

APPRAISAL REPORT

BOAT SLIP RENTAL RATE STUDY
THE MARINA AT DANA POINT
3455 CASITAS PLACE
DANA POINT, CALIFORNIA 92629



R. P. LAURAIN
& ASSOCIATES
INCORPORATED

APPRAISAL REPORT

BOAT SLIP RENTAL RATE STUDY
THE MARINA AT DANA POINT
3455 CASITAS PLACE
DANA POINT, CALIFORNIA 92629

Effective Date
of
Rental Value Study
July 1, 2025

Prepared for
COUNTY OF ORANGE
COUNTY EXECUTIVE OFFICE – REAL ESTATE
400 West Civic Center Drive, 5th Floor
Santa Ana, California 92701

Prepared by
R. P. LAURAIN & ASSOCIATES, INC.
3353 Linden Avenue, Suite 200
Long Beach, California 90807

Date of Report
May 21, 2025

R . P . L A U R A I N
& A S S O C I A T E S

INCORPORATED



3353 LINDEN AVENUE, SUITE 200
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TELEPHONE (562) 426-0477
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RPLA@RPLAURAIN.COM

May 21, 2025

County of Orange
County Executive Office – Real Estate
400 West Civic Center Drive, 5th Floor
Santa Ana, California 92701

Subject: Christian Gagne
Senior Real Property Agent

Subject: Boat Slip Rental Rate Study
The Marina at Dana Point
34555 Casitas Place
Dana Point, California 92629

In accordance with your request and authorization, I have conducted a rental rate study pertaining to the various boat slip sizes at Dana Point Harbor, as rented to individual boaters. The indicated rental rates are expressed on a rate per lineal foot basis, as a range of fair market rent for each slip size. The date of value employed in this study is July 1, 2025, said date being the upcoming rental adjustment date.

The subject property represents the marina (water) area which is part of a larger Master Ground Lease agreement between the County of Orange and Dana Point Harbor Partners, LLC (DPHP). The appraisal study pertains to the fair market rent applicable to the boat slips only, which represent leasehold improvements. The appraisal study does not address or consider the underlying ground lease, leased fee or fee simple interest in the subject property, or applicable ground rent and terms of the Master Ground Lease Agreement. The appraisal study is only intended to set forth the fair market rental rate range for the various boat slips (leasehold improvements and associated water area) that would be charged to the boater sub-tenants. Refer to the Subject Property Section for a general discussion of subject property marina, related water area, the subject boat slip sizes, amenities, and related information.

County of Orange
County Executive Office – Real Estate
Attention: Christian Gagne
Senior Real Property Agent

May 21, 2025

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The purpose of this appraisal report is to set forth an estimate of the fair market rental rate range for the various boat slip sizes at the subject property, The Marina at Dana Point, expressed as a rate per lineal foot. Based on the analysis contained in the accompanying report, the fair market rental rate range deemed applicable to the various boat slips sizes at the subject property, as of July 1, 2025, is summarized as follows:

Boat Slip Rates:

Fair Market Rates-Range		
Size	Lower	Upper
15'	\$25.00 lf	\$31.00 lf
20'	\$30.00 lf	\$36.00 lf
21'	\$31.00 lf	\$37.00 lf
22'	\$32.00 lf	\$38.00 lf
24'	\$33.00 lf	\$39.00 lf
25'	\$34.00 lf	\$40.00 lf
26'	\$35.50 lf	\$41.50 lf
28'	\$37.50 lf	\$43.50 lf
30'	\$42.00 lf	\$48.00 lf
31'	\$42.50 lf	\$48.50 lf
32'	\$43.00 lf	\$49.00 lf
35'	\$47.00 lf	\$53.00 lf
40'	\$58.00 lf	\$64.00 lf
41'	\$59.00 lf	\$65.00 lf
42'	\$60.00 lf	\$66.00 lf
44'	\$61.00 lf	\$67.00 lf
45'	\$62.00 lf	\$68.00 lf
48'	\$68.00 lf	\$74.00 lf
50'	\$68.00 lf	\$74.00 lf
52'	\$71.00 lf	\$77.00 lf
55'	\$75.00 lf	\$81.00 lf
56'	\$76.00 lf	\$82.00 lf
58'	\$78.00 lf	\$84.00 lf
60+'	\$80.00 lf	\$86.00 lf

County of Orange
County Executive Office – Real Estate
Attention: Christian Gagne
Senior Real Property Agent

May 21, 2025

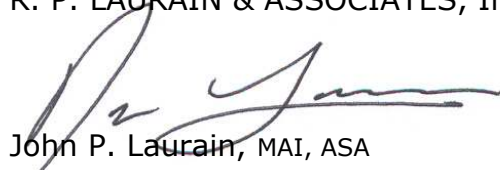
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This appraisal report has been prepared in accordance with the reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), under Standard Rule 2-2(a) as a complete Appraisal Report.

If you require any additional information from our file, it would be appreciated if you would contact the undersigned.

Very truly yours,

R. P. LAURAIN & ASSOCIATES, INC.

A handwritten signature in blue ink, appearing to read "John P. Laurain", is written over a horizontal line.

John P. Laurain, MAI, ASA
Certified General Real Estate Appraiser
California Certification No. AG 025754
Renewal Date: April 16, 2027

JPL:cl

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Terms and Definitions

SUBJECT PROPERTY DESCRIPTION

Comment
Aerial Photograph and Map Exhibits
Marina Photographs
General Description
Water Area
Boat Slips
LCP Excerpt

VALUATION ANALYSIS

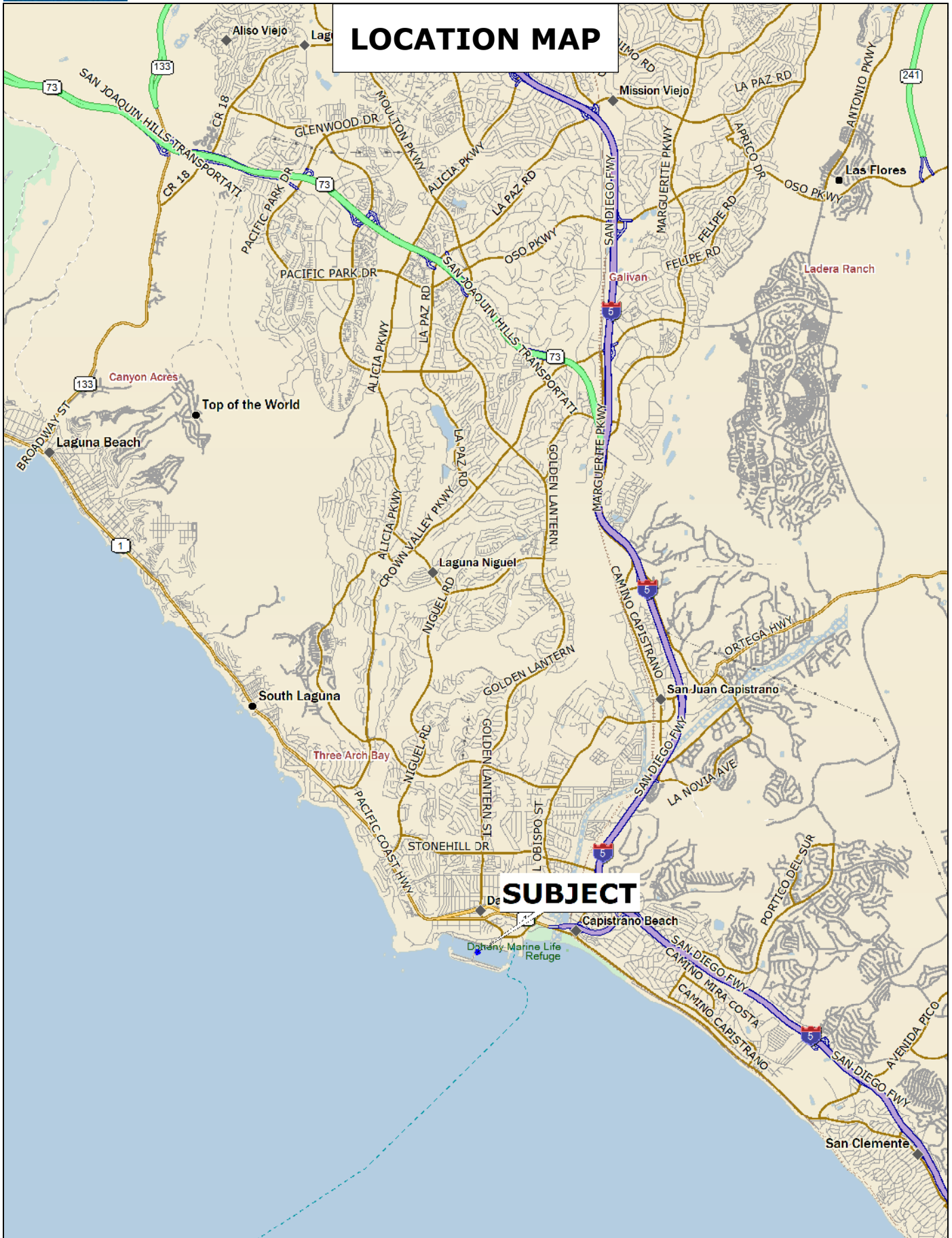
Highest and Best Use Analysis
Valuation Methods
Direct Rental Comparison
Demographic Study
Conclusion

ADDENDA

SCAG Orange County Profile Excerpt
-Regional Briefing Book, 2023
Qualifications of Appraiser

PREFACE

LOCATION MAP



SUBJECT

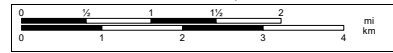
Data use subject to license.

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Scale 1 : 93,750



1" = 1.48 mi

Data Zoom 11-1

DATE OF VALUE

The date of value (effective date) employed in this report, and all opinions and computations expressed herein, is based on July 1, 2025. Said date being the next anticipated rental adjustment date for the subject boat slips.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal report is to set forth an estimate of the fair market rental rate range for the various boat slip sizes at the subject property, The Marina at Dana Point, expressed as a rate per lineal foot. The definition of market value and market rent is set forth in the following portion of this section following the heading "Terms and Definitions."

Further, it is the purpose of this appraisal report to provide an outline of certain factual and inferential information which was compiled and analyzed in the process of completing this appraisal study.

PROPERTY RIGHTS APPRAISED

The property rights appraised herein pertain to the boat slip rental rates at the subject marina. By nature, the master lessee has a leasehold interest in the marina land and water areas. The boat slip rental rates represent the rates charged to the subtenants, having a sub-leasehold interest.

Fee simple is defined as, "An absolute fee; a fee without limitations to any particular class of heirs, or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate."

A leasehold interest is defined as, "The right to use and occupy real estate for a stated term and under certain conditions as conveyed by a lease agreement." Further, a leasehold interest has a monetary market value (commonly known as bonus value) when (1) there is a difference between the market rent and the actual (contract) rent, (2) the remaining lease term is long enough to be marketable, and (3) the lease allows subletting or assignment.

CLIENT

The client for this appraisal assignment is the County of Orange County Executive Office – Real Estate, and specific representatives thereof.

INTENDED USER OF APPRAISAL

The intended user of this appraisal report is the client, and specific representatives thereof. It is understood that the Appraisal Report may also be utilized by other County staff and elected officials.

INTENDED USE OF APPRAISAL

It is understood that this appraisal will be utilized by the intended user to determine the fair market rental rates applicable to the subject boat slips, for information purposes.

CERTIFICATION

The undersigned hereby certify that:

I have personally inspected the subject property, being representative boat slips and the larger marina water area, that is the subject of this report. I have no present or contemplated future interest in the real estate which is the subject of this appraisal report. Also, I have no personal interest or bias with respect to the subject matter of this appraisal, or the parties involved in this assignment.

My engagement in this assignment and the amount of compensation are not contingent upon the reporting or development of predetermined values, direction in value that favors the cause of the client, the amount of the value opinion, the attainment of predetermined or stipulated results, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Also, to the best of my knowledge and belief the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.

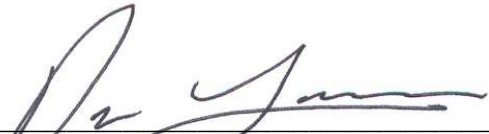
This appraisal report sets forth all of the assumptions and limiting conditions (imposed by the terms of this assignment or by the undersigned), affecting our personal, impartial, and unbiased analyses, opinions, and conclusions.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with (1) the Uniform Standards of Professional Appraisal Practice (USPAP), and (2) the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

I have completed the continuing education program for Designated Members of the Appraisal Institute, as well as the State of California and the American Society of Appraisers. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. Note that duly authorized representatives of said organizations have the right to review this report.

CERTIFICATION (Continued)

Joshua C. Laurain assisted with certain market research and analysis; no other person provided significant professional assistance. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment.



John P. Laurain, MAI, ASA
Certified General Real Estate Appraiser
California Certification No. AG 025754
Renewal Date: April 16, 2027

SCOPE OF THE APPRAISAL

In connection with the subject appraisal study, the appraiser has performed the following:

1. The appraiser has been retained, and has accepted the assignment, to make an objective analysis and valuation study of the subject property and to report, without bias, the fair market rental rates applicable to the various boat slips. The subject property is described in the Subject Property Description Section of this report.
2. Toured the general area by automobile to become acquainted with the extent, condition and quality of nearby developments, sales and offerings in the area, density and type of development, topographical features, economic conditions, trends toward change, etc.
3. Walked within the subject property neighborhood to become acquainted with the current particular attributes or shortcomings, of the subject property.
4. Completed an on-site inspection of the larger marina and representative boat slips applicable to the subject property, for the purpose of becoming familiar with certain physical characteristics.
5. Made a visual observation concerning public streets, access, drainage, and topography of the subject property.
6. Obtained information regarding public utilities, including sanitary sewer, available at the subject property.
7. Obtained information regarding the various marinas considered herein, and related rental data including but not limited to the number of slips, slip sizes, utilities, dock improvements, amenities, rental rates, occupancy, etc.
8. Taken photographs of the subject property, together with photos of the immediate environs.

SCOPE OF THE APPRAISAL (Continued)

9. Made a search of public records for factual information regarding recent rents applicable to the subject properties.
10. Reviewed current maps, zoning ordinances, and other material for additional background information pertaining to the subject marinas and rental data properties.
11. The appraiser has attempted to visualize the subject property as it would be viewed by a willing and informed lessor, as well as a willing and informed lessee.
12. The appraiser has interviewed various persons, in both public and private life, for factual and inferential information helpful in this appraisal study.
13. The appraiser has formed an opinion of the highest and best use applicable to the property appraised herein.
14. The appraiser has made a search for recent marina rental data, and obtained certain information pertaining to each rental data property.
15. The appraiser has formed an estimate of the fair market rent range, expressed as rates per lineal foot, as applicable to the differing boat slip sizes, by application of the Direct Rental Comparison Approach.
16. The appraiser has prepared and delivered this appraisal report in accordance with the Uniform Standards of Professional Appraisal Practice, and in summation of all the activities outlined above.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made with the following understanding as set forth herein:

1. This narrative Appraisal Report is intended to comply with reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice, under Standard Rule 2-2(a), for an Appraisal Report. The information contained in this report is specific to the needs of the client; no responsibility is assumed for the unauthorized use of this report.
2. Title to the subject property is assumed to be good and merchantable. Liens and encumbrances, if any, have not been deducted from the final estimate of value. The vesting and Master Lessee information was obtained from County records, and has been relied upon as being accurate; the subject property has been appraised as though under responsible ownership. The legal description is assumed to be accurate.
3. The appraiser assumes there are no hidden or unapparent conditions of the subject property, subsoil, structures, or other improvements, if any, which would render it more or less valuable, unless otherwise stated. Further, the appraiser assumes no responsibility for such conditions or for the engineering which might be required to discover such conditions. The property appraised is assumed to meet all governmental codes, requirements, and restrictions, unless otherwise stated.
4. No soils report pertaining to the subject property was provided to the appraisers; therefore, information, if any, provided by other qualified sources pertaining to these matters is believed accurate, but no liability is assumed for such matters. Further, information, estimates, and opinions furnished by others and contained in this report pertaining to the subject property and market data were obtained from sources considered reliable, and are believed to be true and correct. No responsibility, however, for the accuracy of such items, can be assumed by the appraiser.
5. Unless stated otherwise, it is assumed there are no encroachments, easements, soil toxics, or other physical conditions adversely affecting the value of the subject property.

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

6. No report(s) pertaining to mold, organic toxins, or chemical substances at the subject property was provided to the appraiser; therefore, information, if any, provided by other qualified sources pertaining to these matters is believed accurate, but no liability is assumed by the appraisers for such matters. That unless otherwise stated herein, the subject property has been appraised assuming the absence of mold, organic toxins, the presence of asbestos, or other organic and/or chemical substances which may adversely affect the value of the subject property.
7. No opinion is expressed regarding matters which are legal in nature or which require specialized investigation or knowledge ordinarily not employed by real estate appraisers, even though such matters may be mentioned in the report.
8. No oil or mineral rights have been included in the opinion of value expressed herein. Further, that oil or mineral rights, if existing, are assumed to be at least 500 feet below the surface of the land, without the right of surface entry.
9. The valuation of the property appraised is based upon economic and financing conditions prevailing as of the date of value set forth herein. Further, the valuation assumes good, competent, and aggressive management of the subject property.
10. The appraiser has conducted an on-site inspection of the larger marina and a representative number of boat slips. The comparable data was inspected based on prior appraisal studies and/or via public aerial, mapping, and related information obtained during the market research process. Should subsequent information be provided relative to changes or differences in (1) the quality of title, (2) physical condition or characteristics of the properties, and/or (3) governmental restrictions and regulations, which would increase or decrease the value of the subject property, the appraisers reserve the right to amend the final estimate of value.

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

11. The appraiser, by reason of this appraisal, is not required to give testimony in court or at any governmental or quasi-governmental hearing with reference to the property appraised, unless contractual arrangements have been previously made therefor.
12. Drawings, maps, and other exhibits in this report are for illustration purposes only and are not necessarily prepared to standard engineering or architectural scale.
13. This report is effective only when considered in its entire form, as delivered to the client. No portion of this report will be considered binding if taken out of context.
14. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor shall the contents of this report be copied or conveyed to the public through advertising, public relations, sales, news, or other media, without the written consent and approval of the appraisers, particularly with regard to the valuation of the property appraised and the identity of the appraiser, or the firm with which they are connected, or any reference to the Appraisal Institute, or the American Society of Appraisers, or designations conferred by said organizations.
15. The form, format, and phraseology utilized in this report, except the Certification and Terms and Definitions, shall not be provided or used by any other real estate appraiser, economist, broker, salesperson, property manager, valuation consultant, investment counselor, or others, without the written consent and approval of John P. Laurain.
16. This appraisal is considered completely confidential. The appraisers will not disclose, in whole or in part, the contents of this appraisal, with anyone other than the client or persons designated by the client.

TERMS AND DEFINITIONS

Certain technical terms have been utilized in this report, which are defined herein, for the benefit of those who may not be fully familiar with said terms.

MARKET VALUE (or Fair Market Value):

Market value is defined in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing, or sales concessions granted by anyone associated with the sale."

MARKET RENT:

Market Rent is defined in The Dictionary of Real Estate Appraisal, Fifth Addition, as follows:

"The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, terms, concessions, renewal and purchase options, and tenant improvements (Tis)."

TERMS AND DEFINITIONS (Continued)

SALES COMPARISON APPROACH:

The Sales Comparison Approach is one of the three accepted methods of estimating Market Value. This approach consists of the investigation of recent sales of similar properties to determine the price at which said properties sold. The information so gathered is judged and considered by the appraisers as to its comparability to the subject property. Recent comparable sales are the basis for the Sales Comparison Approach.

COST APPROACH:

The Cost Approach is another accepted method of estimating Market Value. This approach consists of estimating the new construction cost of the building and yard improvements and making allowances for depreciation. The depreciated reconstruction value of the improvements is then added to the Land Value estimate gained from the Sales Comparison Approach. The sum of these two figures is the value indicated by the Cost Approach.

INCOME CAPITALIZATION APPROACH:

The Income Capitalization Approach consists of capitalizing the net income of the property under study. The capitalization method studies the income stream, allows for (1) vacancy and credit loss, (2) fixed expenses, (3) operating expenses, and (4) reserves for replacement (if applicable), and estimates the amount of money which would be paid by a prudent investor to obtain the net income. The capitalization rate is usually commensurate with the risk and may be adjusted for future depreciation or appreciation in value.

DEPRECIATION:

Used in this appraisal to indicate a lessening in value from any one or more of several causes. Depreciation is not based on age alone, but can result from a combination of age, condition or repair, functional utility, neighborhood influences, or any of several outside economic causes. Depreciation applies only to improvements. The amount of depreciation is a matter for the judgment of the appraisers.

HIGHEST AND BEST USE:

Used in this appraisal to describe that private use which will (1) yield the greatest net return on the investment, (2) be permitted or have the reasonable probability of being permitted under applicable laws and ordinances, and (3) be appropriate and feasible under a reasonable planning, zoning, and land use concept.

SUBJECT PROPERTY DESCRIPTION

SUBJECT PROPERTY

The purpose of the appraisal study is to provide a range of fair market rent for the various boat slip sizes at Dana Point Harbor, as rented to individual boaters. The subject property represents the marina (water) area which is part of a larger Master Ground Lease agreement between the County of Orange and Dana Point Harbor Partners, LLC (DPHP). The larger ground lease area includes both the marina (water) area as well as certain adjacent northerly land area, as part of a larger redevelopment project commonly known as the Dana Point Harbor Revitalization project.

