



BELLWETHER
FINANCIAL GROUP

Mr. Thomas (Mat) Miller
Chief Real Estate Officer
County of Orange
County Administration North
400 W. Civic Center Dr., Fifth Floor
Santa Ana, CA 92701

February 22, 2024

Dear Mr. Miller,

In accordance with Section 11.9 Pricing of the Master Ground Lease Agreement, please accept this letter on behalf of Dana Point Harbor Partners, LLC (DPHP) as its advance written notice to the County of raises in the slip rental rates at the Marina at Dana Point. In the attached report, DPHP presents a five-year plan of annual slip rate increases for slips in the Marina at Dana Point, see slides 2-6. As we know, DPHP commenced construction of new slips in the harbor starting in August 2022, and now landside facilities starting January 2024. In January 2024, DPHP secured \$60 million of financing from Citizens Business Bank to support our ongoing construction. The rationalization for such raises is to support the financial plan provided to Citizens Business Bank as well as support future financing with the goal of completing construction over the next five years.

Our methodology regarding slip rates is consistent with our previous rate increase more than two years ago. In the attached presentation, slide 7 shows the location of our existing tenants, and slide 8 shows the location of the more than 2,000 boaters on the waitlist. Both slides illustrate that our tenants are overwhelmingly from Orange County and Riverside County and supports our rationale that our market is Orange County boaters. As such, our market remains Orange County marinas (see slide 9 & 10 for the market selection as well as a comparison of their amenities,) as proximity is an overwhelming factor in marina selection, and the fact that all the mariners operate in the same county.

Although we strongly believe that the Marina at Dana Point will set the standard for marinas in Orange County after the revitalization, the attached slides (11-20) illustrate that over the next five years, our plan for rate increases will continue to price the slips at the Marina at Dana Point lower than most marinas in our market, providing tremendous value to our tenants, ensuring our desire to maintain a full marina throughout construction.

In this 5-year plan, each year we will notify slip tenants of the rate increases in the latter half of April with the rates going into effect on June 1st.

DPHP respectfully requests that the County acknowledges that DPHP has provided advance written notice to the County of slip increases for 2024, 2025, 2026, 2027 and 2028, and our rationale for such raises, as well as our methodology for determining the same.

Respectfully,



Joe Ueberroth

Manager, Dana Point Harbor Partners, LLC