to operate pumps. Mike stated that he couldn't commit today because it would take DNR input & possibility for unattended gas pump with opportunities for spills.
- Member asked how many members make up LSPOA. Member is wanting the membership to buy the marina over 5-year contract. Greg and Cara made money. It is a money maker. Association can run it with boat slip rental, house rental, and boat storage. 5 years later it is paid for and the income could be used elsewhere. Could scale back wetlands project and dredging. Once the marina is gone, we won't have anything near what it is now. Marina makes Lake Santee special. If we have a smaller marina and it doesn't work out, all we have is some residential lots and a boat ramp.
- Another member is also concerned about the lack of land available to fully operate as a marina and boat storage. What Mike is doing is to raise the property value and give Greg the amount of money he wants, but if you drive by there now you can see it can't function without all the land. If we want a full functioning marina, it must stay as 1 property.
- A new member is a new boater with a Mercury and they broke down early and was told the marina couldn't help them. They feel the need for gas and to have someone who can work on all types of boats is needed to provide a benefit. They haven't had any benefits this year.
- Member appreciates the board for this opportunity and Mike for standing up and taking criticism and questions. Mike reached out for input from the fishing folks. Many of their questions have already been answered. They are concerned about how we protect the integrity of the dam. What makes Lake Santee is the lake. Who will be financially responsible for the damage to the dam or spillway due to the construction of houses? Mike understands the importance of the question. Mike has had meetings with INDNR and engineers for requirements for 100% integrity. Mike has yet to pull the trigger on spending the money for the analysis. Mike would get DNR approval or his proposal would not move forward. Additionally, the member was concerned about the new owners making changes to the shoreline. If your proposal is approved, how quick

would you list the properties for sale? Mike stated the next day. Member was concerned it would affect the renters of dock slips. Mike guaranteed that renters in 2021 would have one. 2nd biggest concern of the fishing group was that the "triangle lot" would not be adequate for trailer turnaround. What guarantee can you make if lot 7 is sold? Mike would make easement for access. Mike has offered the "triangle lot" to the Association. The member then asked if he would have a reasonable price? Mike answered "Yes", but not for free. When would a certified mechanic be available? Mike said his 1st option would be to sell the marina to a current service shop. The member then stated his personal concern is that down the road, by limiting the marina space it would reduce the business. Mike said that the boats are owned by members and for $50 could be moved to their house for storage.

- Member proposed that the Association could take marina lot, house lot, triangle lot and access/boat ramp lot and redevelop and redesign for additional vehicle parking and boat parking. Boats could be stored on other association off lots. More than likely whomever buys the house will tear it down. The association could sell the 4 lots to reorganize the property and run it as they want.
- Member had a statement on rules we have currently. This is a single commercial lot. Our rules allow members to split lots without houses. This lot has a house. If we allow it to be subdivided against the original community plat, we would be setting a precedence for splitting lots with a house. The board must consider this precedence for subdividing other larger lots with homes if members wanted.
- Member thinks the proposal has merit and congratulates Mike for thinking outside of the box. The marina is what made the determination to move here and obviously important to everyone else based on the large turnout. The plan Mike proposes is creative and would be successful for Mike, but not ultimately for the residents. It seems that you are taking 2 uses and putting them next to each other. The residents won't want to be next to a marina. On the marina side you are cutting the size so much it would hinder the success of the marina. Once this is done the marina will never grow. It will stay the same or be reduced. The member would like the board to consider the purchase as our amenity. That way we would never be having this conversation about losing the marina again. Once it is gone, it is gone. If it is not a viable option for the association, then pursue this proposal.
- Member has heard a number of people with the concerns for parking, storage of boats, viability of the marina on smaller space, etc. Then he hears that if approved the next day the lots are for sale. He has a real concern for that. Once they are sold you have to live with what you have. If the marina is not workable with the lots being sold, you can't go back. Make sure the marina is a viable option first.
- Member said there are 2 levels of decision/discussion. We are looking at keeping this as an entire entity or dividing up as Mike has laid out. Many people spoke tonight about keeping it as one thing. The marina has been for sale for 15 years and nobody has scooped it up yet. A marina at some level is better for our property values. We need the marina to sell gas, pull boats in and out. Maybe we don't need boat storage maybe just an area for boats in process. A marina with limited usage may be better than nothing. There are still details to work out, but Mike is flexible to adjust. The board

hasn't moved forward in the past and is not ready right now. He feels this is the only game in town at the moment.