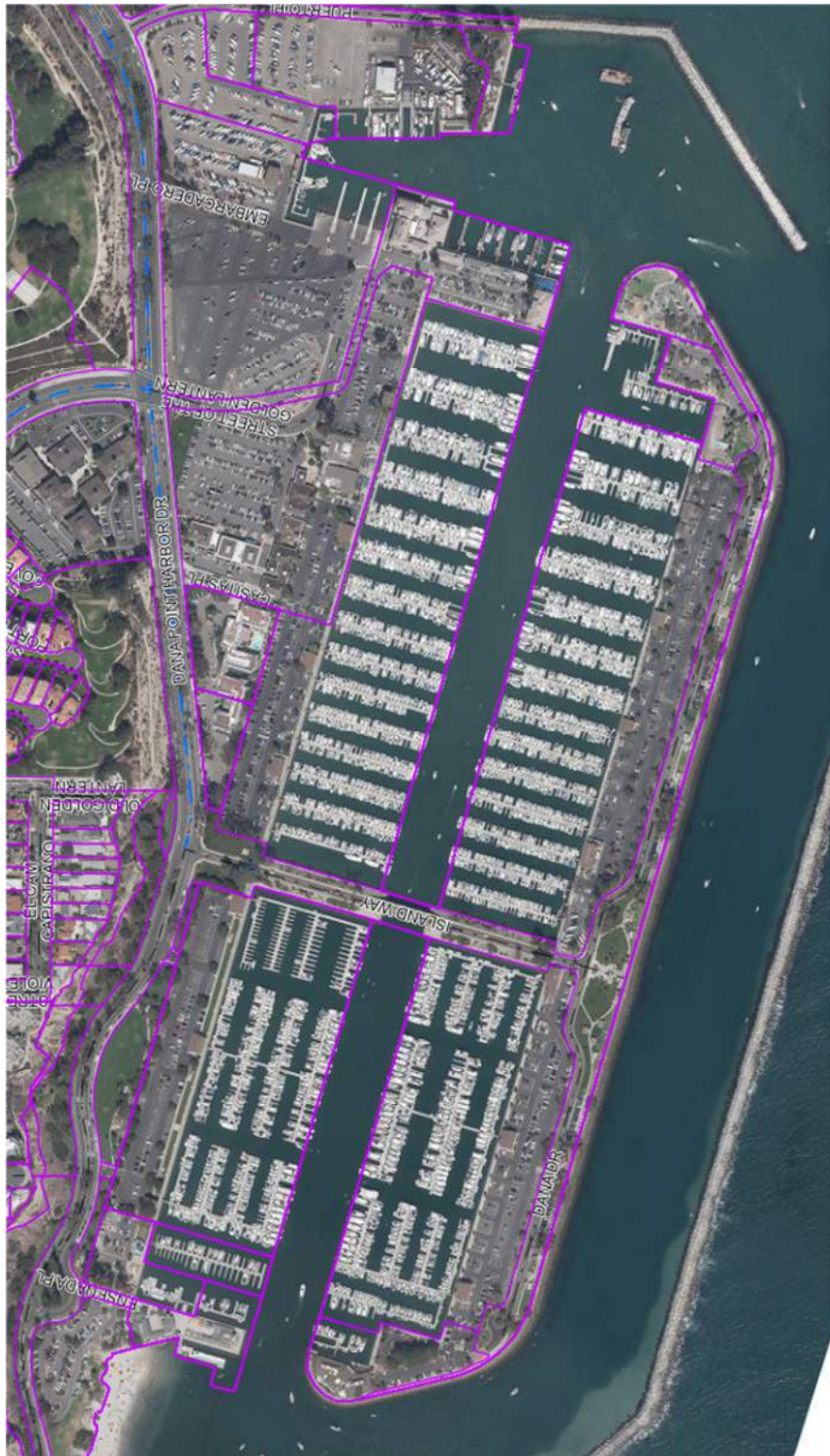
Per the County of Orange website, the project includes (1) the subject Marina (water) area, which includes the construction of new boat slips currently under development in a phased construction program to be completed in 2028, (2) a Commercial Core (land) area which will include approximately 120,000 square feet of commercial retail, shops, and restaurants as well as a three level parking structure with "nearly 1,000 spaces," and (3) hotel development consisting of two new hotels, boater service building, and associated parking.

As noted, however, the appraisal study pertains to the fair market rent applicable to the boat slips only, which represent leasehold improvements. The appraisal study does not address or consider the underlying ground lease, leased fee or fee simple interest in the subject property, or applicable ground rent and terms of the Master Ground Lease Agreement. The appraisal study is only intended to set forth the fair market rental rate range for the various boat slips (leasehold improvements and associated water area) that would be charged to the boater sub-tenants, representing the gross rental income that could be realized by the Master Ground Lessee (DPHP). The underlying ground lease (water) percentage rent associated with the marina water area, as paid to the Master Lessor (County of Orange) is not analyzed or considered as part of the appraisal study.

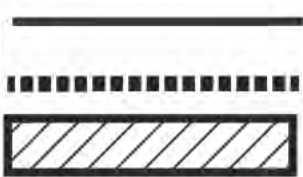
Given that the appraisal study pertains to the boat slips only, a detailed discussion of the larger project, ground lease terms, landside development, and the Master Lessee's (DPHP) obligations under the ground lease is not warranted or included herein. Note, however, extensive documentation regarding the subject larger development project (ground lease, amendments, plans, financial projections, renderings, etc.,) is public information and can be found on the County of Orange District 5 website (<https://d5.ocgov.com/dph-revitalization>).

Refer to certain exhibits, mapping and photographs, as pertaining to the subject marina and related boat slips, on the following pages.

SUBJECT PROPERTY (Continued)



R. P. LAURAIN
& ASSOCIATES
APPRAISERS - ANALYSTS

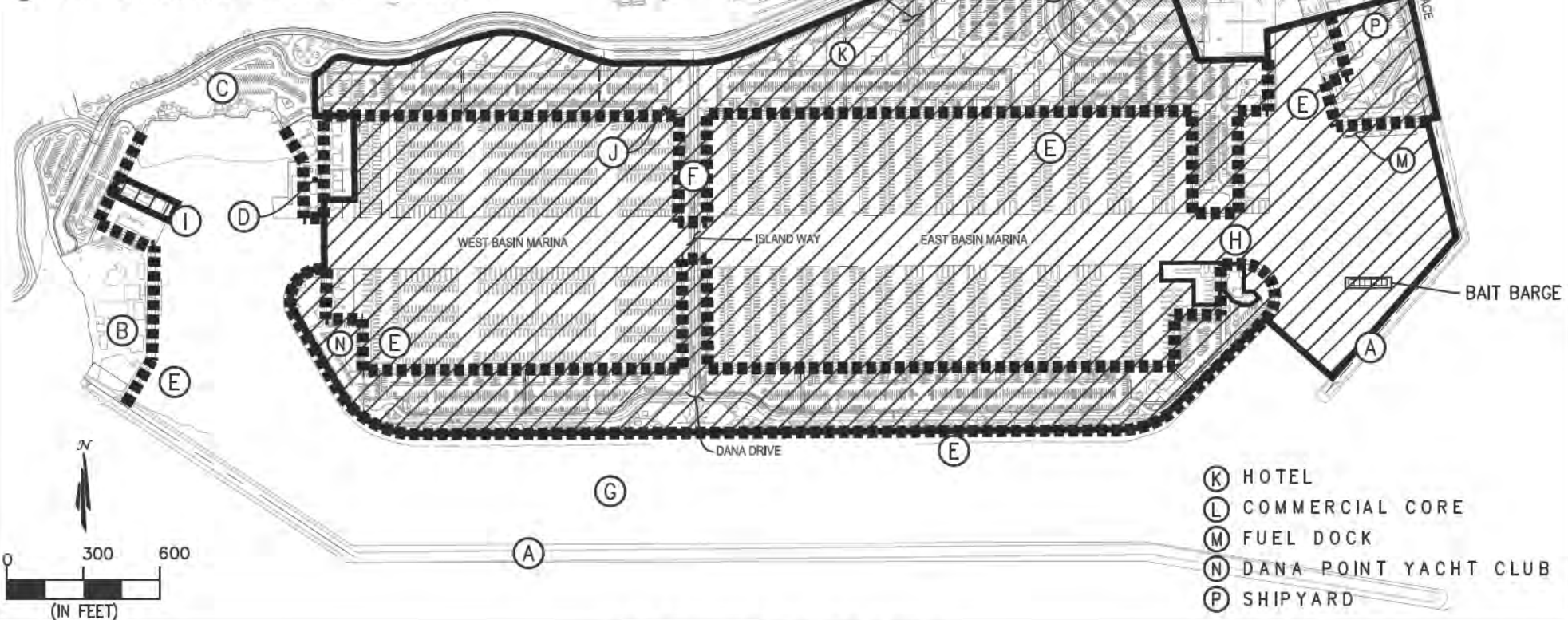


LEASE LINE - MASTER DEVELOPER

MASTER DEVELOPER SEA WALL - APPROX. 17,503.88LF

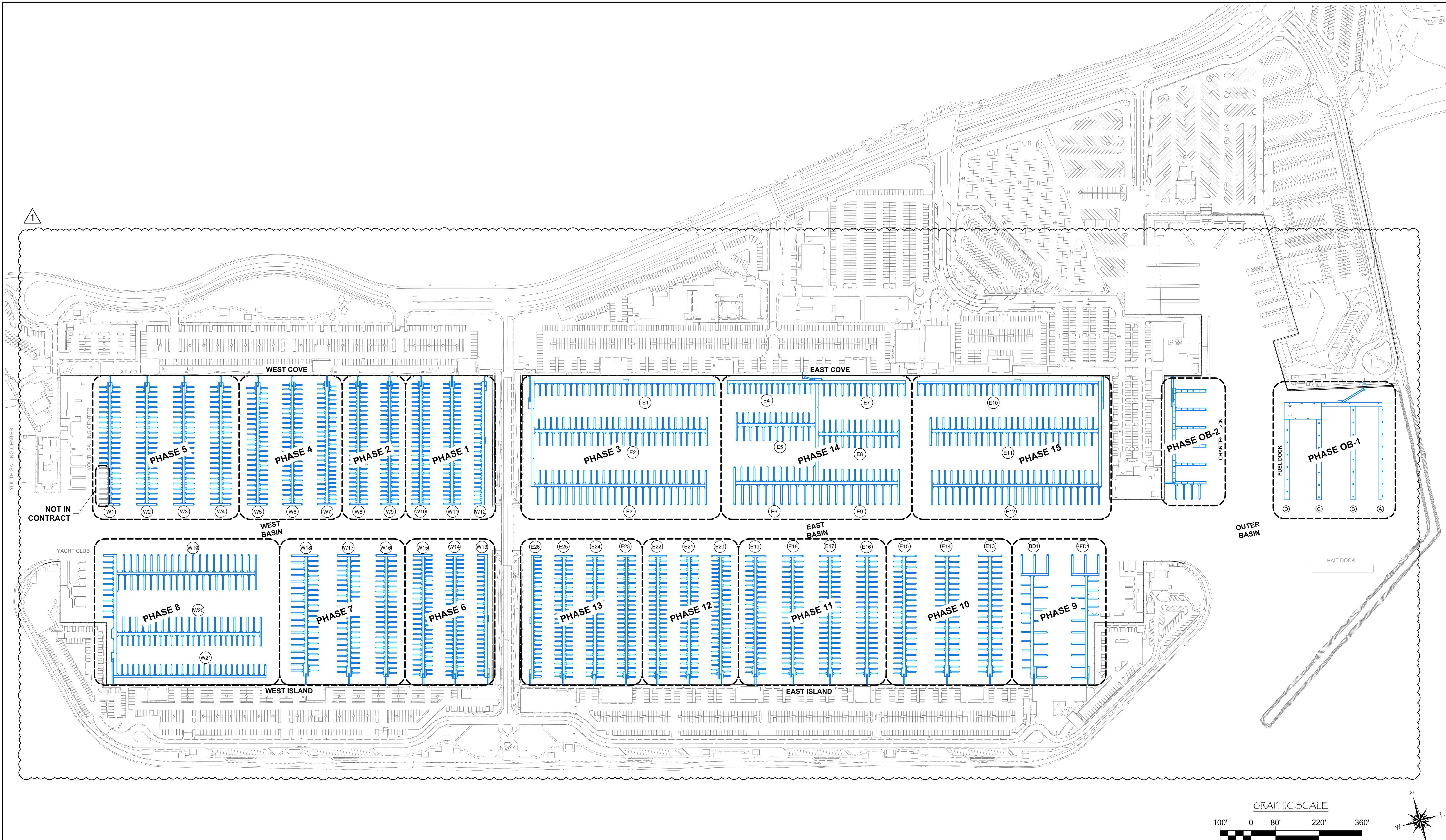
MASTER DEVELOPER

- (A) BREAKWATER - COUNTY
- (B) OCEAN INSTITUTE - COUNTY
- (C) BABY BEACH - COUNTY
- (D) OC SAILING & EVENT CENTER - COUNTY
- (E) SEA WALL - MASTER DEVELOPER
- (F) BRIDGE - COUNTY
- (G) NAVIGATION CHANNEL - MASTER DEVELOPER
- (H) HARBOR PATROL - COUNTY
- (I) FISHING PIER - MASTER DEVELOPER
- (J) DPH OFFICE (2ND FLOOR) - COUNTY



- (K) HOTEL
- (L) COMMERCIAL CORE
- (M) FUEL DOCK
- (N) DANA POINT YACHT CLUB
- (P) SHIPYARD

DANA POINT HARBOR
EXHIBIT A-2
DEPICTION OF PROPERTY



PRODUCTION/ FABRICATION DRAWING

NO.	DATE	DESCRIPTION	BY
1	4/20/2023	Updated Phasing Plan	
REVISIONS			

Bellingham
MARINE

THE WORLD'S MOST
COMPREHENSIVE
MARINA BUILDER

SOUTHWEST DIVISION
CA LICENSE #442499
8810 SPARLING LANE
DIXON, CA 95620
TEL: (707) 678-2385
FAX: (707) 678-1760

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BELLINGHAM MARINE
INDUSTRIES, INC. UNIFLOAT®,
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MARINE INDUSTRIES, INC.

PROJECT NUMBER:
7500-01

ENGINEER / DESIGNER:

PROJECT MANAGER:

CHECKED BY:

DANA POINT HARBOR REVITALIZATION
(PHASE 1, DOCKS W10 - W12)

Harbor Drive, Dana Point, CA 92629

PHASING PLAN LAYOUT

GRAPHIC SCALE
100' 0 80' 220' 360'

The structural system shown on these drawings, including member sizes, layout, and connection has been designed by Bellingham Marine Engineering under my supervision. No other aspects of the design including suitability for use, safety, mechanical, electrical, quantities, cut lengths and the like have been included in this review. Bellingham Marine Engineering can not be responsible for the accuracy of information provided by others.

SCALE: 1" = 140'
(Sheet Size 24" x 36")

DRAWN BY: KG

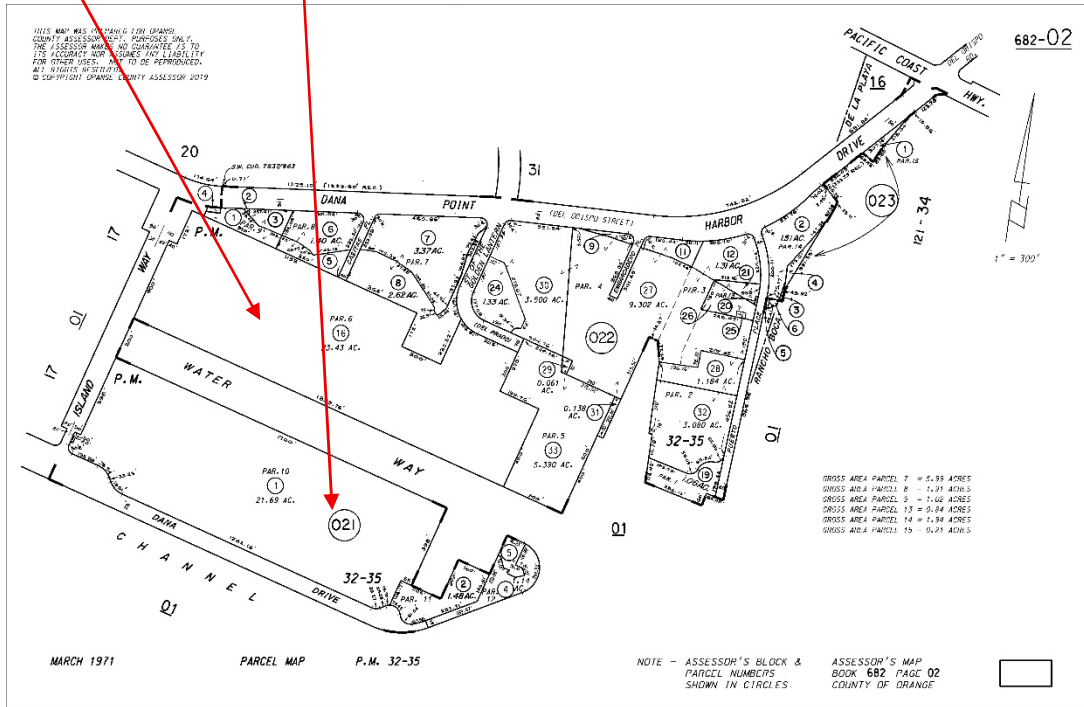
DATE: 8/2/2022

DRAWING: PH1

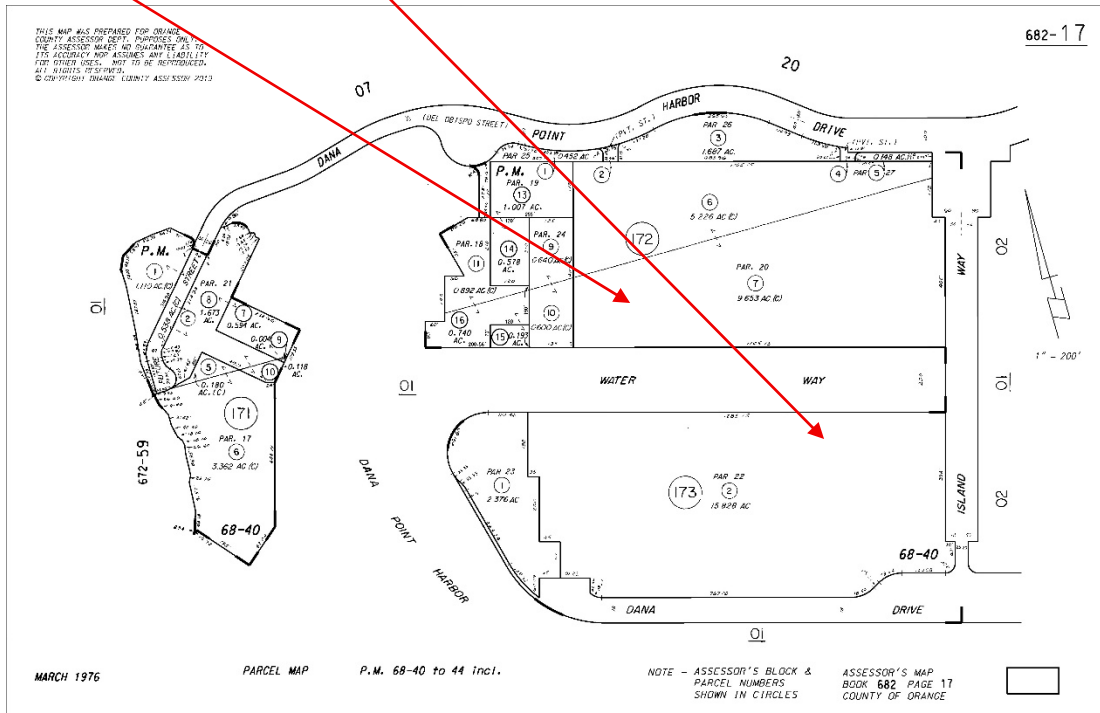
SHEET NO.: 6

SUBJECT PROPERTY (Continued)

East Cove and East Island Areas



West Cove and West Island Areas



R. P. LAURAIN
 & ASSOCIATES
 APPRAISERS - ANALYSTS

SUBJECT PROPERTY (Continued)



PHOTO 1: View looking westerly at West Cove area.



PHOTO 2: View looking westerly at West Island Area.

SUBJECT PROPERTY (Continued)



PHOTO 3: View looking easterly at East Cove area.



PHOTO 4: View looking easterly at East Island area.

SUBJECT PROPERTY (Continued)



PHOTO 5: View looking easterly at larger marina area.



PHOTO 6: View of docks in construction phase (Phase 8), West Island area.

SUBJECT PROPERTY (Continued)

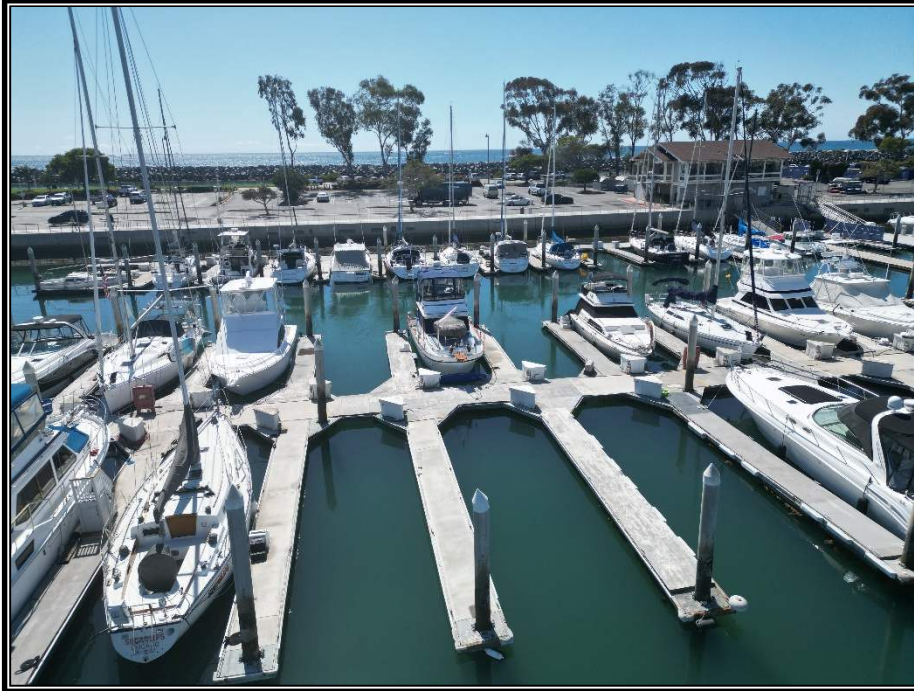


PHOTO 7: View of typical docks (new), West Island.

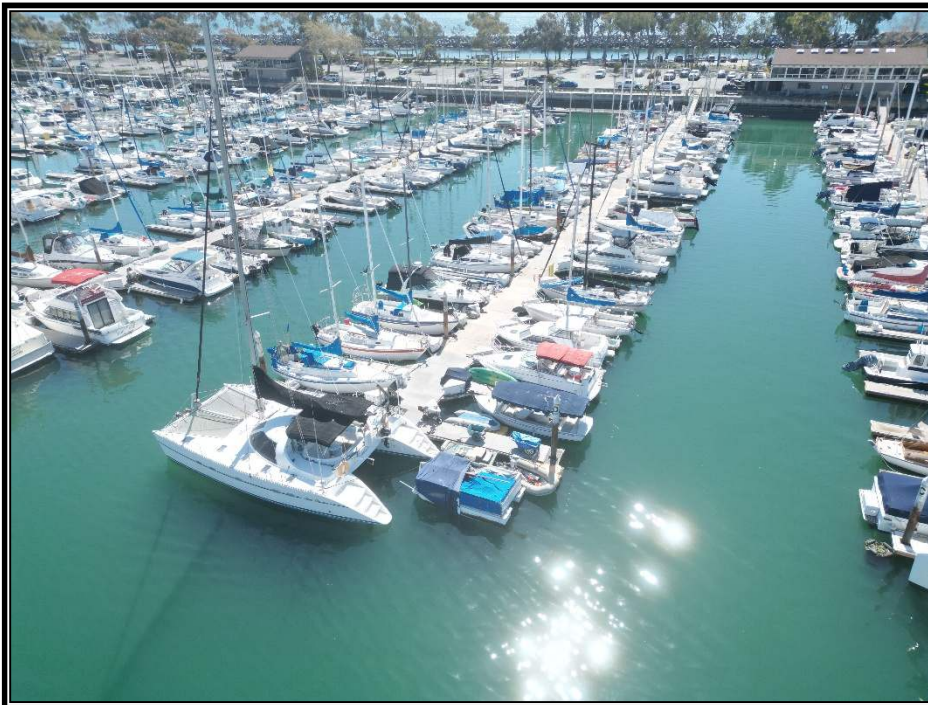


PHOTO 8: View of typical docks (existing), East Island.

SUBJECT PROPERTY (Continued)

GENERAL DESCRIPTION:

The subject property appraised herein consists of the boat slips applicable to the water areas identified as the East Cove and East Island (east of Island Way) and the West Cove and West Island (west of Island Way) areas. As set forth on the preceding marina Phasing Plan Layout construction of the new slips will be phased in over time and certain construction has been completed as of the date of the report (Phases 1 to 7), with Phase 8 under construction. The Phasing Plan and related areas are as follows:

West Cove:	Phases 1, 2, 4 and 5
West Island:	Phases 6, 7 and 9
East Cove:	Phases 3, 14 and 15
East Island:	Phases 9 to 13

As stated, construction of Phases 1 to 7 have been completed. Phases 8, 9 and 10 are scheduled for completion in 2025; Phases 11, 12 and 13 are scheduled for completion in 2026; Phases 14 and 15 are scheduled for completion in 2027. Note that Phases OB-1 and OB-2, scheduled for 2028, represent visitor and fuel docks and are outside the scope of the appraisal.

WATER AREA:

The subject boat slips are part of the larger water area included in the Master Ground Lease Agreement, and which represent portions of the Assessor's Parcels set forth on Assessor's mapping on Page 2-3. The appraiser was not provided with the larger water area size, however, the appraisal study pertains to the rental rates deemed applicable to the individual boat slips. The appraiser, however, did estimate the total water area, allocated by location (West Cove, West Island, East Cove and East Island) utilizing County of Orange GIS mapping and measuring tools. The total water area is not considered pertinent to the individual boat slip rental rate conclusion, however, the total water area estimated by the appraiser is just over 56 acres, summarized as follows:

Water Areas (per GIS):	
West Cove:	465,521 sf
West Island:	497,341 sf
East Cove:	752,569 sf
East Island:	<u>724,844 sf</u>
Total:	2,440,275 sf
	56.021 ac

SUBJECT PROPERTY (Continued)

BOAT SLIPS:

As stated, the appraisal study pertains to the estimate of fair market rent deemed appropriate for the individual boat slips, which are subleased as individual entities to boater tenants. The larger marina is in the process of redevelopment wherein existing boat slips are being removed and replaced with new slips as set forth in the phasing plan. It is understood that the current slip rental rates charged by the Master Lessee (DPHP) are applied equally to all slips during the construction phase (i.e. the slip rental rates are the same for newly constructed slips and existing slips). The appraisal study sets forth the fair market rental rates for the various slip sizes (expressed as a rate per lineal foot, per month) based on the final re-designed slip as set forth in the Proposed Slip Mix chart, as provided to the appraiser, as follows:

DANA POINT MARINA - PROPOSED SLIP MIX CHART									
	LENGTH	COVE WEST	ISLAND WEST	COVE EAST	ISLAND EAST	TOTAL	LF BERTHING	%	
	15	FT	0	0	37	0	37	555	1.64%
	20	FT	7	2	0	0	9	180	0.40%
	21	FT	17	8	0	22	47	987	2.09%
	24	FT	10	0	0	5	15	360	0.67%
	25	FT	267	106	0	326	699	17475	31.01%
	26	FT	22	9	0	20	51	1326	2.26%
	28	FT	95	0	0	51	146	4088	6.48%
	30	FT	194	91	1	190	476	14280	21.12%
	31	FT	0	5	0	13	18	558	0.80%
	32	FT	0	0	0	8	8	256	0.35%
	33	FT	0	1	0	1	2	66	0.09%
	34	FT	0	0	0	2	2	68	0.09%
	35	FT	0	109	34	105	248	8680	11.00%
	36	FT	0	0	4	0	4	144	0.18%
	38	FT	0	0	1	0	1	38	0.04%
	40	FT	0	0	138	0	138	5520	6.12%
	41	FT	0	1	2	0	3	123	0.13%
	42	FT	0	0	27	0	27	1134	1.20%
	44	FT	0	0	1	8	9	396	0.40%
	45	FT	0	18	107	16	141	6345	6.26%
	48	FT	0	0	25	0	25	1200	1.11%
	50	FT	0	45	0	0	45	2250	2.00%
	55	FT	0	0	0	0	0	0	0.00%
	56	FT	0	21	0	0	21	1176	0.93%
	58	FT	0	0	51	0	51	2958	2.26%
	60	FT	0	0	0	8	8	480	0.35%
	65	FT	0	0	23	0	23	1495	1.02%
TOTALS =		612	416	451	775	2254	72138	100.00%	
OVERALL AVERAGE LENGTH =							32	ft	

SUBJECT PROPERTY (Continued)

BOAT SLIPS: (Continued)

As noted, there are a total of 2,254 slips proposed, ranging in size from 15 to 65 lineal feet.

The new slips are of concrete construction, with layouts for each dock as set forth on the phasing plan. It is understood the slips are individually metered for electrical service. The available power will generally range from 30 amps (for slips up to 35'), 50 amps (for slips up to 45'), and 100 amps for slips greater than 50', generally via two 50 amp panels. A pump out station will be available with built-in pump outs for slips 30±' or larger. Gangways are available at various locations.

Water access to the various slips is via the East Basin and West Basin waterway, which bisects the north (Cove) and south (Island) areas of the marina. The Outer Basin is located to the east of the marina, providing access, through the breakwater, to the Pacific Ocean. Landside access to the marina is via Dana Point Harbor Drive and Golden Lantern, northerly of the marina. Vehicular landside access to the southerly portion of the marina (East and West Island) is via Island Way, a public road crossing and separating the east and west marina areas. Vehicular parking is available to the larger harbor area at parking lots (and a pending parking structure), northerly of the marina as well as parking areas south of the Island areas (across Island Way). It is understood that the final larger Dana Point Harbor will include both designated boater parking as well as public parking areas.

Amenities:

Amenities applicable to the subject marina include metered electrical and water service, available Wi-Fi, pump-out facilities (including built-in pump outs on larger 30±' slips), and an on-site marina office. Additional amenities in the immediate environs, generally within walking distance, include a variety of retail and restaurant options (approximately 10± restaurants upon completion of the larger harbor redevelopment), nearby yacht clubs, shipyard, boat launch, public open spaces, and a public beach area (Baby Beach). Note, however, boaters renting slips at the marina do not have preferential rights or membership benefits, nor receive any discounts to such facilities (such as food or shipyard discounts).

SUBJECT PROPERTY (Continued)

BOAT SLIPS: (Continued)

Community:

The subject property is located within the City of Dana Point and is within the larger Dana Point Harbor Revitalization Plan & District Regulations area, which is a Local Coastal Program (LCP) Certified by the California Coastal Commission. The LCP was developed jointly by the County of Orange, City of Dana Point and California Coastal Commission, and is a 280 page document certifying and setting forth various land use and development requirements in the greater Dana Point Harbor area, and providing background, general, and specific Coastal Resources, Public Access, Environmental Reviews, Coastal and Visitor-Serving Commercial Development, Planning Areas, mapping, etc.

The LCP, including the most recent amendment effective as of February 2025, is a public document which can be obtained on the City of Dana Point website.

Certain excerpts from the LCP (17 pages) are contained on the following pages, as deemed specific to the general Dana Point Harbor Area, as well as the land use designation mapping, and the specific permitted uses under the subject West and East Marina's (M) Planning Areas 9 and 10.

Refer also to excerpts from a SCAG Orange County profile report in the Addenda Section.

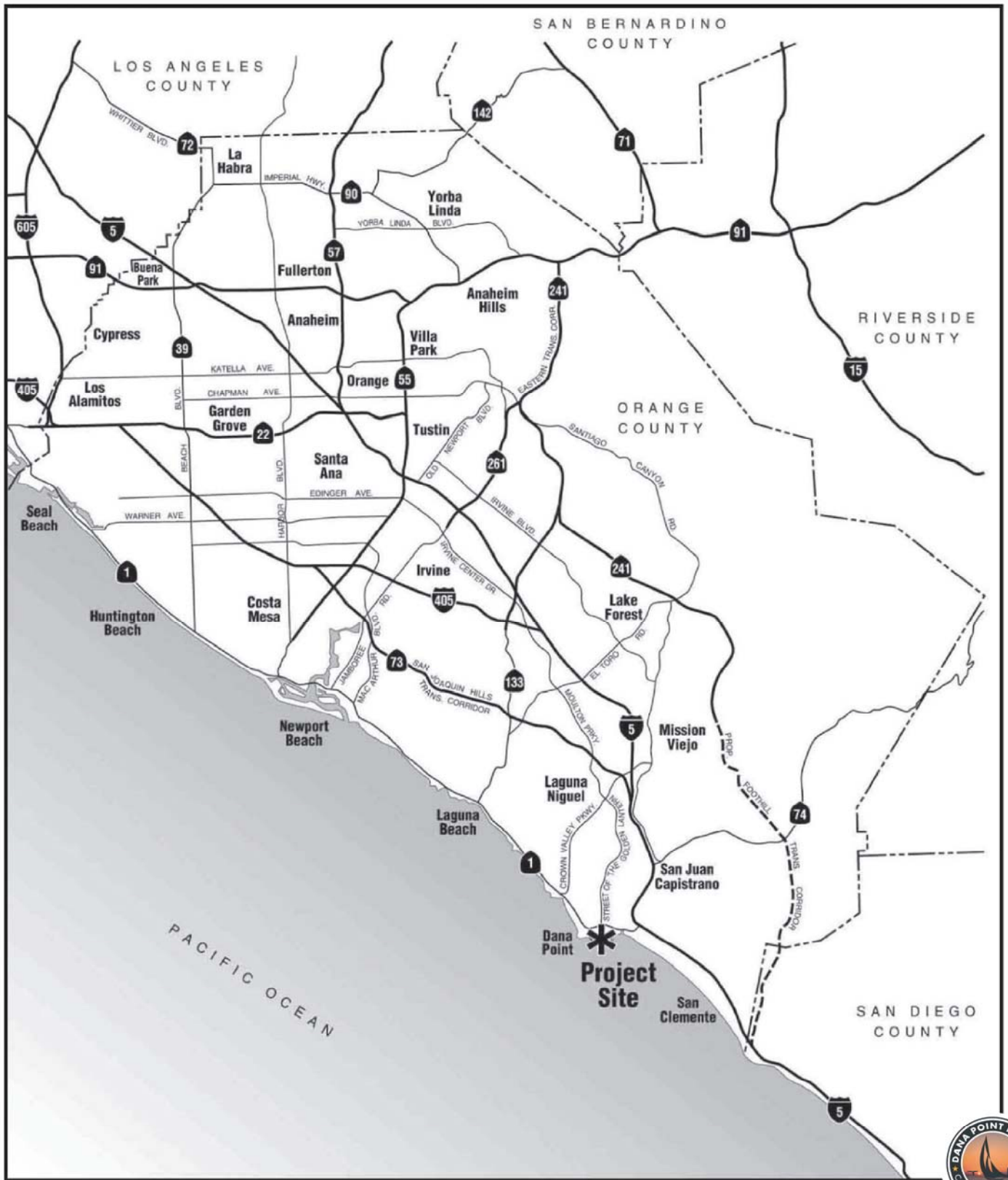
1.0 Introduction

Dana Point Harbor is a County of Orange owned and operated facility located in the southern portion of the City of Dana Point (see Exhibit 1.1-1, *Regional Vicinity Map*). The City of Dana Point lies in the southwest portion of Orange County and is part of the larger Southern California region. Dana Point is a coastal city with a coastline extending almost seven miles from Laguna Beach in the north to San Clemente in the south. The 276.8-acre (gross) Dana Point Harbor can be accessed by vehicles via Dana Point Harbor Drive, which can be reached primarily via Pacific Coast Highway, Street of the Golden Lantern or accessed by Cove Road at the west end of the Harbor. The Harbor is bordered by the Pacific Ocean to the south, Dana Point Headlands and Old Cove Marine Preserve to the west, Doheny State Beach to the east and a variety of commercial, hotel, residential and public park uses to the north. The Interstate-5 Freeway is located approximately two miles to the east and provides regional access to the Harbor.

The Dana Point Harbor was created in 1968 from a natural cove along the Southern Orange County shoreline as a small boat marina. Steep bluffs surround it on the north and west, Dohney State Beach adjoins the Harbor on the southeast. The County of Orange, with the cooperation of the U.S. Army Corps of Engineers constructed the Harbor's basic infrastructure and public facilities that first opened in 1971. Over the past three decades, Dana Point Harbor has established itself as one of the best small boat harbors on the west coast. The complex offers a diversity of recreational and commercial amenities, attracting a variety of users, including boaters, tourists, local residents and business patrons.

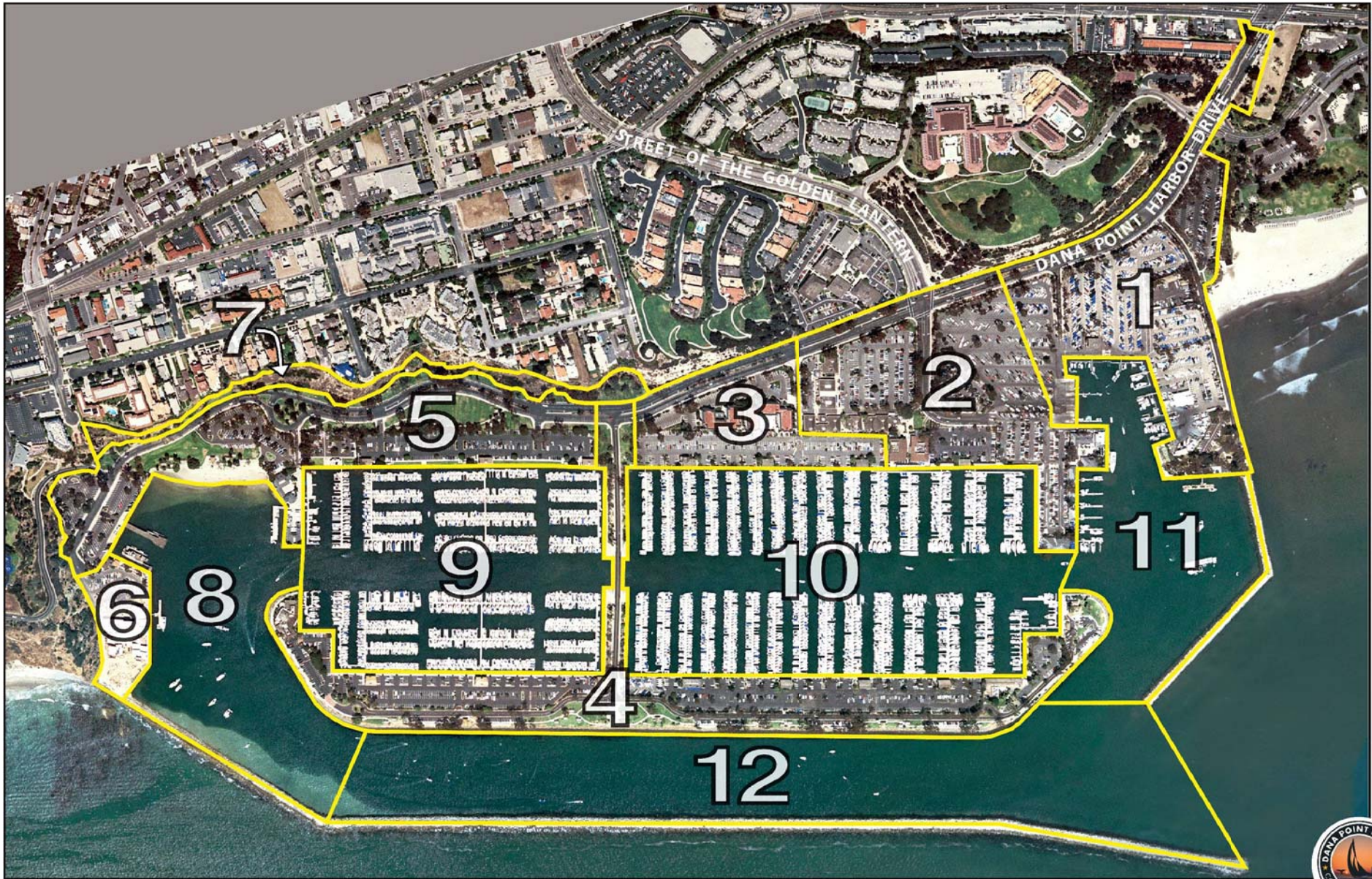
The City of Dana Point was incorporated on January 1, 1989 and comprises an area of approximately 6.7 square miles with a population of about 37,000 residents. The City serves a significant number of visitors each year, many of whom are drawn to the area by the Harbor, beaches, local and regional park facilities, golf courses and the resorts. The tourist industry is crucial to the financial well being of the City since transient occupancy taxes represent the single most important revenue source for the City and local businesses are heavily dependent upon visitor traffic for their sales throughout the year.

The general configuration of the Harbor has three major components: a landside area adjacent to the bluffs; the island area (connected by a bridge to the landside); and marina areas consisting of boat docks, commercial fishing fleet slips, federal anchorage areas, tall boat docks adjacent to the Ocean Institute, marine service areas and fuel dock. For the purpose of establishing land use and development regulations for the Dana Point Harbor Revitalization Plan, the Harbor has been divided into 12 Planning Areas (see Exhibit 1.1-2, *Planning Area Map*). The following is a summary of the existing conditions for each of the Planning Areas.



Dana Point Harbor
 REVITALIZATION PLAN & DISTRICT REGULATIONS

Exhibit 1.1-1
REGIONAL VICINITY MAP



Dana Point Harbor
REVITALIZATION PLAN & DISTRICT REGULATIONS

Exhibit 1.1-2

PLANNING AREA MAP



10-2011

PLANNING AREA 1

Planning Area 1 makes up the eastern boundary of the Harbor, beginning at the intersection of Pacific Coast Highway and Dana Point Harbor Drive. A large monument sign is located on the southwest corner marking the main vehicular entrance to the Harbor. Immediately south of the intersection along Dana Point Harbor Drive is the main entrance to Doheny State Beach and the entrance road (Park Lantern) leading to Lantern Bay Park and the Laguna Cliffs Marriott Resort and Spa. Lantern Bay Park and Heritage Park are local park facilities operated by the City of Dana Point and are located on the bluffs, overlooking Doheny State Beach and the eastern portion of the Harbor. Park facilities include meandering walking paths, picnic benches and barbecues, turf areas shaded by large pine trees, a newly remodeled tot-lot, basketball courts and off-street parking lot. Located immediately west of the Doheny State Beach entrance is the Puerto Place parking area. This paid parking area (between the hours of 6 AM to 12 AM) has a capacity of 163 cars and includes a small picnic area with benches and barbecues that overlooks the state beach and ocean. Beach access stairs are also provided from the parking area.

Across from the Puerto Place Parking area, the County of Orange operates the South Coastal Operations Administration Office and Maintenance Yard. The maintenance campus includes approximately 4,120 square feet of uses, comprised of a brick office and equipment storage building, several temporary modular units, materials storage and employee parking area. A telecommunications tower and standby generator are also located adjacent to the County Maintenance Yard, providing cell service to the Harbor. Puerto Place extends along the eastern boundary of the Anchor Marine Center that includes the entrance to the Dana Point Shipyard and Dana Point Jet Ski Rentals.

The shipyard facilities are made up of administrative offices, a retail parts counter and a machine shop (approximately 5,000 square feet including Dana Point Jet Ski providing sales, rentals and repair services of personal watercraft) located in a two-story ribbed metal panel building adjacent to the waterfront. The shipyard in its current configuration has a capacity to simultaneously service approximately 25 vessels in the 30 foot or less size category that is presently the most common size vessel in the Harbor (comprises approximately 75% of the total). Puerto Place terminates with a circular turn-around that has a public restroom and a small park at the breakwaters edge. A paid parking lot (28 car spaces); park area that includes benches and the fuel dock, with a small office, sales area and small convenience store (750 square feet) are also located in this area of the Harbor. There is visible evidence of underground storage tanks adjacent to the fuel dock area, indicated by manholes and fuel pumps at the terminus of Puerto Place.

Immediately west of Puerto Place on Dana Point Harbor Drive is the Embarcadero Marina entrance, consisting of a two-lane, one-way roadway with card-key and fee-paid control gate access. The Embarcadero Marina facilities include a large surface parking lot for vehicles and boat trailers (183 spaces), 4 boat wash down stations, trash dumpsters, boat launch ramps with 2 floating docks and Embarcadero Boat Rentals. Embarcadero Marina offices are housed in a

two-story building. The facility also includes a one-lane boat launch hoist. Users of the facility presently exit using Street of the Golden Lantern and Dana Point Harbor Drive.