- A member is the closest living member to the marina. The member has developed lots from scratch with infrastructure. If you haven't done that before, you might think this is boogie man stuff. There are solutions to problems. He believes the marina is not operating profitable because it is not been run efficiently. The right space to do the right things generate the right revenue. Need to have a study commissioned with design professionals. The marina hasn't sold because it doesn't make enough money for an investor to put up the capital for the asking price. We need to change it to make it more profitable for whoever runs it. With this proposal we need more details on hours of operation and easements. There are solutions here. I do have a concern for the number of lots and what DNR approves. To solve the precedence issue, the board can make requirements for minimum square footage for lot size. He believes people would want to live in these lots based on the proximity to the boat ramp as he does. We have to put someone in the position to be successful. It shouldn't be Mike fronting the financial burden, it should be all of us. Surprised the board isn't negotiating to purchase. We need to invest money (member is willing to put his money where his mouth is) to commission a study so the information could be shared. Need more information and more detail. Then we would be more educated to make the right decision. This is the beginning of the process. If we are committed to making it work, it will.
- A member applauded Mike for the unique idea & vision. It gives Greg & Cara the opportunity to sell the property & move on after trying to sell for so many years. With that said, I can't help to wonder what really is the long-term vision for this lake and this association? Is there a strategic plan long term for what keeps this lake so valuable? Many others have brough up other lakes in the Indiana and Ohio area (some being from the same developers) that don't have a marina. He was previously a boat dealer for 40 years and many buyers would ask up front where can I buy a home, take my boat and get service and gas so they can have a good outing and enjoy boating? What Greg & Cara have been able to do is much appreciated, but kind of unique, because in this day there are not a lot of service only dealerships out there. The reason why is because it is not very profitable. I would suggest that from the boat dealer side, not the consumer side, what makes it profitable isn't really service, it is the ability to sell boats. Again, what Greg & Cara did with being a technician, an electrician, sell lifts, put in boat docks, etc. is really unique. They serviced boats to have the opportunity to sell boats. My personal concern when looking at the proposal is that it doesn't provide enough marina space to appeal to new business owners. Not viable enough for someone to come in and be successful. You could say the proposal would lower the cost and make it more affordable to come in and run the marina. Again, I ask the board what is the plan long term? I suggest phases. First, what would be the assessment for the association to buy it and bring in a true marina operator to run it as a modern-day dealership? Mike's proposal would have some of the basic services, gas, in/out, limited storage, etc. But we need to pursue a full functioning marina first. If the lake owned the marina and offered for lease it would be a more attractive and affordable way to find an operator. Then if we depleted our options, the next phase is to consider Mike's proposal. If the association can make