As a condition of approval by the California Coastal Commission for the Dana Point Harbor Boat Launch Renovation project, water quality treatment improvements were necessary, which included retrofitting the boat wash-down area with a filtered catch basin to screen boat wash and runoff and send it to the sanitary sewer for treatment and installation of a trench drain along the ramp apron to collect runoff and treat it via an in-line stormwater filtration vault. All of the boat launch improvements were completed and fully operational in 2008.

Planning Area 1 currently has a total capacity of accommodating up to 288 cars in the various parking areas, 183 cars and trailers and 516 boats in the surface storage areas.

PLANNING AREA 2

Planning Area 2 (between Embarcadero Place and Casitas Place), presently includes Mariner's Village (directly east of Casitas Place), Mariner's Alley and Dana Wharf. A total of approximately 26,600 square feet of retail and 51,300 square feet of restaurant uses are presently located in Planning Area 2. Primary access to the retail shops and restaurants is from the Street of the Golden Lantern. Mariner's Village and Mariner's Alley uses consist primarily of small retail specialty shops and restaurants (including The Brig, El Torito, Harpoon Henry's, The Harbor Grill and Gemmell's).

Businesses that make up the Dana Wharf area of the Harbor consist primarily of various small retail shops, boater services (including Dana Wharf Sport Fishing and the Catalina Ferry Service) and restaurants (including the Wind & Sea, Turk's Bar and Grill, Jon's Fish Market, Harbor Delicatessen, Jolly Roger and Proud Mary's). The adjacent Dana Wharf parking area has a capacity of 170 spaces with narrow isles, making access by large delivery trucks and emergency vehicles problematic.

Adjacent to the boardwalk, between Mariner's Village and Dana Wharf, a 4,000 square foot Boater Service Building (No. 1) provides boater facilities such as restrooms with showers and laundry washing facilities and office space for yacht brokers.

Planning Area 2 currently has a total capacity of accommodating up to 900 cars in the various parking areas, including designated boater parking and up to 130 vehicles with trailers.

PLANNING AREA 3

Great Western Hotels built the Marina Inn in Dana Point Harbor in 1970 as a three-story, 80-room apartment hotel for County residents looking for a weekly vacation destination. In 1974, 68-rooms were added to create the configuration of the current facility. At the time the hotel was constructed, the County expressly did not want to include retail or food service as part of the hotel to encourage guests to visit businesses and restaurants in the Mariner's Village and Dana Wharf areas. The Marina Inn presently provides overnight accommodations consisting of

a total of 136 guest rooms and limited guest amenities that includes outdoor pool and deck area, three meeting rooms totaling approximately 2,000 square feet and a small lobby, located at the main entrance, accessed by a driveway from Casitas Place and Dana Point Harbor Drive.

Adjacent to the docks of the East Marina are three (3) Boater Service Buildings (Numbers 2, 3 and 4) that provide boater restrooms with showers and laundry facilities, including clothes washer and dryer and office space for yacht brokers. Boater Service Buildings 2 and 3 are approximately 3,600 square feet in size and Boater Service Building No. 4 located adjacent to Island Way is 5,000 square feet in size.

Planning Area 3 currently has a total capacity of accommodating up to 623 cars, including that portion of the parking area located immediately adjacent to the East Marina that is dedicated boater parking. Some areas immediately adjacent to the Boater Service Buildings have also been equipped with storage racks for hand launch vessels. A portion of the boater parking area is used on a regular basis to accommodate ferry passengers to Catalina Island.

PLANNING AREA 4

The Island Area (accessed by a two-lane bridge extending across the marinas) includes a number of Harbor-related uses, accessed via Dana Point Harbor Drive by Island Way and is comprised of the Dana Point Yacht Club (12,400 sq. ft.), Dana West Yacht Club (3,600 square feet), Beach House Restaurant (10,000 square feet with outdoor seating area) and Orange County Sheriff Harbor Patrol offices (6,000 square feet).

Adjacent to the slips along the length of the Island are a total of seven (7) Boater Service Buildings (D, E, F, 5, 6, 7 and 8), each approximately 3,600 square feet in size, with the exception of Boater Service Building 5 which is 4,000 square feet. The buildings presently provide office space for yacht brokers, yacht and sailing clubs (Dana West Yacht Club and Aventura Sailing Association), boater restrooms, locker rooms with showers, clothes washers and dryers. Located immediately adjacent to the Boater Service Buildings in the boater parking lots are racks for housing kayaks and other small boats. The Island also includes a linear park with meandering walking paths, turf and picnic areas, benches and public restrooms located throughout.

Planning Area 4 currently has a total capacity of accommodating up to 1,295 cars, including that portion of the parking area located immediately adjacent to the docks that is reserved for use by boaters.

PLANNING AREA 5

Key recreational facilities include the OC Sailing and Events Center, Baby Beach (provides hand launching of non-motorized crafts), a public fishing pier, restrooms and large picnic area. These activity areas are popular location for picnics, beach activities, beginner sailing and hand launching of small vessels as well as group gatherings of all types.

The OC Sailing and Events Center totals approximately 11,000 square feet in size and is located on the west side of the Dana Point Harbor. Built in 1985 to serve as a center for education and recreation for water activities, the facility is comprised of several wood framed buildings containing offices, kitchen, a multi-purpose building, a maintenance building, pre-launch area, jib crane and docks. The multi-purpose building is used for classes, meetings, programs and special events. The office building has two stories with conference rooms and management offices on the second level.

Adjacent to the northern portion of the West Marina are a total of three (3) Boater Service Buildings (A, B and C), each approximately 3,600 square feet in size. The buildings presently provide boater restrooms, locker rooms with showers and clothes washers and dryers and office space for yacht brokers and marina operations. In the upper level of the Boater Service Building C, located adjacent to Island Way, the County of Orange – Dana Point Harbor Management Department (OC Dana Point Harbor) has its headquarters.

Planning Area 5 currently has a total capacity of accommodating up to 725 cars, including that portion of the parking area located immediately adjacent to the docks that is reserved for use by boaters. Located in several of the boater parking lots, racks for housing kayaks and other small boats are provided.

As a condition of approval by the California Coastal Commission for the Dana Point Headlands Development and Conservation Plan, an underground water quality treatment and dry-weather diversion system was constructed under the parking lot adjacent to the public fishing pier on County property. These improvements are described here for reference purposes only.

PLANNING AREA 6

The Ocean Institute is located in the westernmost portion of the Harbor, providing a unique educational campus, situated adjacent to the Old Cove Marine Preserve. The recently expanded Ocean Institute facilities provide a hands-on marine sciences experience for children and adults, including RV/Sea Explorer cruises, tours of the historical Brig “Pilgrim” and “Spirit of Dana Point” tall ships, tide pool excursions and other marine/coastal educational programs. The Ocean Institute consists of a total of approximately 32,000 square feet in a series of small buildings, designed to emulate the campus of an early coastal marine science facility historically located along the coastline of the western United States. Principal goals of the facility include providing significant increases in seating capacity for lectures and special events, larger learning center, areas for teacher conferences, training/lecture and instructional space for administrative staff and space for facility operational functions.

Three of the buildings are devoted to creating unique laboratory environments that serve as the principal learning centers for the At Sea, Ecology and Surf Science/Overnight programs. Three other buildings house support services, including the bookstore, a multipurpose room and a student services building that incorporates a main lobby area, exhibit area and student services, administration and conference room. The facility is also made up of two of the original buildings, the Maritime Center and Chilcote House.

The parking area adjacent to the Ocean Institute includes parking for 118 cars and provides public restrooms and pedestrian walkways connecting with other areas of the Harbor, including the large boat docks and nearby fishing pier. The Ocean Institute also serves as the principle point of access to the Old Cove Marine Preserve. Currently the general public accesses the Marine Preserve primarily via the Harbor walk (along the seawall) or by using an emergency access road located along the western edge of the main Ocean Institute building.

PLANNING AREA 7

The Harbor is backed by high bluffs and cliffs that have been a landmark for Dana Point since sailors first discovered the area. Several drainage outlets are located at various points along the bluffs to route storm water towards the Harbor from the surrounding upland areas. A portion of the bluffs west of Island Way were graded and concrete brow ditches installed to convey surface water runoff. In recognition of the importance of the bluffs, the upper and lower system of laterals and intermediate drop channels are maintained by the County of Orange and the City of Dana Point.

PLANNING AREA 8

The Educational Basin is located in the western most portion of Dana Point Harbor and includes a federal anchorage area and tall boat docks adjacent to the Ocean Institute. In addition to the docks for the Spirit of Dana Point and the Pilgrim vessels, a free and ADA-accessible public fishing pier is located immediately adjacent to the Pilgrim dock. Because of its sandy bottom and gradual transition to deeper water in the main channel of the Harbor, the Educational Basin is frequently used by individuals or groups for the hand launching of vessels. OC Sailing and Events Center docks in the Education Basin are used for storing boats used in the sailing and education programs as well as providing other opportunities for the hand launching of small vessels.

PLANNING AREAS 9, 10, 11 & 12

Marinas include the West Marina (west of Island Way, adjacent to the West Harbor Area or Planning Area 9); the East Marina (east of Island Way, adjacent to Dana Wharf and the Commercial Core area or Planning Area 10 and includes the East Turning Basin with a full-service fuel dock/bait receiver or Planning Area 11) and the Harbor entrance and the main channel behind the Federal breakwater or Planning Area 12.

Fully-sheltered from the open coast by almost 8,000 lineal feet of Federal breakwater, the interior basins provide berthing for approximately 2,493 small-crafts. A variety of public, commercial and educational ancillary facilities and recreation amenities, some of which are lease operated, occupy the areas adjacent to the mooring areas and waterways.

OC Dana Point Harbor is directly responsible for operation and maintenance of all boating facilities within the Harbor. The Orange County Sheriff Harbor Patrol docks are located near the entrance to the East Basin. The facility consists of a combination of 23 single berth and

additional side-tie dock space totaling approximately 10,000 square feet of deck area. The floating docks are constructed of industry standard concrete pontoons fastened together with continuous treated timber wall and through rod systems. Several docks have been recently replaced, however most original gangways and anchor piles remain in place.

The West Basin Guest Docks are located near the entrance to the West Boat Basin. This transient berthing area contains 42 slips distributed over a single head walk. The 9,900 square feet of deck space has also been replaced with a concrete floating deck system. The Guest Docks are available on both a reservation and first-come-first-served basis and are presently managed by two separate marina management companies. The third County boating element is the dock space at the OC Sailing and Events Center located on the interior aspect of the West Basin. Two concrete dock systems on both sides of the educational center have been installed. The total deck space is approximately 10,700 square feet and provides a combination of wet and dry storage for small sail boats and dinghies.

The shoreline interface of Dana Point Harbor is protected by a combination of vertical bulkhead and side slope protection. The bulkhead is a cast-in-place concrete L-wall that borders the water's edge in the East and West Basins and the landside perimeter of the Harbor. The basin side slopes are protected in the mooring basins by a grid of pre-cast concrete panels set on grade. Areas outside of the mooring basins are armored with stone riprap that require ongoing periodic maintenance and repair.

1.1 Description of Dana Point Harbor Revitalization Plan

The amendment to this LCP establishes new land use policies and development standards that will allow for much needed upgrades to the visitor serving and marina services areas of Dana Point Harbor. As a result, the Dana Point Harbor Revitalization Plan has been planned and described as follows:¹

The Dana Point Harbor Revitalization Plan (Revitalization Plan) establishes a new Visitor Serving Commercial area (the Commercial Core that includes the northerly portion of Planning Area 1 and Planning Area 2) that will replace and/or remodel all of the existing retail and restaurant buildings. The Commercial Core revitalization also includes the reconfiguration of all existing surface parking areas to provide additional parking, new boater loading and drop-off areas, a new dry-stack boat storage facility and improvements to several boater service and public restroom buildings. The initial phase of the proposed Dana Point Harbor Revitalization Plan provides for the relocation of certain yacht brokerage firms and other harbor-related offices uses to the new Commercial Core area.

¹ Note: This Local Coastal Program contains extensive description of planned future development (e.g. the Dana Point Harbor Revitalization Plan). However, the presence of those descriptions does not constitute any entitlement for the improvements described. All future non-exempt development will need to be reviewed, in the context of an application for coastal development permit, for consistency with the policies of this Local Coastal Program. The development ultimately approved may or may not be consistent with the descriptions provided herein.

Outside the Commercial Core area, the Dana Point Harbor Revitalization Plan provides for the future improvement of many of the existing Harbor facilities as funding sources are identified and jurisdictional approvals are obtained. Major components to enhance other Visitor Serving and Marine Commercial amenities are the replacement of the outdated Marina Inn complex with an upgraded hotel; the future renovation and/or expansion of the boater facilities on the Island, including expansion of the Dana Point and Dana West Yacht Clubs, restaurant renovations and modifications to the Harbor Patrol Offices to provide additional meeting rooms or staff office space; expansion of the OC Sailing and Events Center; and an upgraded boat shipyard. Other work anticipated to be performed includes the reconfiguration and/or reconstruction of the docks and needed repairs to portions of the seawall throughout the Marinas. Although specific ideas haven't been developed at this time, some harbor users have identified a need to upgrade and expand facilities at Baby Beach to meet the growing needs of hand launched vessels and to expand the level of access for non-boating day use visitors as feasible. Policies in this plan encourage maintenance and improvement of such uses in the Harbor.

The proposed Dana Point Harbor Revitalization Plan improvements are planned to occur in phases over approximately 5 to 20 years. The near-term improvements to the Commercial Core area (also referred to as Phase I) are estimated to take approximately 2 to 5 years to complete after obtaining the necessary jurisdictional approvals. The long-term improvements (referred to as Phase II) are anticipated to include revitalization of the Marinas, renovations to existing structures, street and infrastructure improvements, the reconfiguration of the area presently used for non-shipyard related activities to provide space for boat storage.

The Revitalization Plan has been developed with the specific intent of promoting Coastal Act compliance by enhancing public access opportunities, providing updated visitor serving commercial and marine recreational amenities, providing water quality improvements and promoting coastal resource preservation throughout the Harbor.

1.1.1 Scope

The entire Dana Point Harbor is located within the Coastal Zone as defined by the California Coastal Act of 1976 and is therefore under the land use planning and regulatory jurisdiction of both the City of Dana Point and California Coastal Commission. Pursuant to the California Coastal Act, local jurisdictions are required to prepare a Local Coastal Program (LCP) for those areas of their jurisdiction within the Coastal Zone. The LCP is composed of land use plans, land use policies, zoning ordinances and zoning regulations. After adoption of the LCP and its certification by the California Coastal Commission, the administration of the LCP becomes the responsibility of the local jurisdiction and in the case of Dana Point Harbor, the City of Dana Point. The City of Dana Point has a certified Local Coastal Program and therefore has the authority to approve Coastal Development Permits for all landside development. Pursuant to the Coastal Act, the California Coastal Commission retains permit authority for all waterside activities, however.

Outside the Commercial Core area, the Dana Point Harbor Revitalization Plan provides for the future improvement of many of the existing Harbor facilities as funding sources are identified and jurisdictional approvals are obtained. Major components to enhance other Visitor Serving and Marine Commercial amenities are the replacement of the outdated Marina Inn complex with an upgraded hotel; the future renovation and/or expansion of the boater facilities on the Island, including expansion of the Dana Point and Dana West Yacht Club, restaurant renovations and modifications to the Harbor Patrol Offices to provide additional meeting rooms or staff office space; expansion of the OC Sailing and Events Center; and an upgraded boat shipyard.

Other work anticipated to be performed includes the reconfiguration and/or reconstruction of the East and West Marina docks, gangways and security gates. Additionally, new Embarcadero/dry stack boat storage facility staging docks and dinghy dock, Marine Services docks, commercial fishing docks and sport fishing docks are included in the overall renovation of facilities. In order to accommodate boaters during renovations, potential temporary docks may be located along the breakwater adjacent to Doheny State Beach. Following completion of the marina improvements, these temporary docks may potentially be reconfigured to provide additional dock space for yacht brokers or other identified users should the appropriate jurisdictional approvals be obtained to allow these docks as a permanent use.

The Revitalization Plan has been developed with the specific intent of promoting Coastal Act compliance by enhancing public access opportunities, providing updated visitor serving commercial and marine recreational amenities, providing water quality improvements and promoting coastal resource preservation throughout the Harbor.

1.1.2 Overview

Dana Point Harbor is located entirely within the Coastal Zone as defined by the California Coastal Act of 1976. The primary purposes of the Coastal Act are to protect, maintain and where feasible, enhance and restore the natural and scenic qualities of coastal resources; assure an orderly and balanced use and conservation of coastal zone resources; maximize public access consistent with conservation principles and constitutionally protect private property rights; assure priority for coastal-dependent and coastal-related development; and, encourage state and local government cooperation concerning planning and development. The Coastal Act ensures the conservation of coastal resources through the implementation of a series of coastal resources planning and management policies.

The Land Use Plan (LUP) is the general planning and policy document for Dana Point Harbor as part of the City's LCP. It illustrates the location and intensity of land uses, identifies the primary circulation system, provides coastal resource, marine, conservation and development policies and includes technical information and plans necessary to accomplish the objectives of the California Coastal Act as set forth by the General Plan of the City of Dana Point. The Dana Point Harbor Revitalization Plan & District Regulations document is generally divided into the following nine parts:

2.0 Land Use Plan

This Chapter describes the Land Use Plan (LUP) components for Dana Point Harbor. Subsequent chapters provide the policies, technical information and plans related to a particular resource or proposed Dana Point Harbor Revitalization Plan component.

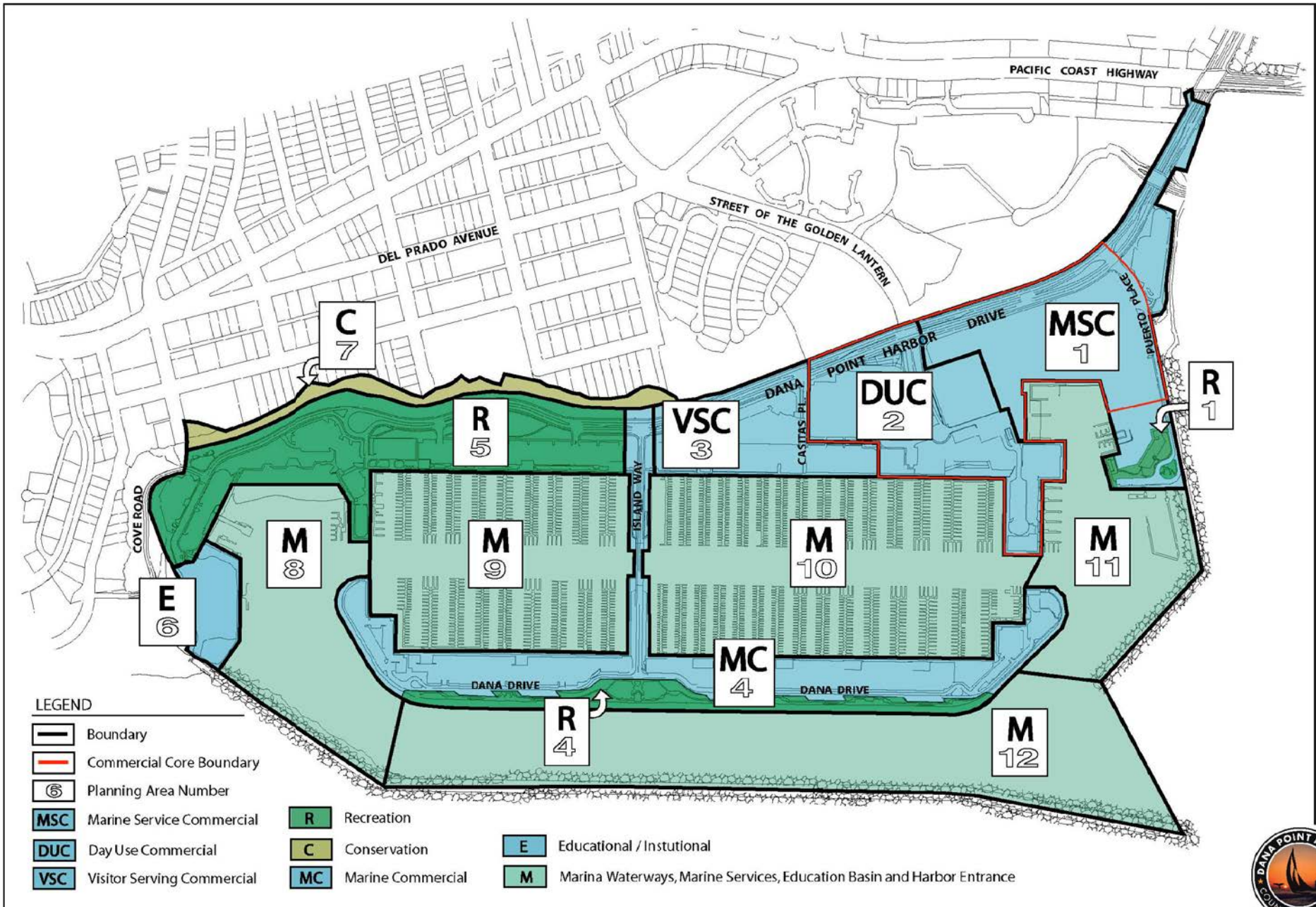
2.1 Overview

The Land Use Plan for Dana Point Harbor is summarized on the Summary Table (Table 2-1) and shown on Exhibit 2-1, *Land Use Summary Table and Dana Point Harbor Land Use Plan*, respectively.

Table 2-1
LAND USE SUMMARY TABLE

Land Use Category	Planning Areas	Gross Acres	Percent of Total Harbor
Marine Services Commercial (MSC) Marine Services Commercial Recreation (R)	1	24.0 1.2	9.2
Day Use Commercial (DUC)	2	18.1	6.5
Visitor Serving Commercial (VSC)	3	9.5	3.4
Marine Commercial (MC) Marine Commercial Recreation (R)	4	21.2 4.4	9.3
Recreation (R)	5	21.1	7.6
Educational/Institutional (E)	6	3.6	1.3
Conservation (C)	7	4.0	1.4
Education Basin West & East Marinas Marine Services & Harbor Entrance (M)	8 9, 10 11, 12	169.7	61.3
Totals:		276.8	100.0

The Dana Point Harbor Revitalization Plan would allow a new Visitor Serving Commercial area (the Commercial Core) that includes the replacement and/or remodeling of all existing retail and restaurant buildings. The Commercial Core revitalization would also allow the reconfiguration of the main Marine Services Commercial area to provide enhancements to surface parking areas, new boater loading and drop-off areas, a dry stack boat storage facility and improvements to several boater service and public restroom buildings. The reconfiguration would also allow the relocation of certain yacht brokerage firms and other Harbor-related offices to the Commercial Core area (Planning Area 2) of the Harbor.