something work and turn a profit, then that money could be spent on dredging or swimming pool or gymnasium. Those things are happening at other lake communities. We need to look at these phases. Because when it is gone it truly is gone. None of us really know the long-term impact. So, I want to ask the board what is the process for the determination on this proposal? John responded that there is an agreement to purchase and the board needs to make a decision on whether to approve the subdivision or not. Once that is decided, then other options could be reviewed. The member than asked for a clarification if the property is tied up? Or does the association have the opportunity to pursue? Mike said that he asked the board if they wanted to consider the purchase before he moved forward. Mike feels he does have exclusivity. The question we are here to get input on is, do we want to allow the splitting up of the lot? You say that you believe you have exclusivity? It is off the market? Mike said he has a letter of intent with exclusivity to buy the lot. Another member stated that a typical purchase agreement with the contingency that the board would have to approve the splitting of the lot must be approved first. Then the agreement is contingent on the county rezoning from commercial to residential. Then Mike's agreement would be exclusive. Without the board's approval the agreement would be voided and typically the earnest money would be returned. Then the property is back on the market. The question then came back to what is in front of the board? Subdivide or not subdivide? John answered that it is to decide on approving the subdividing or not. John went on to explain that the purpose of this meeting is to get member feedback so that the board understands what the desire of membership is on the decision. We understand not everyone is on the same page and can't take it to vote. Another member then asked "Shouldn't this have been taken to membership sooner? Do you want to go to membership and see if they want to buy the property first? Mike said earlier he asked the board first before he developed his proposal. Why didn't the board ask membership first if they wanted to buy it before the contingent agreement was in place. John went on to explain that a previous board looked at the idea of purchasing the marina 5 or 6 years ago and decided not to move forward. What we have done in the last 12 months is look at just an overview. Does it make sense for us to own and operate the marina? Until we put together a committee to review the finances, we don't have anything to take to membership. If it is an under-performing business, we must know the numbers so we can present to membership. Do we want to purchase at $1.5 million (or $850,000 or what) and then subsidize the business every year because we can't operate the marina at a profitability level without service technicians, etc. The board never got that far. The member then stated that membership should have been asked if they wanted to put $1,000 each into owning the property. The original speaking member then commented that it is a little bit unfair to Mike for putting in time and effort without membership being able to weigh in on first. Then if membership turned it down it could look at proposals like the one Mike presented. We kind of have the cart in front of the horse. The member thinks the membership should have a vote on purchasing before the board has a vote on subdividing. Mike then reiterated that he is only interested in a subdivide. He is not interested in purchasing it and leaving it as 1 lot.

- A member had 2 points. 1st is the board the ones making the decision to subdivide? Steve Knight stated that our By-laws dictate that the board makes that decision. The

member suggested that the board take no action to approve the proposal until they gain the temperature of the membership on their overall desire of the plan. Steve Knight said the board will review the input and make a decision on next steps. Possibility of membership poll or another open meeting. The member's other point is that I am concerned with Mike's statement about gas being sold on a limited basis and worried that it will create a chaotic situation. Mike responded that the point-of-sale process will turn boats in and out quicker.

- Member asked if the decision is made to subdivide, what will prevent others from doing the same? Do we know how many other lots could do the same? What can be done to make sure this is a one-time approval for the commercial lot? Steve Knight stated that the county has restrictions for R2 lot size of 75' wide and 7,000 square feet. Not many lots are 150' wide in the subdivision. The member asked if this could legally be done? Mike stated that it would have to go through county planning office for approval.
- Member stated that although people have said the marina has been for sale for 15 years, the lake is not the same as it was 15 years ago. The marina needs to be able to adapt to the changing investments in boats. That underscores the need for boat services and the space to run a marina. It can't be successful on a postage size lot.
- Member said nobody mentioned that you could buy one of the 4 lots and not build. You can use it to sit on and take in the view or make it a park with swings. Also, you can rent the slips. They bought a lot to keep someone from building next to them. She had doubts that members will actually be willing to pay an assessment of $1,000 to buy the marina as everyone states. If that was the case the association would have bought it 15 years ago.
- Member recommended another option for a group of investors out here to buy it as a non-profitable business. Set up a smaller group of members that aren't worried about losing money to keep the marina. Maybe there is a perk like a gold card with special hours to buy gas or get a percentage of the dock rentals. Not to fully buy the marina, but help with the purchase.

Summary – This is a summary of the statements/concerns from the members that spoke. Not all members in attendance spoke. The summary is not a consensus of the total membership.

Marina lot should stay as 1 lot
Want the LSPOA to purchase the marina
Have concern for trailer turnaround
For Mike's proposal as is
Like Mike's proposal, but have questions/concerns
Stated gas & boat services are important
Stated concern for the integrity of the dam
Concerned for relocation of boat slips
Rules don't allow the subdividing of lots with a house
Explore other options first
Need to commission a study/get more information before decision
Need more input from members before decision
Someone could buy the lot & not build
Form a group of investors to give financial support to the marina even if it is not profitable.