Dana Point Harbor
 REVITALIZATION PLAN & DISTRICT REGULATIONS

DANA POINT HARBOR LAND USE PLAN

Exhibit 2-1

The Ocean Institute consists of a series of buildings devoted to creating unique marine laboratory environments that serve as learning centers for the At Sea, Ecology and Surf Science/Overnight programs. Other support buildings house a bookstore (Campus Store), a multipurpose room, a main lobby, an exhibit area, student services, administration, a library and conference room and other support spaces. Recreational uses within the vicinity of the Ocean Institute include the Old Cove Marine and Native Plant Preserves. To facilitate access to the Ocean Institute, a seasonal water taxi stop may be located adjacent to the Ocean Institute's Tall Ship facilities. The Ocean Institute was recently completely renovated.

OC Sailing and Events Center docks in the Education Basin are used for storing boats used in the sailing and education program as well as providing additional opportunities for the hand launching of small vessels.

Marine Waterways

EDUCATION BASIN, WEST AND EAST MARINAS, MARINE SERVICES AND HARBOR ENTRANCE (M)

The uses included in the marine waterways (M) designation are intended to permit a variety of general marine and boat services facilities supportive of the general marine and boat services industry and serve the regional recreational needs of residents and guests of the County of Orange, City of Dana Point and visitors to the coast.

The M designation allows specific uses such as:

- Boat docks, slips and end/side tie facilities;
- Boat mooring and anchoring facilities;
- Public fishing pier;
- Facilities and equipment associated with launching and landing of motor and non-motorized boats, personal water craft (i.e., jet-skies, etc.) or other similar types of motorized marine vehicles;
- Small boat and watercraft waterside storage facilities;
- Commercial and recreational fishing;
- Bait receivers;
- Public sandy beach (Baby Beach) recreational area;
- Buoys, floating or anchored marine navigational aids and facilities;
- Harbor breakwater structures and shore protection devices;
- Seasonal water taxi service facilities;
- Communication facilities; and
- Public works structures necessary for the permitted development.

The Dana Point Harbor Revitalization Plan would allow the renovation of the marine portions of Baby Beach. The non-motorized craft launching area and picnic and park area within Baby Beach and Federal anchorage area will remain. However, because of ongoing water quality concerns, the form and function of this area would be modified based on the findings of water quality research. Potential changes range from implementing water quality Best Management Practices to reconfiguration of the sandy bottom to promote water movement.

Also allowed are the future reconfiguration and/or reconstruction of the East and West Marinas, the quay wall and bulkheads within those basins and gangways and security gates. Additionally, new dry stack storage and dinghy docks and renovations to the OC Sailing and Events Center docks, guest slips and sport fishing docks would be allowed in the Marina Improvement Project.

Marina renovations would possibly necessitate removal of all floating docks and piles; reconstruction of portions of the degraded quay wall; and installation of new docks, guide piles, gangways, security gates, dock boxes and utilities. Other waterside project components allowed by the LUP are the enhancement of lighting on the docks and public access improvements, including gangways and docks in compliance with the Americans with Disabilities Act (ADA) requirements.

2.2.1 Dana Point Harbor Land Use Plan – Policy

- 2.2.1-1 Land uses and new development in Dana Point Harbor shall be consistent with the Dana Point Harbor Land Use Plan and all applicable policies and regulations contained in the Dana Point Harbor Revitalization Plan and District Regulations.

- 3.2.1-3 Evaluate and ensure the consistency of the proposed use with the public trust restrictions and the public interest at the time any tideland lease is re-negotiated or renewed.
- 3.2.1-4 New boating/yacht clubs or associations that require membership and/or fees for enrollment/initiation and/or other recurrent fees (e.g., member dues, assessments, etc.) or any other facilities that operate similarly on public tidelands are prohibited. Any expansion of existing legally established boating/yacht clubs, associations and/or such clubs that renew or renegotiate their lease on public tidelands shall be required to: (1) remove any existing impediments to public access to and along the bulkhead/waterfront that exist due to the presence of the club; (2) where the club has facilities for banquets, receptions, meetings, luncheons, conferences, seminars and other similar events, make significant portions of the facilities available at all reasonable times to the public (member and non-member) groups and market the availability of such facilities to the public; (3) within their existing capacity, provide activities at the facilities accessible to the general public throughout the year such as, but not limited to sailing and navigation classes; sailing and boat racing events and boating safety classes; (4) offer sailing, navigation and boating safety classes and boat use and equipment for free and low-cost to economically disadvantaged families (to the extent the club has access to such equipment); and (5) prohibit membership requirements that discriminate against anyone on the basis of race, color, religion, sex, national origin, sexual orientation or disability.
- 3.2.1-5 The County shall offer a program to include, but not be limited to, sailing, navigation and boating safety classes and boat and equipment use for free to youths (up to age 18) of economically disadvantaged families with any proposal to expand or improve County operated facilities (e.g., OC Sailing & Events Center) that offer water oriented recreational opportunities to the public.

3.3 Marine Waterways, Marine Services, Educational Basin and Harbor Basin

The marinas include the West Marina in Planning Area 9 (west of Island Way, which includes the West Turning Basin and the OC Sailing and Events Center docks), the East Marina in Planning Area 10 (east of Island Way adjacent to Dana Wharf, including the East Turning Basin, a full-service fuel dock and a bait receiver) and the Embarcadero Marina, located in Planning Area 11 adjacent to the public boat launch ramp. The marinas are fully sheltered from the open ocean by approximately 8,000 linear feet of federal breakwater plus the Island.

The West Marina (Planning Area 9) channel connects the marina to the West Turning Basin, which contains docks for the Sea Explorer and the two tall ships, the Spirit of Dana Point and the Pilgrim. In addition, a public beach area commonly known as Baby Beach is located adjacent to the West Turning Basin.

TIDELANDS & SUBMERGED LANDS

The East Marina (Planning Area 10) contains the Orange County Sheriff Harbor Patrol docks which are located near the entrance to the East Marina. Commercial fishing slips are located adjacent to the Sheriff Harbor Patrol docks. The East Marina channel connects the East Marina to the East Turning Basin which contains a full-service fuel dock and a bait receiver.

Embarcadero Marina is located in Planning Area 11, northeast of the East Turning Basin. Planning Area 11 also contains the sport fishing docks, charter boat docks, the Catalina Express dock, boat rental facilities, the public boat launch ramp and docks as well as the docks used by the shipyard operator.

The LUP allows for the renovation and/or replacement of the docks and related infrastructure to better serve visitors and coastal dependent businesses while ensuring that boating and water-oriented recreational uses are protected and enhanced. Additionally, new Embarcadero/dry boat storage staging docks and dinghy docks are anticipated. Public access to the existing yacht clubs/association will increase with expansion of those facilities as well as the provision of free and low cost sailing, navigation and boating safety classes to economically disadvantaged youths with the expansion of certain County facilities in the Harbor.

VALUATION ANALYSIS

VALUATION ANALYSIS

The purpose of the appraisal study is to provide a range of fair market rent for the various boat slip sizes at Dana Point Harbor, as rented to individual boaters. The prospective date of value utilized herein is July 1, 2025, being the date of the next increase in slip rental rates.

As noted, the subject individual boat slips represent the marina (water) area which is part of a larger Master Ground Lease agreement between the County of Orange and Dana Point Harbor Partners, LLC (DPHP). The appraisal study pertains to the fair market rent applicable to the boat slips only, which represent leasehold improvements. The appraisal study does not address or consider the underlying ground lease, leased fee or fee simple interest in the subject property, or applicable ground rent and terms of the Master Ground Lease Agreement. The appraisal study is only intended to set forth the fair market rental rate range for the various boat slips (leasehold improvements and associated water area) that would be charged to the boater sub-tenants

HIGHEST AND BEST USE ANALYSIS:

Highest and best use is defined, in part, in *The Dictionary of Real Estate Appraisal, 5th Edition*, by the Appraisal Institute, as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

In the process of forming an opinion of highest and best use, consideration must be given to various environmental and political factors such as zoning restrictions, probability of zone change, private deed restrictions, location, land size and configuration, topography, and the character and quality of land uses in the immediate and general subject market area.

There are four basic criteria utilized in the highest and best use analysis of a property as if vacant, as well as presently improved. The four criteria are summarized as follows:

1. Physically possible
2. Legally permissible
3. Financially feasible
4. Maximally productive

VALUATION ANALYSIS (Continued)

HIGHEST AND BEST USE ANALYSIS: (Continued)

The foregoing are typically considered sequentially; for example, a specific use may prove to be maximally productive, however, if it is not legally permissible, or physically possible, the productivity is irrelevant.

The subject appraisal study pertains to the fair market rates for the subject Boat Slips, as proposed under the larger redevelopment and revitalization of the larger Dana Point Harbor. The use of the water area for marina purpose is physically possible as evident by the existing slips and is deemed legally permissible under the existing ground lease, the Local Coastal Program (LCP), applicable land use designations, and the Coastal Development Permit. There is no other financially feasible use.

It is not the purpose of the appraisal study to determine the fair market value of the larger underlying water area, or larger Dana Point Harbor (landside). As such, a detailed highest and best use analysis is not warranted. As noted, however, the existing use of the water area, for boat slip purposes, is physically possible, legally permissible, and financially feasible. The existing marina use is deemed the maximally productive use. The fair market rental value study is based on the existing marina use and, specifically, the various boat slips and related slip sizes.

VALUATION METHODS:

There are three conventional methods (approaches) employed to estimate fair market value. They are the Sales Comparison Approach, Cost Approach, and Income Capitalization Approach.

Inasmuch as the primary objective of the subject study is to determine a range of fair market rent for the various boat slip sizes at Dana Point Harbor, a Direct Rental Comparison Approach is the only Approach deemed reliable as an indicator of the fair market rental value. The methodology employed herein involves a survey and review of other marinas, and applicable boat slip rates, along the West Coast of Southern California.

Note that while other methods of comparison analysis were considered, the Direct Rental Comparison Approach, which is based on similar principals as the Sales Comparison Approach (though applied to rental properties) is the only approach deemed relevant. The Cost and Income Capitalization Approaches are not deemed applicable to the rental value study as alternative methods of determining market rent (such as a rate of return or residual method) are not typically utilized in estimating boat slip rental rates.

VALUATION ANALYSIS (Continued)

DIRECT RENTAL COMPARISON:

The Direct Rental Comparison approach was applied to the subject property for the purposes of estimating the range of fair market rental rates for the various boat slip sizes at the subject property.

The Direct Rental Comparison approach involves a survey of boat slip rates at other marinas. Note that there are no other marinas offering individual boat slip rentals in the immediate subject property area of Dana Point. The closest alternative marinas offering boat slip rentals are located in Newport Beach, approximately 20 miles to the north, and Oceanside Harbor located approximately 28 miles to the south. As such, the survey included certain marinas in differing geographic areas along the West Coast of Southern California, between San Diego to the south and Ventura to the north.

It is understood that the existing boat slip rental rates at the subject property are scheduled to be increased 9.0% for all size categories, effective July 1, 2025. Per a 5-Year Rate Plan prepared in February 2024, the Master Lessee had previously set forth anticipated annual rental increases through 2028, ranging from 4.8% to 15.5%, with the upper end of the range being for larger slip sizes. Note that, as part of the appraisal study certain proposed slip rates, market surveys, and tenant information, as prepared by the Master Lessee and as available on the County of Orange District 5 website, was reviewed and considered by the appraiser. In addition, as part of the appraisal process the appraiser conducted an on-site appraisal inspection of the subject property and interviewed Kelly Rinderknecht, General Manager of the subject marina.

In addition to the information publicly available on the County website, the appraiser was also provided with (1) a copy of the current "wait list" for slips at the subject marina, effective as of August 2024, which identifies 2,064 total waiting slips, inclusive of persons on the list multiple times for multiple slip sizes, with approximately 1,550 persons, and (2) a copy of current sublease rates applicable to the subject property when individual boater tenants sublease their slips, generally on a short-term basis, as permitted by the Master Lessee. Note that the waiting list is retained in the appraiser's file to protect the confidentiality of the names of specific individuals, however a wait list is available on The Marina at Dana Point website. The sublease rates are included herein.

Note that as part of the appraisal study a survey of boat slip rates was conducted at a total of 39 marina operators, which include rates at 43 different marinas, in seven general locales. The reader is referred to the Boat Slip Survey on the following pages (15 to 35 and 40 to 60+ lineal feet).

Boat Slip Survey

Slip Size (lf):	15'	20'	21'	22'	24'	25'	26'	28'	30'	31'	32'	35'
Subject-Direct 2025:	\$15.26 lf	\$15.42 lf	\$19.78 lf	\$20.93 lf	\$21.58 lf	\$21.75 lf	\$22.45 lf	\$24.83 lf	\$28.63 lf	\$29.14 lf	\$29.64 lf	\$31.14 lf
Sub-Lease Rate:		\$24.30 lf	\$28.10 lf	\$29.68 lf	\$30.58 lf	\$30.64 lf	\$31.58 lf	\$35.54 lf	\$40.50 lf			\$41.46 lf
Ventura Harbor:												
Ventura West:		\$15.00 lf		\$15.35 lf	\$15.65 lf		\$15.88 lf	\$16.25 lf	\$16.73 lf		\$17.55 lf	\$18.10 lf
Safe Harbor-Ventura:						\$19.20 lf			\$19.33 lf		\$19.38 lf	\$20.00 lf
Portside-Ventura:									\$18.70 lf			\$21.03 lf
Channel Islands Harbor - Oxnard:												
Safe Harbor-Anacapa:						\$15.20 lf			\$17.83 lf		\$18.91 lf	\$19.14 lf
Vintage Marina:						\$13.88 lf		\$13.93 lf	\$14.17 lf		\$14.28 lf	\$16.96 lf
Channel Islands-Harbor Marina:					\$14.38 lf		\$14.65 lf		\$15.47 lf			\$17.20 lf
Marina del Rey:												
Anchorage 47 Regular:	\$16.50 lf	\$16.65 lf	\$16.62 lf	\$16.64 lf	\$16.63 lf			\$17.96 lf	\$17.97 lf			
Anchorage 47 Main Channel:												\$37.46 lf
Catalina Yacht Anchorage:		\$15.50 lf				\$37.44 lf		\$17.39 lf	\$17.43 lf			\$19.57 lf
Dolphin, Panay Way, Holiday Marina:		\$19.25 lf	\$17.71 lf		\$19.33 lf	\$21.56 lf			\$22.87 lf			\$25.00 lf
Essex Marina(Public):						\$16.00 lf			\$19.17 lf			\$21.14 lf
Marina del Rey Marina:									\$29.50 lf			\$32.32 lf
Neptune Marina:					\$18.75 lf	\$18.75 lf	\$18.75 lf	\$22.00 lf	\$22.00 lf	\$22.00 lf	\$23.00 lf	\$24.00 lf
Waves Marina:						\$16.60 lf		\$18.39 lf	\$18.17 lf	\$19.19 lf		
Esprit Marina:												\$32.00 lf
Newport Beach:												
Balboa Marina:				\$70.00 lf					\$82.00 lf		\$82.00 lf	\$95.00 lf
Bayshore Marina:				\$70.00 lf			\$76.92 lf					
Bayside Marina:				\$70.00 lf					\$88.00 lf			\$94.29 lf
Villa Cove Marina:				\$70.00 lf					\$76.00 lf			
Bayside Village:	\$39.00 lf	\$39.00 lf	\$39.00 lf	\$39.00 lf	\$41.00 lf	\$41.00 lf	\$41.00 lf	\$41.00 lf	\$53.00 lf	\$53.00 lf	\$53.00 lf	\$58.00 lf
Newport Dunes:				\$51.60 lf		\$51.60 lf		\$51.60 lf	\$56.60 lf	\$56.60 lf	\$56.60 lf	\$71.90 lf
Lido Yacht Anchorage:		\$36.50 lf				\$36.50 lf			\$42.00 lf			\$51.00 lf
Balboa Yacht(Public):		\$34.75 lf				\$37.04 lf				\$40.95 lf	\$44.05 lf	\$47.54 lf
Huntington Beach:												
Sunset Aquatic:	\$25.00 lf	\$26.50 lf	\$26.48 lf			\$26.44 lf	\$26.46 lf	\$26.46 lf	\$30.45 lf	\$30.45 lf		\$30.46 lf
Huntington Harbor Marina:						\$18.00 lf			\$23.33 lf			\$24.29 lf
Oceanside/San Diego:												
Oceanside Harbor:						\$18.95 lf						\$18.95 lf
Sun Harbor Marina:												
Point Loma Marina:												
Intrepid Landing:												\$25.50 lf
Bay Club Marina:											\$22.25 lf	\$22.75 lf
Pier 32 Marina:								\$23.95 lf	\$23.95 lf	\$23.95 lf		\$25.58 lf
Kona Kai Marina:									\$29.00 lf			\$29.00 lf
Long Beach/Los Angeles:												
LB - Alamitos Bay, Shoreline, Rainbow:		\$11.51 lf				\$14.06 lf			\$17.25 lf			\$18.85 lf
LB - Marina Pacifica:			\$16.67 lf				\$15.38 lf	\$16.07 lf	\$16.13 lf	\$16.13 lf		\$17.14 lf
LA - Cabrillo Way Marina:								\$14.79 lf	\$16.13 lf			\$18.10 lf
LA - Cabrillo Marina:						\$14.18 lf	\$14.18 lf	\$14.18 lf	\$15.49 lf	\$15.49 lf	\$15.49 lf	\$19.43 lf
LA - California Yacht Marina:									\$11.80 lf			
LA - Holiday Harbor-Cabrillo:							\$15.40 lf		\$16.40 lf			

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Boat Slip Survey

Slip Size (lf):	40'	41'	42'	44'	45'	48'	50'	52'	55'	56'	58'	60'+
Subject-Direct 2025:	\$40.55 lf	\$40.74 lf	\$40.94 lf	\$41.33 lf	\$41.53 lf	\$41.82 lf	\$43.00 lf	\$43.60 lf	\$49.43 lf	\$50.53 lf	\$52.73 lf	\$54.30 lf
Sub-Lease Rate:	\$55.88 lf						\$59.14 lf	\$59.15 lf	\$69.82 lf	\$71.39 lf	\$75.21 lf	\$75.22 lf
Ventura Harbor:												
Ventura West:	\$18.80 lf		\$19.10 lf	\$19.35 lf	\$19.50 lf	\$20.00 lf	\$20.30 lf	\$20.60 lf	\$21.00 lf	\$21.15 lf	\$21.45 lf	\$24.65 lf
Safe Harbor-Ventura:	\$22.00 lf				\$22.22 lf		\$23.00 lf		\$22.73 lf			\$25.83 lf
Portside-Ventura:	\$23.30 lf				\$25.64 lf		\$30.39 lf	\$31.00 lf	\$32.78 lf		\$37.38 lf	\$40.88 lf
Channel Islands Harbor - Oxnard:												
Safe Harbor-Anacapa:	\$21.00 lf				\$21.56 lf		\$23.80 lf					\$26.51 lf
Vintage Marina:	\$17.88 lf		\$17.90 lf		\$18.22 lf	\$18.25 lf	\$19.12 lf					\$19.20 lf
Channel Islands-Harbor Marina:			\$18.76 lf	\$18.95 lf	\$19.00 lf			\$21.56 lf				\$22.17 lf
Marina del Rey:												
Anchorage 47 Regular:	\$23.73 lf		\$26.26 lf									
Anchorage 47 Main Channel:						\$37.46 lf					\$37.46 lf	\$42.80 lf
Catalina Yacht Anchorage:												
Dolphin, Panay Way, Holiday Marina:	\$28.98 lf										\$54.00 lf	
Essex Marina(Public):	\$26.25 lf			\$28.50 lf	\$28.89 lf		\$30.50 lf		\$31.82 lf			\$39.17 lf
Marina del Rey Marina:	\$37.22 lf	\$37.82 lf	\$37.87 lf	\$38.52 lf	\$38.82 lf	\$40.45 lf	\$43.98 lf	\$43.78 lf	\$44.84 lf			\$52.53 lf
Neptune Marina:	\$31.00 lf	\$31.00 lf	\$31.00 lf	\$31.00 lf								
Waves Marina:	\$23.38 lf			\$31.82 lf	\$31.11 lf					\$32.60 lf	\$33.00 lf	
Esprit Marina:	\$35.25 lf				\$35.67 lf		\$40.20 lf			\$50.70 lf		\$65.33 lf
Newport Beach:												
Balboa Marina:	\$96.00 lf				\$104.44 lf		\$134.00 lf				\$134.48 lf	\$145.00 lf
Bayshore Marina:	\$101.00 lf											\$145.00 lf
Bayside Marina:	\$115.00 lf				\$125.00 lf							\$135.00 lf
Villa Cove Marina:					\$114.00 lf							\$122.39 lf
Bayside Village:	\$68.00 lf	\$68.00 lf	\$68.00 lf	\$68.00 lf	\$68.00 lf		\$81.00 lf		\$81.00 lf			
Newport Dunes:	\$80.90 lf		\$80.90 lf		\$80.90 lf	\$96.90 lf			\$96.90 lf			
Lido Yacht Anchorage:	\$60.00 lf				\$60.00 lf		\$69.00 lf		\$69.00 lf			\$78.00 lf
Balboa Yacht(Public):	\$52.32 lf				\$54.24 lf		\$59.17 lf					\$83.05 lf
Huntington Beach:												
Sunset Aquatic:	\$30.45 lf		\$30.45 lf		\$30.44 lf	\$30.44 lf	\$30.44 lf					\$30.45 lf
Huntington Harbor Marina:	\$26.25 lf				\$27.78 lf		\$32.00 lf					\$39.33 lf
Oceanside/San Diego:												
Oceanside Harbor:	\$20.50 lf			\$20.50 lf			\$24.50 lf					
Sun Harbor Marina:					\$23.25 lf	\$24.75 lf	\$24.75 lf	\$26.75 lf		\$26.75 lf		\$40.00 lf
Point Loma Marina:	\$33.48 lf				\$33.48 lf							\$60.00 lf
Intrepid Landing:						\$28.00 lf						
Bay Club Marina:					\$26.75 lf		\$28.25 lf					
Pier 32 Marina:	\$25.58 lf			\$28.56 lf	\$28.56 lf			\$28.56 lf	\$28.56 lf			\$31.01 lf
Kona Kai Marina:	\$31.75 lf		\$31.75 lf				\$40.00 lf		\$40.00 lf	\$50.00 lf		\$55.00 lf
Long Beach/Los Angeles:												
LB - Alamitos Bay, Shoreline, Rainbow	\$20.45 lf				\$21.41 lf		\$22.05 lf		\$23.64 lf			\$23.64 lf
LB - Marina Pacifica:	\$18.13 lf											
LA - Cabrillo Way Marina:	\$19.74 lf				\$21.06 lf		\$22.38 lf		\$23.36 lf			\$24.01 lf
LA - Cabrillo Marina:	\$19.43 lf	\$19.43 lf	\$19.43 lf	\$22.32 lf	\$22.32 lf	\$22.32 lf	\$22.32 lf	\$22.32 lf	\$24.47 lf	\$24.47 lf	\$24.47 lf	\$24.47 lf
LA - California Yacht Marina:	\$13.11 lf						\$14.04 lf					\$14.58 lf
LA - Holiday Harbor-Cabrillo:	\$20.00 lf				\$21.40 lf		\$23.10 lf					\$25.00 lf

R. P. LAURAIN
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VALUATION ANALYSIS (Continued)

DIRECT RENTAL COMPARISON: (Continued)

Marina Survey:

As noted, the current (June 2025) direct slip rates, as well as the sublease slip rates, applicable to the subject property, are set forth on the top of the Boat Slip Survey. Further, while a representative number of boat slip sizes are set forth across the top of the survey, the available slip sizes at the differing marinas can vary. There is, however, a well established trend wherein larger slip sizes are rented at a higher rate per lineal foot as compared to smaller slip sizes.

It should also be noted that the subject property generates both Direct and Sublease rental rates. DPHP allows for existing tenants to sublease their slips, typically on a short-term basis and may include times when the boaters are on an extended boating trip, when the boats will be in repair for some time, and/or when they are awaiting to acquire a new boat. The sublease rates are generally within a range of 33% to 43% greater than the direct lease rates, with the exception of 20' slips which sublease at a rate of 57.6% greater than the direct lease rates. While allowing tenants to sublease slips, it is understood that DPHP, as the Master Lessee (lessor to the boaters), sets the sublease rates and sublease rent structure which allows for the existing boater tenant to retain 50% of the sublease rate, with DPHP receiving the other 50% of the sublease rate. The tenant is then responsible for the balance of the direct lease payment. This results in DPHP receiving the full direct lease rent (but not any additional sublease premium) while allowing the boater tenant to significantly reduce their rent payment, while insuring the tenant retains occupancy rights when the sublease ends. This is considered to be especially important given that there are 1,550± persons on a waiting list, (for 2,060± slip spaces) and the sublease structure prevents the loss of a tenant's slip due to the lack of a boat occupancy. An example of the sublease rent structure and payments, on a 40' slip, are as follows:

Sample Sub-lease structure:

<u>Slip</u>	<u>Direct</u>	<u>Sublease</u>
40'	\$40.55 lf	\$55.88 lf
Total:	\$1,622	\$2,235

Tenant Receives 50% of Sublease:

Tenant Receives:	\$1,117.50
Tenant Due:	\$1,622.00
Tenant Pays:	\$504.50

DPHP Receives (50%):

From sublease:	\$1,117.50
From tenant:	<u>\$504.50</u>
DPHP Total:	\$1,622.00

VALUATION ANALYSIS (Continued)

DIRECT RENTAL COMPARISON: (Continued)

Per discussion with DPHP staff, it is understood that there are currently approximately 145 sublease occupancies, however, the typical amount of sublease occupancy is generally around 130 slips. As such, the sublease rates, as paid by the subtenants, are likewise set forth on the foregoing Boat Slip Survey and have been considered herein.

As can be noted, the rates in Ventura, Los Angeles and San Diego Counties are significantly less than the rates at the Orange County marinas, with the exception of the two marinas in Huntington Beach. The rental rates of each marina were graphed by general location which includes Ventura/Oxnard, Marina del Rey, Long Beach/Los Angeles, Newport Beach/Huntington Beach and Oceanside/San Diego.

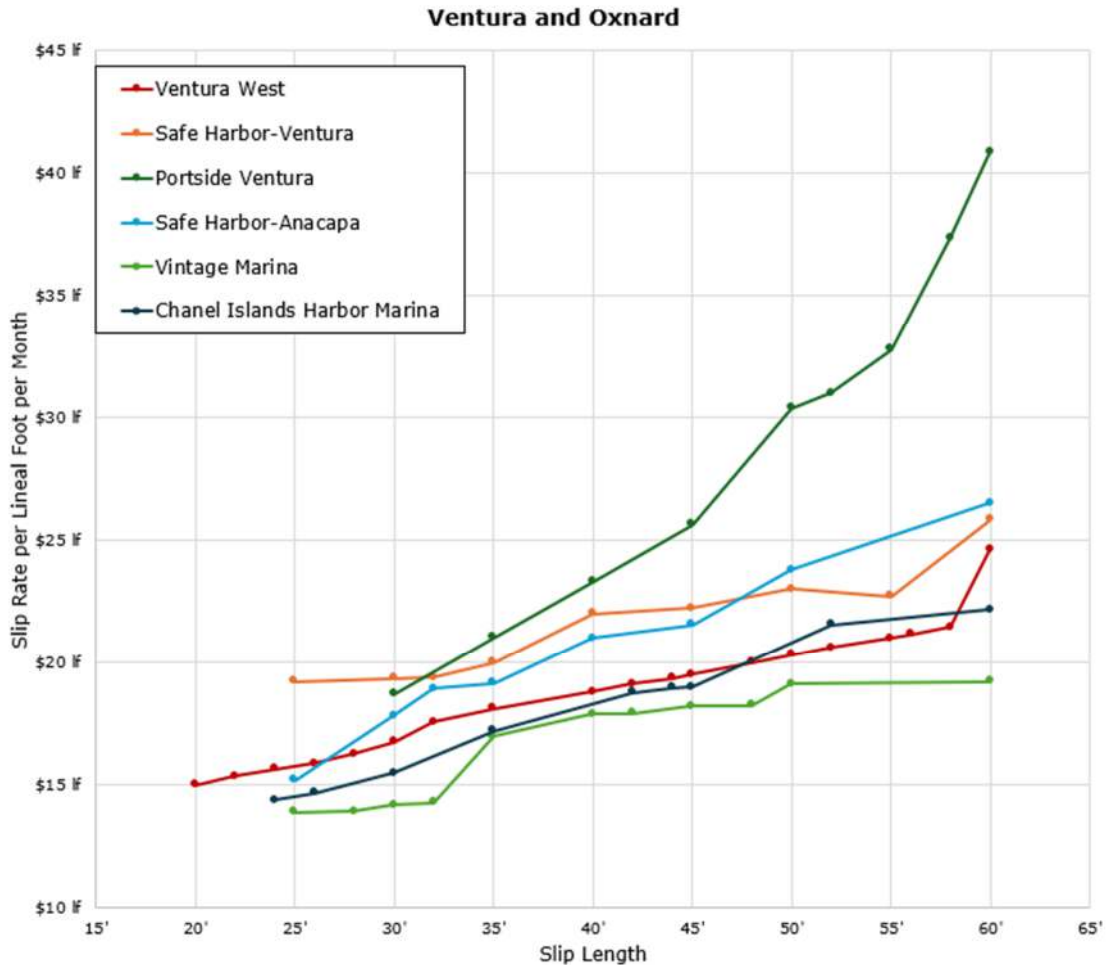
As stated, over 40 marinas were surveyed as part of the study. While the survey extended from San Diego to Ventura, it did not include every marina in Southern California, but rather a representative number of marinas from the various locales. While the Orange County rates were deemed the most relevant with respect to the geographical market, the other marinas provide supporting data with regard to physical characteristics and pricing models, specifically noting that larger slips typically command a higher rate per lineal foot, and amenities can impact the rate per lineal foot. Note that while certain data from other marinas was considered the inclusion of additional marina surveys in other locales (beyond the 40+ marinas surveyed herein) would not measurably impact the rental rate conclusions.

Refer to the following graphs depicting the rental rates at the various marinas, by the general location, along with some general comments and observations.

In the latter portion of this section the appraiser estimated the "typical" rate for the various general locations. While there is a wide range of slip rental rates it is noted that there is a general consistency among the marinas wherein larger slips are charged at higher rate per lineal foot. Note, however, all of the marinas include a variety of slip sizes, which is deemed prudent to capture a wider market area, even though smaller slips typically lease at a lower rate. It is also noted that there is some implied premium to slip rates, in certain locales, based on the available on-site and nearby amenities of each marina.

VALUATION ANALYSIS (Continued)

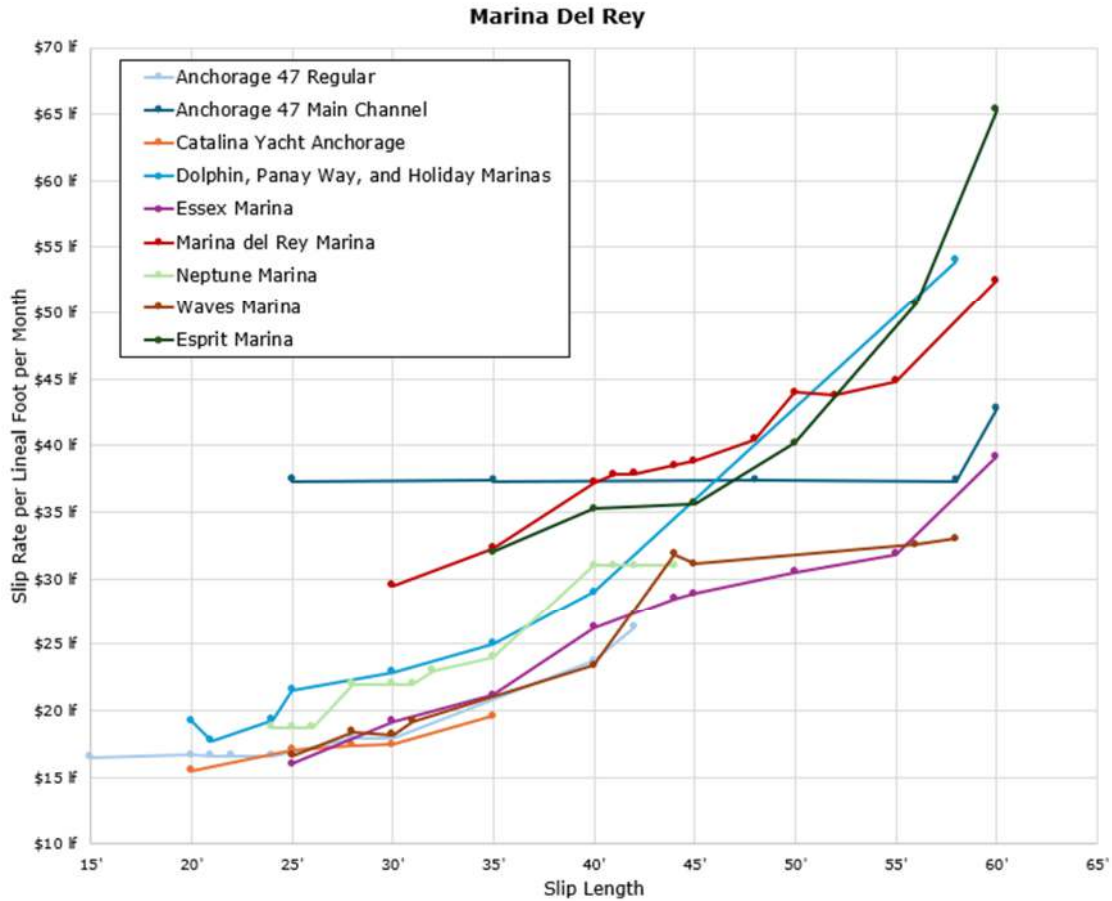
DIRECT RENTAL COMPARISON: (Continued)



The slip rates in Ventura appear to be at the upper end of the range (compared to Oxnard) with the exception of Ventura West. Note, however, Ventura West is an older marina wherein the underlying Master Ground Lease expired, and the marina operator recently entered into a short-term lease for the land and improvements, pending redevelopment of both the marina and land side area. Portside Ventura, at the upper end of the range, is the newest marina development in Ventura and includes atypical amenities including a pool/spa, fitness center, volleyball courts, tennis courts, as well as complimentary (at slip) pump-out. There is also a pet park and BBQ area, along with a Boater's Lounge area and clubhouse. In addition, the landside includes apartment development as well as a retail plaza. There are also some limited restaurants in the immediate area. The foregoing demonstrates the premium for on-site and nearby amenities realized at the newer Portside Ventura marina.

VALUATION ANALYSIS (Continued)

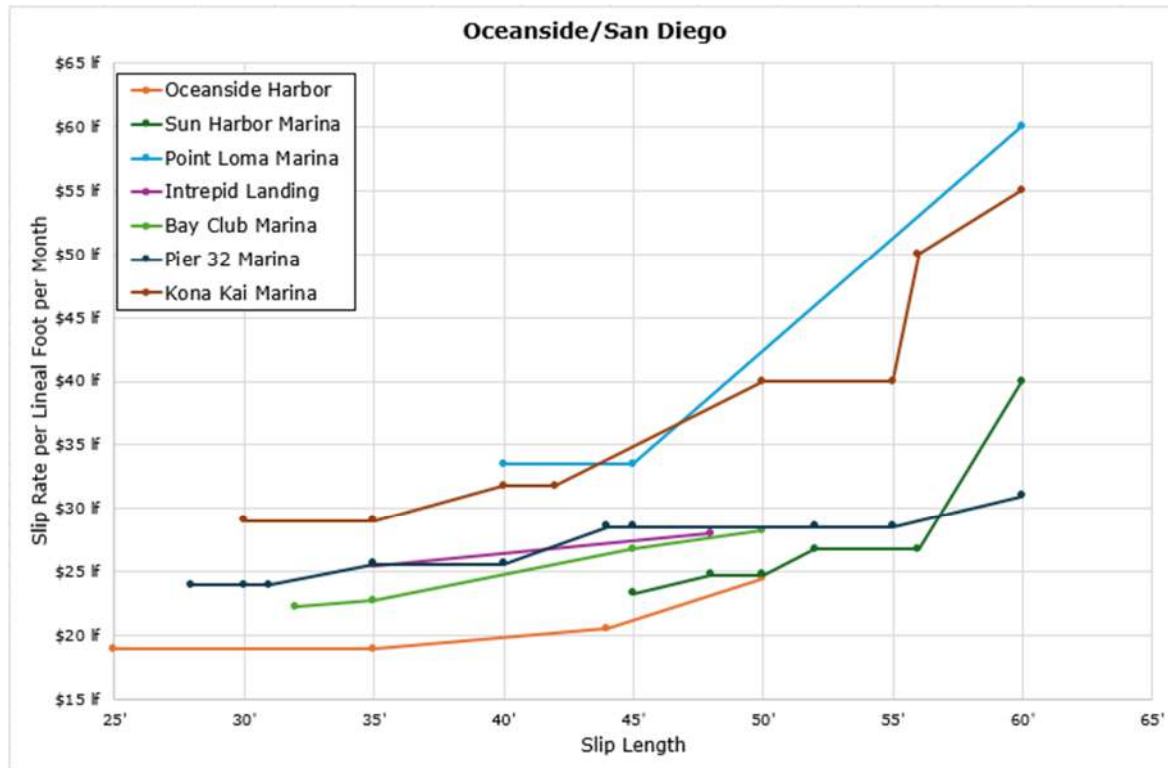
DIRECT RENTAL COMPARISON: (Continued)



The larger Marina del Rey (MdR) area is predominantly owned by the County of Los Angeles and subject to various ground leases which typically include both land side and water side developments. Per the County website there are over 4,600 boat slips in MdR and over 20 anchorages, certain of which are included in the survey. The County conducts periodic slip vacancy surveys and as of December 2024 there were 309 vacancies (approximately 7%), with the majority of the vacancies being for 17'-35' slips (196), followed by 36'-50' slips (100). In the larger MdR area there were only 13 reported vacancies for 51+' slips. The majority of the marinas in MdR have fairly competitive rates. Esprit and MdR Marina are at the upper end of the range, both of which include Main Channel Slips. Anchorage 47 is a publicly-owned marina (County) and has higher rates for Main Channel slips, however, the majority of the slips are "regular" slips. Further, MdR Marina and Anchorage 47 are at the northeasterly portion of MdR generally closer to a greater number of restaurants and retail facilities (as compared to marinas to the west).

VALUATION ANALYSIS (Continued)

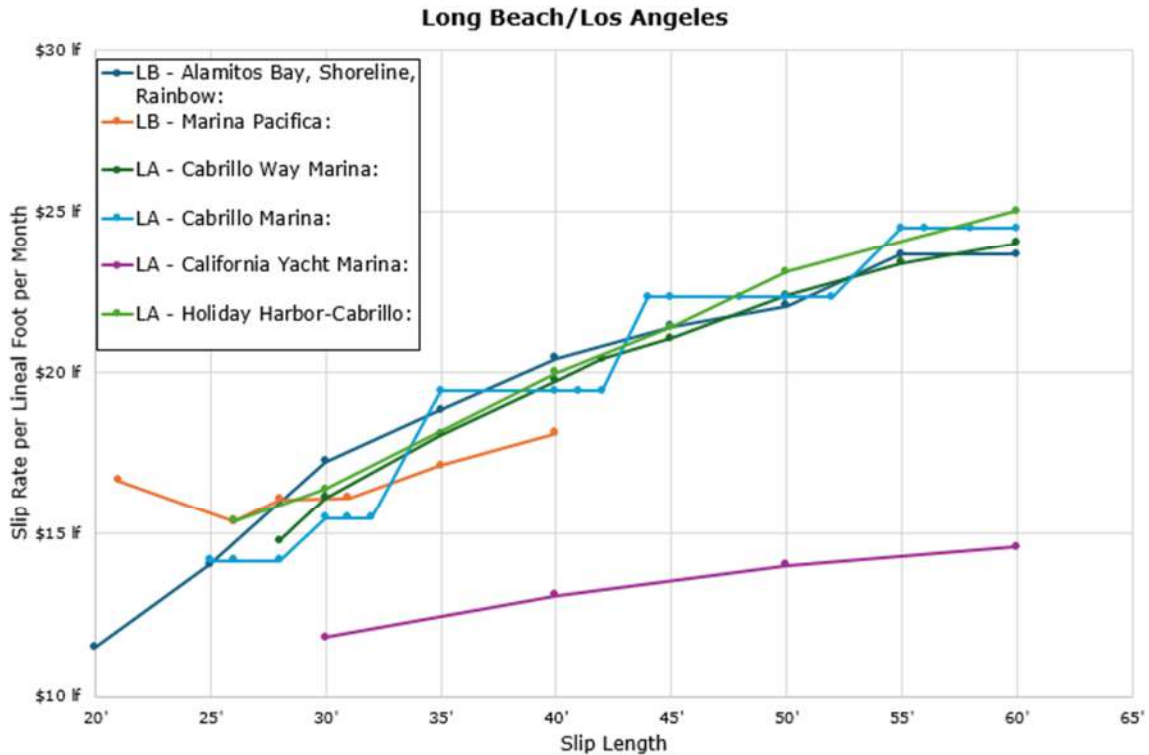
DIRECT RENTAL COMPARISON: (Continued)



There are numerous marinas in San Diego, many of which are located in the northerly portion of San Diego Bay (near Shelter Island), however, there are additional marinas the in south portion of the Bay (down to Chula Vista) as well as in the northerly Mission Bay. Oceanside Harbor is the only marina in Oceanside, and is a publicly operated marina. The rates at Oceanside are considerably lower than San Diego, having only 3 set rates (\$18.95 up to 37'; \$20.50 for 40' to 46' and \$24.50 for 51' and greater). While there are approximately 950 slips, the wait list at Oceanside is extensive ranging from 2-3 years for smaller slips, 5-7 years for 40±' slips, and 9-12 years for 50+' slips. The rates are at the low end of the range, which is considered to be due to the public ownership and could reasonably be increased. At the upper end of the range Kona Kai is on Shelter Island, and benefits from being part of a larger hotel development wherein the boaters also have access to the hotel pool, spa, and fitness center. Point Loma is near the north portion of the Bay with a number of nearby restaurants and off-site amenities, but has a limited number of slips and size availabilities and is near the upper end of the range. The nearby Sun Harbor Marina and Intrepid Landing Marina, as well as Pier 32 in the south bay area, have relatively comparable rates.

VALUATION ANALYSIS (Continued)

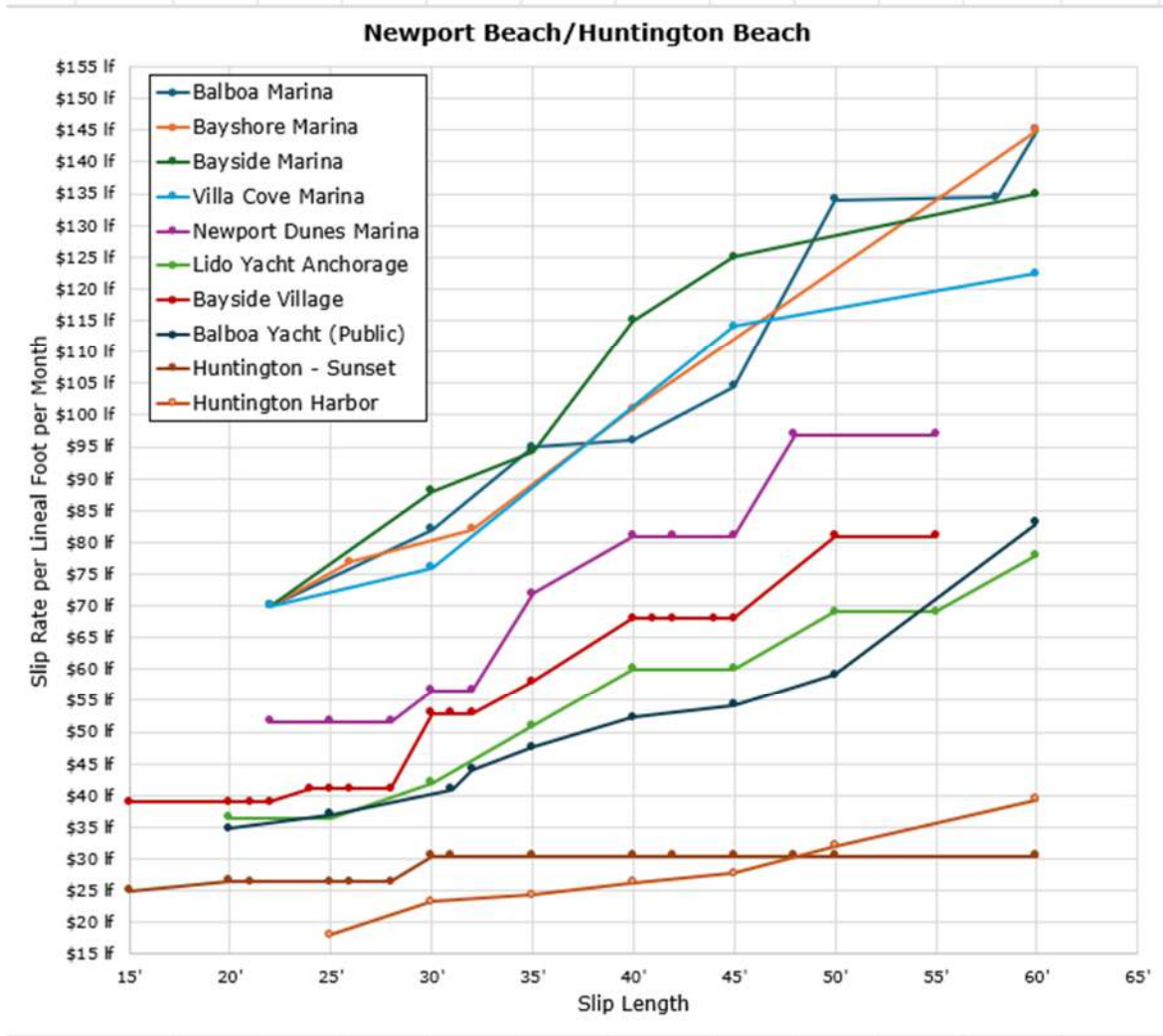
DIRECT RENTAL COMPARISON: (Continued)



The rates for selected marinas in the Long Beach and Port of Los Angeles area are all relatively competitive with the exception of California Yacht marina which is in the east basin of the Port of Los Angeles (Wilmington), being an older marina with very limited nearby amenities. The remaining LA marinas are in the Cabrillo area, in San Pedro. While all of the Los Angeles marinas are in areas controlled by the Port of Los Angeles, the significantly lower rates at California Yacht are considered to be predominantly due to the location in Wilmington as compared to Cabrillo (San Pedro). Cabrillo Way Marina is publicly operated (Port of Los Angeles), though there is a proposal out to take the marina private. The three Long Beach Marinas (Alamitos Bay, Shoreline and Rainbow Harbor) are all publicly operated by the City of Long Beach, with the same set rates for all three marinas. There are wait lists at all of the Long Beach marinas, which can generally range from under 1 to over 5 years, with the longer period being for either small 20± slips, or larger 100+’ slips. The wait list for 40±’ slips is at the low end of the range, generally one year or less.

VALUATION ANALYSIS (Continued)

DIRECT RENTAL COMPARISON: (Continued)



The marinas surveyed in Orange County have a wide range of rental rates. The two marinas in Huntington Harbor are at the very low end of the range, though generally at or above the range of rates at the other Southern California marinas surveyed. Huntington Harbor, however, has a relatively shallow depth of only 15 to 20 feet, and the bridge height exiting the Harbor (PCH) is only 23 feet. In addition, Huntington Harbor is effectively fully built-out with homes, many of which include private docks. There is effectively no "bay" area for sailing as the harbor is bracketed by the 1,200± acre Bolsa Chica Ecological Reserve (wetlands) and the 5,250± acre Naval Weapons Station. As such, while considered, the Huntington Beach marinas are not deemed relatively comparable.

VALUATION ANALYSIS (Continued)

DIRECT RENTAL COMPARISON: (Continued)

The marinas in Newport Beach likewise display a range of boat slip rental rates, considered herein as effectively lower, mid and upper rate ranges.

The rates at the lower end of the range include Balboa Yacht, a publicly operated marina (City of Newport Beach) and Lido Yacht, which is a private anchorage with limited amenities. Both of these anchorages have extensive waiting lists that exceed 200 persons. In the case of Balboa Yacht, the wait times can vary from 1 to 2 years for typical 35' to 40' slips, however, there are only four 25' slips, and 10 slips ranging from 50' to 75', and wait times for such slips can range from 3 to 5 years or longer. Further, while Balboa Yacht fronts on Newport Bay (Beacon Bay) across from Balboa Island, from the landside there is effectively no walkable access to nearby restaurants or off-site amenities, which are limited to a convenience store and café on site; from the landside the walk to Balboa Island is approximately 30 minutes. Likewise, Lido Yacht is located on the Lido Peninsula with effectively no landside off-site amenities such as restaurants or retail in the immediate area, though there are such amenities near Newport Beach Pier (about a 15 to 20 minute walk). As noted, there is also a relatively large waiting list of 200+ persons at both marinas which would imply the rates could be increased.

The mid portion of the range is considered to be reflected in the Newport Dunes rates. The Bayside Village marina is generally between lower and mid portion of the Newport Beach range, varying based on slip size. Both marinas are located in the Back Bay and while there is some limited retail and restaurant development on Pacific Coast Highway, within a 10 minute walk, there is limited restaurant and retail in the immediate area. Further, note that the Dunes rates include a utility/facility fee of \$0.60 per lineal foot. The Bayside Village rates exclude the facility fee which is a flat charge of \$50 per month (or \$2.50 per lineal foot for a 20' slip but only \$1.00 per lineal foot for a 50 foot slip). The Dunes has 450 slips in a range of sizes and generally operates at around 95% occupancy. Bayside Village has 220 slips and there are about 20 available slips in the 30' to 35+' range, however, for slips under 30' there is a waiting list of nearly 200 people. Note that the higher rates at the Dunes is also considered to be attributable to the on-site amenities which include a pool, spa, clubhouse, meeting rooms, and a large lagoon beach area with recreational equipment. Bayside Village amenities are generally limited to utilities, parking, and showers. Hence, while both marinas are in close proximity in the Back Bay, the Dunes commands a premium.

VALUATION ANALYSIS (Continued)

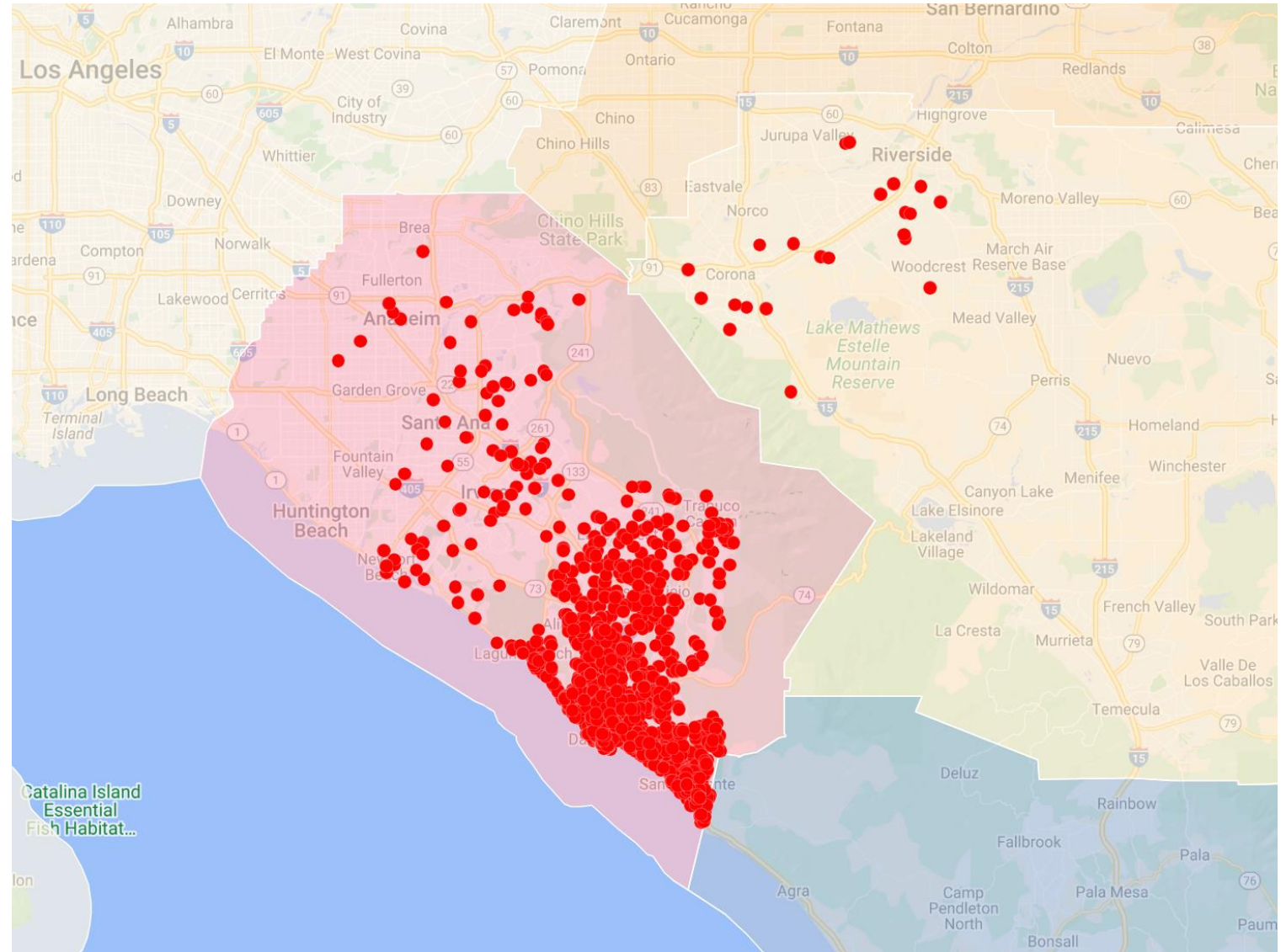
DIRECT RENTAL COMPARISON: (Continued)

The upper end of the range in Newport Beach include Balboa, Bayshore, Bayside and Villa Cove marinas, all of which are operated by CRC marinas, a division of the Irvine Company. Note that all four marinas are located in Newport Bay, and include nearby off-site amenities readily accessible. While there a fewer amenities as compared to Newport Dunes (the CRC marinas do not include a boat launch, pool, clubhouses, or beach areas) it appears that the significant premium is due to the location in Newport Bay, both on the marina and landside. The CRC marinas have some vacancies, but generally less than 5% with the exception of Villa Cove, which contains only 40 slips and currently has 4 vacancies (10%). The CRC marinas imply the premium that appears to be assigned to location, which is not only evident in the immediate Newport Beach area, but also in the greater West Coast survey area.

Given that the subject property is the only marina in South Orange County, there is a lack of geographically comparable slip rates. While a broader survey was conducted along the West Coast, it is noted that the only other marinas which are deemed geographically comparable to the subject property are those in Newport Beach. Although rates may be lower at other West Coast marinas (with the exception of the Newport Beach marinas), the other West Coast marinas are considered to be outside the subject market area. As part of the appraisal study the appraiser obtained mapping from the Orange County District 5 website depicting the location of existing boater tenants, and the existing wait list persons, renting (or seeking to rent) boat slips at the subject marina. The reader is referred to said mapping on the following page. As can be noted, while there are over 2,200 slips, and 1,550± persons on the wait list, there are no tenants or wait list persons in Ventura County, Los Angeles (whether the Westside near Marina del Rey nor near the Port of Los Angeles), or Long Beach to the north. Likewise, there are no tenants or wait list persons in Oceanside or San Diego to the south. This vast majority of tenants and wait list persons are from the South Orange County area (Dana Point, San Clemente, San Juan Capistrano, etc.).

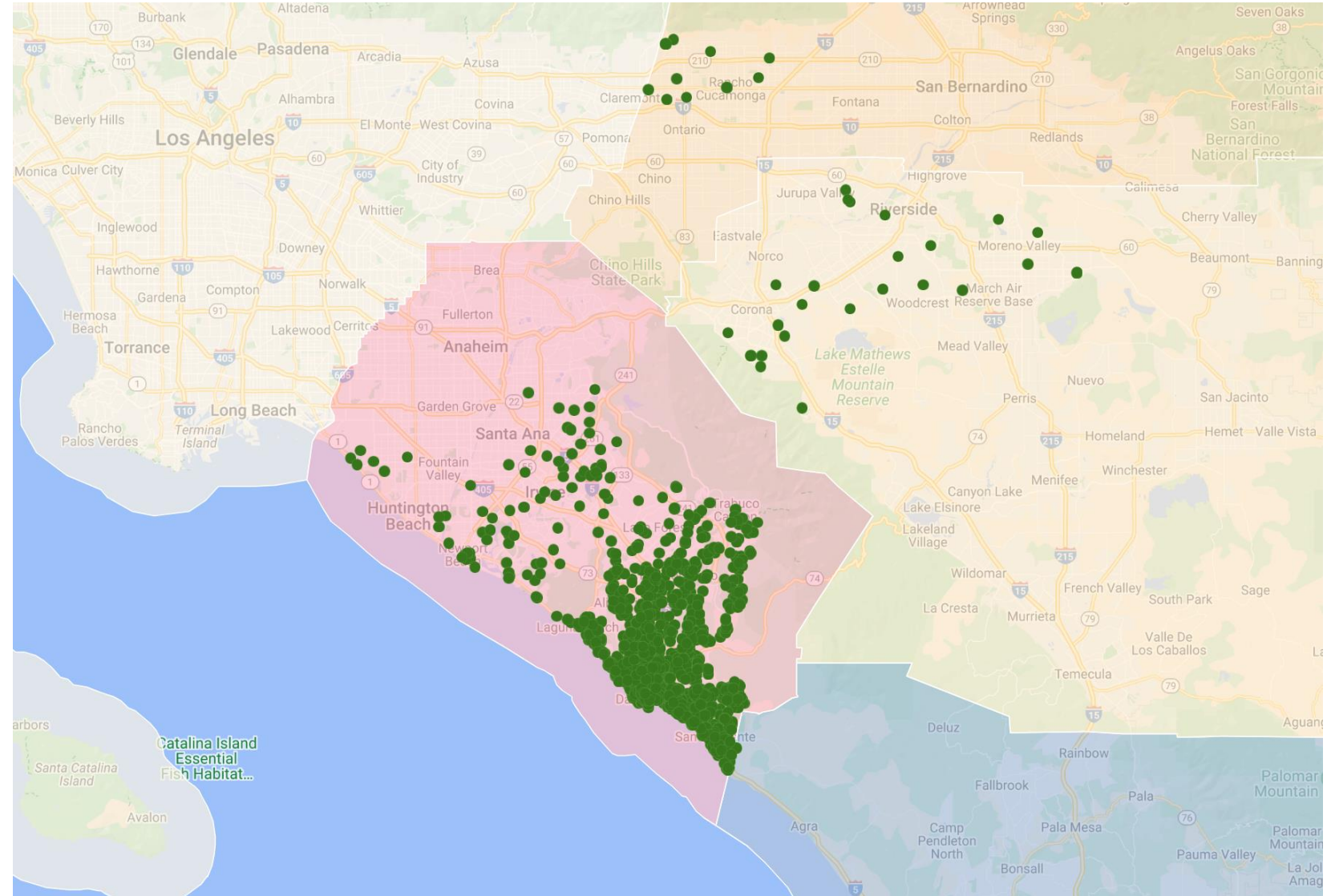
Tenant Location Breakdown

Tenants	
Dana Point	363
San Clemente	357
Laguna Niguel	236
San Juan Capistrano	163
Mission Viejo	90
Laguna Beach	89
Capistrano Beach	67
Ladera Ranch	40
Irvine	39
Laguna Hills	36
Aliso Viejo	34
Lake Forest	32
Rancho Santa Margarita	27
Newport Beach	25
Riverside	23
Santa Ana	23
Trabuco Canyon	21
Anaheim	15
Orange	10
Total	2,038



Waitlist Location Breakdown

Waitlist	
San Clemente	402
Dana Point	365
Laguna Niguel	319
San Juan Capistrano	205
Laguna Beach	105
Mission Viejo	91
Ladera Ranch	72
Laguna Hills	56
Capistrano Beach	41
Aliso Viejo	38
Newport Beach	35
Riverside	33
Irvine	30
Coto de Caza	30
Trabuco Canyon	30
Rancho Santa Margarita	27
Santa Ana	21
Rancho Mission Viejo	20
Lake Forest	20
Rancho Cucamonga	18
Huntington Beach	10
Total	2,360



VALUATION ANALYSIS (Continued)

DIRECT RENTAL COMPARISON: (Continued)

The foregoing effectively demonstrates that there is virtually no demand for boat slips, in Dana Point Harbor, from persons in Ventura, Los Angeles, or San Diego Counties, which conclusion is deemed reasonable given the geographic distance of said areas and marinas. Conversely, the opposite would reasonably be true that there is little, if any, demand for boat slips in Ventura, Los Angeles, or San Diego counties from persons in the South Orange County area. While there could be some rare or occasional instances where residents of South Orange County may desire boat slips in Ventura, Los Angeles or San Diego counties (or vice versa), say for persons having multiple homes or remote work locations, the preponderance of data suggest this is unlikely. There may be the occasional situation when a person buys a vessel and keeps it moored in an existing remote location pending rental of a boat slip more proximate to the buyer's residence, but such would be a temporary situation and subject to the transfer of boat slip rental rights, which may not always be permitted.

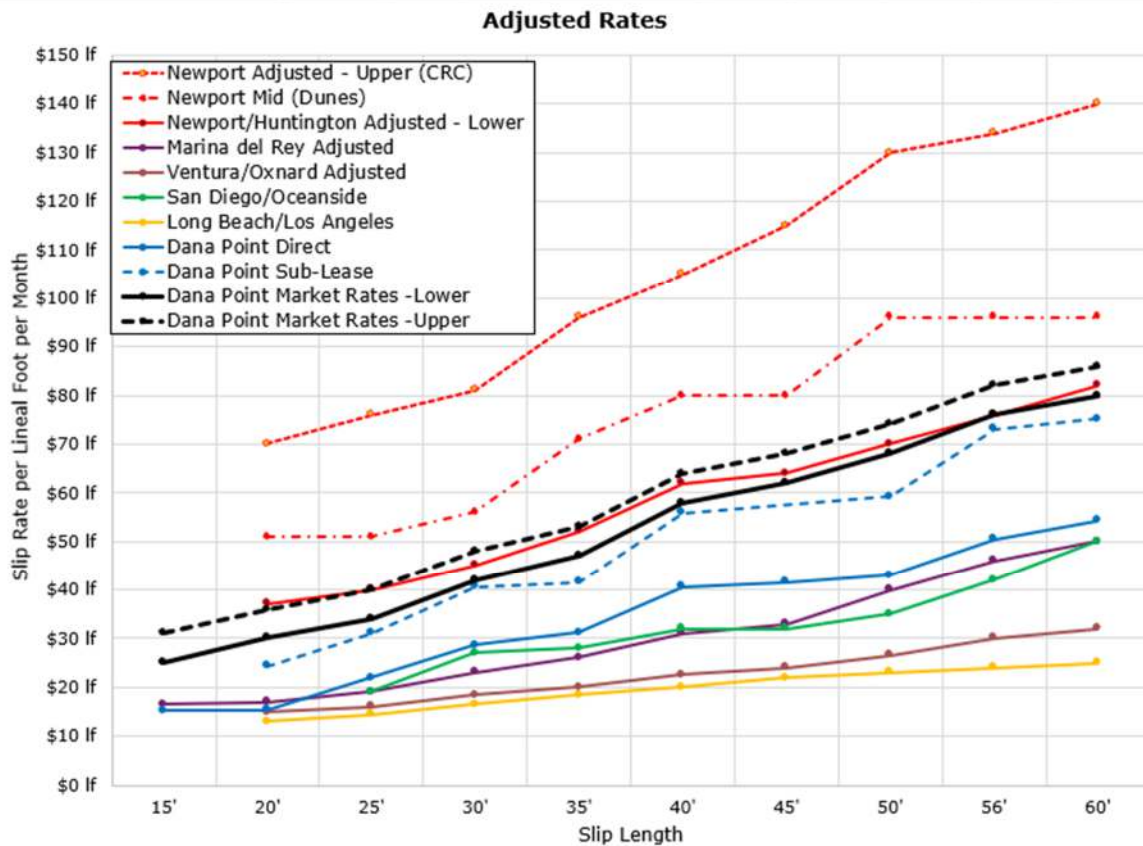
As such, those marinas and related boat slip rental rates in Ventura, Los Angeles and San Diego Counties are not deemed to be competitive or reasonably comparable regarding location. While said marinas may be comparable with respect to use and utility, and may provide insight into the impact of larger slip sizes (at higher rates), location within a larger basin area, and/or the impact of on-site or nearby amenities to boat slip rates in general, the indicated rates at other marinas are not considered to reflect the market rates at all marinas, in all locations along the West Coast of Southern California. As with any real estate market, the location and demand in a specific area can have a direct impact on the overall rates (whether for rent or for sale) of similar properties, in differing geographic locations.

In order to consider the general rates in the differing geographic areas, the appraiser estimated an overall "typical" rate for each marina location as part of a graphic analysis. Note that the rates in Newport Beach were further refined to Upper, Mid and Lower rates, given the range of rates in Newport, as previously discussed. The graphic analysis conducted of each marina, by location, also includes the current rates at the subject property (both the direct lease rates) and the estimated fair market rental rate range deemed applicable to the subject property. The indicated range of fair market rental rates deemed applicable to the subject property is considered to be best reflected in the more local Orange County market, specifically the rates realized in Newport Beach. As discussed further, a range of rates is included herein as it may well be necessary to adjust rates upward from the current below market rates, gradually over time, in order to obtain a market equilibrium.

VALUATION ANALYSIS (Continued)

DIRECT RENTAL COMPARISON: (Continued)

Following is the graphic analysis of the estimated overall "Adjusted" rates for the various marinas surveyed, by geographic location, with a further allocation specific to the Newport Beach market, as well as the existing subject property rates (both direct and sublease rates) and estimated range of the subject fair market rates.



In the foregoing graph the solid blue line represents the current direct lease rates at Dana Point Harbor while the dashed blue line represents the current sublease rates. The red lines represent the upper (dotted), mid (dashed) and lower (solid) adjusted rates deemed applicable to Newport Beach, which is deemed the most reasonably comparable market area. The Long Beach/Los Angeles and Ventura/Oxnard markets are at the lower end of the range, followed by Marina del Rey and San Diego. For the most part, the existing rates at the subject are slightly greater than rates in San Diego. The solid black and dashed black lines represent the estimated fair market rent deemed applicable to the subject property, which rates generally bracket the lower end of the rate range in Newport Beach.

VALUATION ANALYSIS (Continued)

DIRECT RENTAL COMPARISON: (Continued)

Given that there is limited supply of boat slips in Dana Point and nearby Newport Beach, and considering that the subject property is the only marina in Dana Point and the surrounding area, a range of fair market rental rates is deemed appropriate in order to establish a market equilibrium. As noted in Newport Beach, the mid portion of the range, generally reflected by Newport Dunes, does have some vacancy of slips (approximately 5%), which is considered to reflect a more balanced supply/demand structure than, say the lower rates in Newport Beach (Balboa Yacht and Lido Yacht) wherein there are fairly extensive waiting lists for boat slips. Bayside Village is considered inferior to Newport Dunes and has lower rates; there are a total of 220 slips and an availability of 20± slips in the 30'-35' range, though there is a waiting list for slips under 30'. As such, it is considered appropriate to set forth a fair market rental rate range considering supply and demand factors and market equilibrium. With respect to real estate appraisal, The Dictionary of Real Estate Appraisal, Fifth Edition, includes the following definitions:

Supply and Demand: "In a real estate appraisal context, the principal of supply and demand states that the price of real property varies directly, but not necessarily proportionately, with demand and inversely, but not necessarily proportionately, with supply."

Market Equilibrium: "The theoretical balance where demand and supply for a property, good, or service are equal. Over the long run, most markets move toward equilibrium, but a balance is seldom achieved for any period of time."

Given the foregoing, definitive fair market rates specific to the subject property boat slip sizes could reasonably vary depending on the demand, as exhibited by current waiting lists and the premium certain persons are willing to pay under the current sublease structure. As noted, the current sublease rates range from approximately 33% to 43% greater than the direct rental rates, with the smaller 20' slips subleasing at a 57.6% premium. In order to obtain some type of limited market equilibrium it would be ideal to increase rates over time, until persons drop from the waiting list and/or existing tenants vacate the spaces due to higher rental rates. There is availability, though limited, in Newport Beach, though at moderate to significantly higher rental rates, which would tend to put an upward "cap" on supportable market rates. Thus, a range of fair market rental rates is deemed appropriate in the subject case, given the limited market supply.

VALUATION ANALYSIS (Continued)

DIRECT RENTAL COMPARISON: (Continued)

Note that amenities were also considered on a qualitative basis, however, amenity factors can be more than offset by locational factors. This can be noted in comparison of the Newport Dunes marina in the Back Bay to the four CRC marinas in Newport Bay. While the Dunes marina has superior amenities, such as a pool, clubhouse and beach area, the rates are lower than those at the CRC marinas which lack such amenities. The higher rates at CRC appear to be due to the location in Newport Bay. Amenities are considered a benefit, which can be seen at certain marinas such as the Portside Ventura which has higher rates as compared to other similarly located marinas in Ventura, however, the higher rates are considered to also be attributed to the newer marina construction.

Following is a summary of certain marinas in the Newport/Huntington area assigned primary weight:

Site Amenities:

	Utilities	Restrm Showers	Pump-Out Laundry	Parking	Office Clubhouse	Food/Bev	Pool	Boat Ramp	Other
Balboa Marina:	yes	yes/yes	yes/no	yes	no/no	yes	no	no	
Bayshore Marina:	yes	yes/yes	yes/no	yes	no/no	no	no	no	
Bayside Marina:	yes	yes/yes	yes/no	yes	yes/no	no	no	no	
Villa Cove Marina:	yes	yes/yes	yes/no	nearby	no/no	no	no	no	
Bayside Village:	yes	yes/yes	yes/no	yes	yes/no	yes	no	no	
Newport Dunes:	yes	yes/yes	yes/yes	yes	yes/yes	yes	yes	yes	beach
Lido Yacht Anchorage:	yes	yes/yes	yes/yes	yes	yes/no	yes	no	no	
Balboa Yacht(Public):	yes	yes/yes	yes/no	yes	yes/no	yes	no	no	
Sunset Aquatic:	yes	yes/yes	yes/yes	yes	yes/no	no	no	yes	
Huntington Harbor:	yes	yes/yes	no/no	yes	yes/no	no	no	no	
Dana Point Harbor:	yes	yes/yes	yes/yes	yes	yes/no	yes	no	yes	beach

Hence, the overall amenities was considered on a qualitative basis given that there is insufficient data to derive specific rental rate adjustments for the varying amount and type of amenities. The subject property is considered to be toward the upper end of the range with respect to available amenities, which was considered in the overall analysis.

VALUATION ANALYSIS (Continued)

DIRECT RENTAL COMPARISON: (Continued)

Based on the foregoing, the range of fair market rental rates deemed applicable to the subject property, at the current time, is considered to be within a \$6.00 per lineal foot range, summarized as follows:

Size	Fair Market Rates-Range		2025 Current Rates	
	Lower	Upper	Direct	Sublease
15'	\$25.00 lf	\$31.00 lf	\$15.26 lf	- - -
20'	\$30.00 lf	\$36.00 lf	\$15.42 lf	\$24.30 lf
21'	\$31.00 lf	\$37.00 lf	\$19.78 lf	\$28.10 lf
22'	\$32.00 lf	\$38.00 lf	\$20.93 lf	\$29.68 lf
24'	\$33.00 lf	\$39.00 lf	\$21.58 lf	\$30.58 lf
25'	\$34.00 lf	\$40.00 lf	\$21.75 lf	\$30.64 lf
26'	\$35.50 lf	\$41.50 lf	\$22.45 lf	\$31.58 lf
28'	\$37.50 lf	\$43.50 lf	\$24.83 lf	\$35.54 lf
30'	\$42.00 lf	\$48.00 lf	\$28.63 lf	\$40.50 lf
31'	\$42.50 lf	\$48.50 lf	\$29.14 lf	- - -
32'	\$43.00 lf	\$49.00 lf	\$29.64 lf	- - -
35'	\$47.00 lf	\$53.00 lf	\$31.14 lf	\$41.46 lf
40'	\$58.00 lf	\$64.00 lf	\$40.55 lf	\$55.88 lf
41'	\$59.00 lf	\$65.00 lf	\$40.74 lf	- - -
42'	\$60.00 lf	\$66.00 lf	\$40.94 lf	- - -
44'	\$61.00 lf	\$67.00 lf	\$41.33 lf	- - -
45'	\$62.00 lf	\$68.00 lf	\$41.53 lf	\$56.58 lf
48'	\$68.00 lf	\$74.00 lf	\$41.82 lf	- - -
50'	\$68.00 lf	\$74.00 lf	\$43.00 lf	\$59.14 lf
52'	\$71.00 lf	\$77.00 lf	\$43.60 lf	\$59.15 lf
55'	\$75.00 lf	\$81.00 lf	\$49.43 lf	\$69.82 lf
56'	\$76.00 lf	\$82.00 lf	\$50.53 lf	\$71.39 lf
58'	\$78.00 lf	\$84.00 lf	\$52.73 lf	\$75.21 lf
60+'	\$80.00 lf	\$86.00 lf	\$54.30 lf	\$75.22 lf

As noted, the lower end of the fair market rental rate range is generally slightly greater than the current sublease rates. Overall, the lower and upper end of the ranges are generally at the lower end of the rates in Newport Beach, which is likewise deemed appropriate given the superior general location of Newport Beach.

VALUATION ANALYSIS (Continued)

DEMOGRAPHIC STUDY:

Per the request of the client, an additional demographic study was conducted. In the subject case, the demographic study focused on population, median household income, and certain real estate factors such as residential rental rates and prices. As will be discussed following, however, while certain aspects of the demographic study seem supportive of the rental rate study and conclusion, there is not considered to be any meaningful or measurable correlation between the selected demographics and boat slip rental rates.

The reader is referred to certain demographics, as obtained from CoStar and Zillow, at the various surveyed marina areas, on the following pages, which includes population and median household income data, Zillow home price data, multiple family residential sale prices per unit, and multiple family residential market rental data for the various areas.

Note that Marina del Rey is not a defined submarket on CoStar so the multiple family residential data applicable to Marina del Rey is considered to be between Venice Beach and Culver City. Likewise, the majority of dwellings in Marina del Rey represent rental apartments and condominiums so the Zillow Home Price data also includes Culver City. With respect to San Diego, there are numerous CoStar submarkets. While the Central Coast submarket is utilized the rates are adjusted upward slightly to account for other San Diego submarkets.

Likewise, note that Dana Point is located in the larger CoStar South County submarket, which includes areas outside of Dana Point.

The demographic review considered the foregoing factors in relation to the estimated "typical" rental rate for a 40' boat slip at the various marina locations as set forth in the graphic analysis on Page 3-16 (as opposed to each individual marina).

Demographic Overview

1196 Portside Dr

Population (1 mi)

3,742

Avg. HH Size (1 mi)

2.1

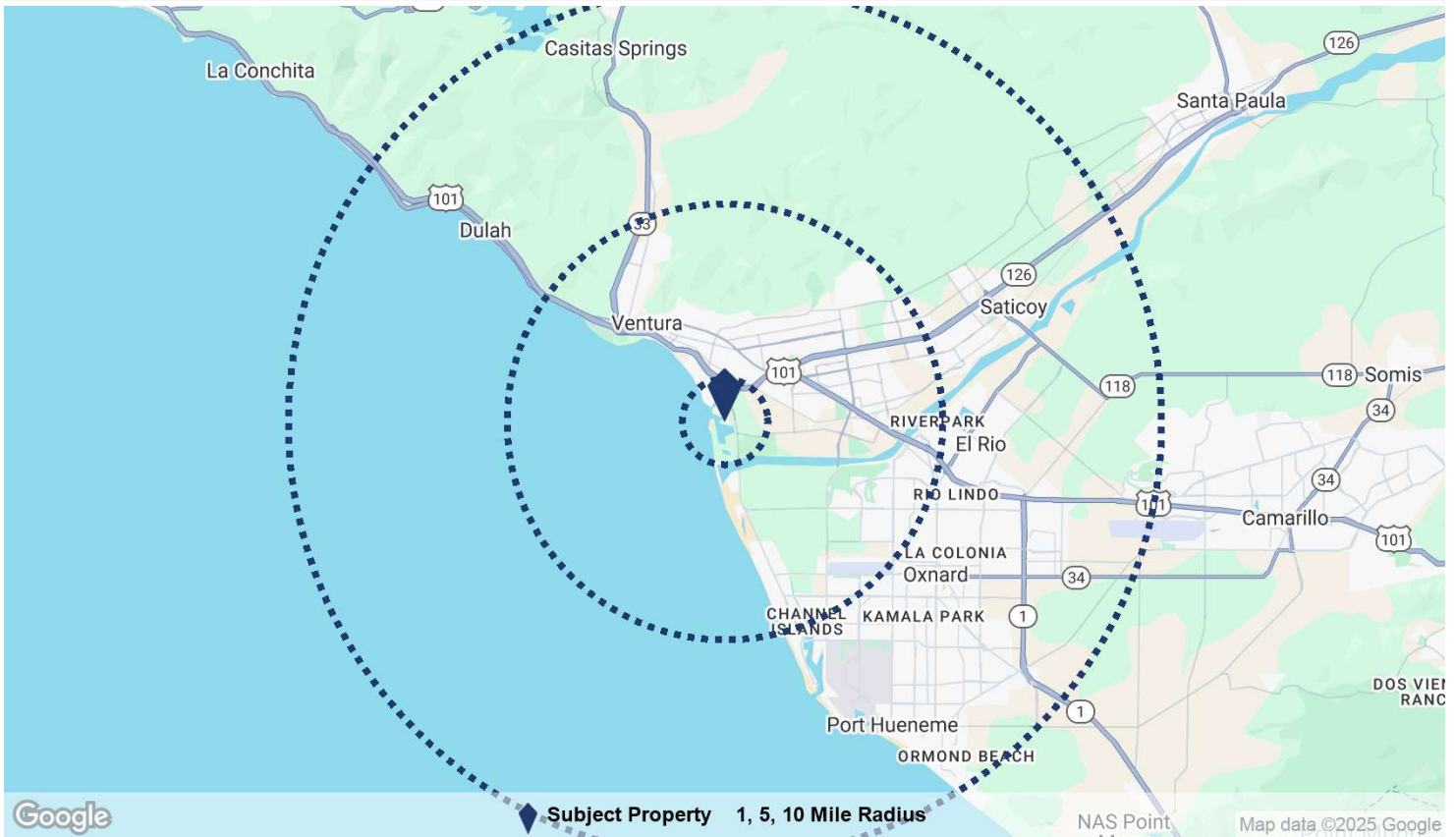
Avg. Age (1 mi)

49

Med. HH Inc. (1 mi)

\$101,608

DEMOGRAPHIC RADIUS RINGS



DEMOGRAPHIC SUMMARY

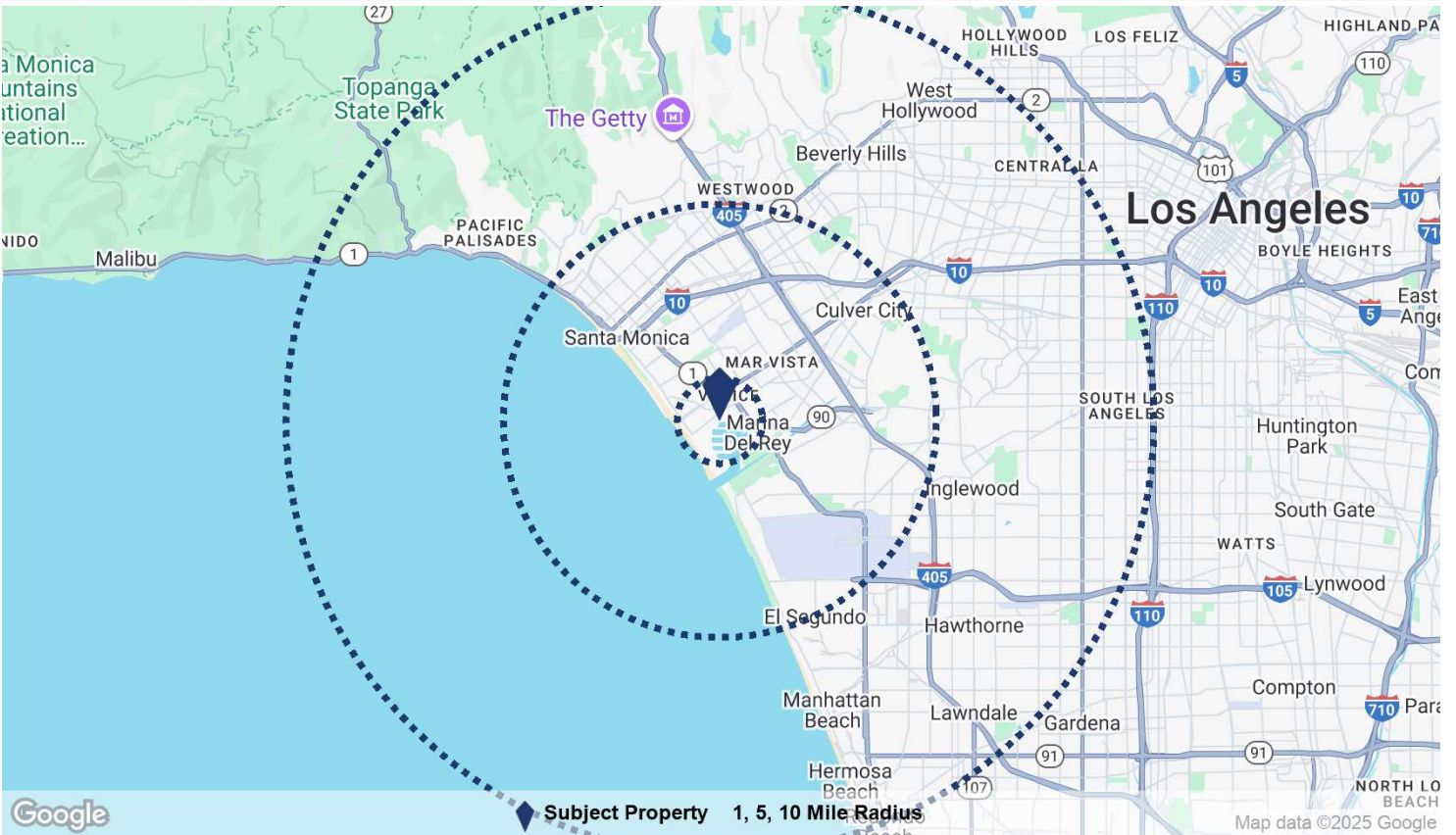
	1 Mile	5 Mile	10 Mile
Population			
2024 Population	3,742	135,390	353,214
2029 Population	3,769	134,697	349,364
Pop Growth 2024-2029	0.7%	(0.5%)	(1.1%)
2024 Average Age	49	41	39
Households			
2024 Households	1,711	49,873	110,092
2029 Households	1,723	49,650	109,063
Household Growth 2024-2029	0.7%	(0.5%)	(0.9%)
Median Household Income	\$101,608	\$91,511	\$86,208
Average Household Size	2.1	2.6	3.1
Average HH Vehicles	2	2	2
Housing			
Median Home Value	\$996,621	\$725,783	\$659,856
Median Year Built	1973	1974	1974

Demographic Overview

4333 Admiralty Way

Population (1 mi)	Avg. HH Size (1 mi)	Avg. Age (1 mi)	Med. HH Inc. (1 mi)
38,052	1.8	43	\$137,278

DEMOGRAPHIC RADIUS RINGS



DEMOGRAPHIC SUMMARY

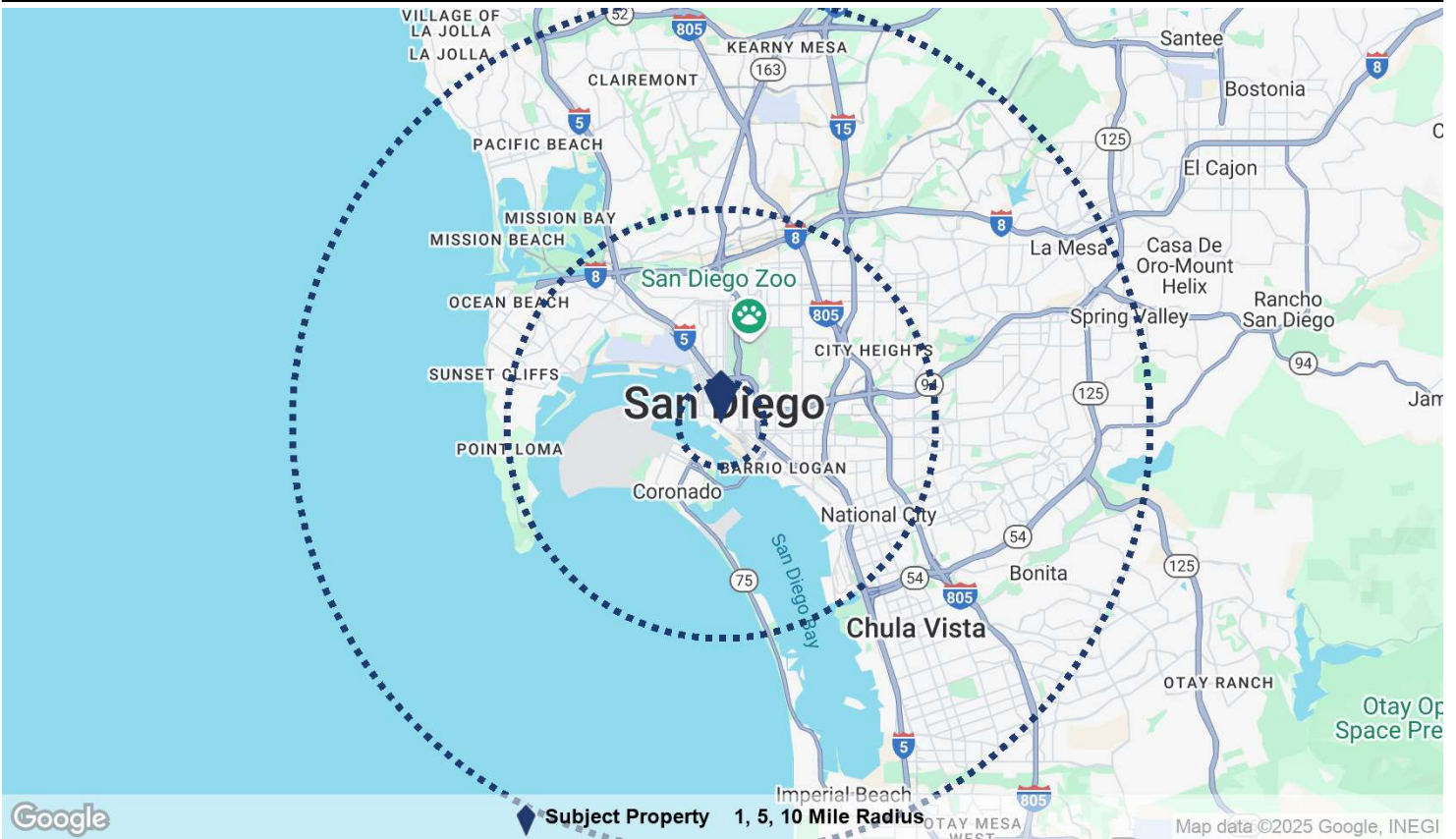
	1 Mile	5 Mile	10 Mile
Population			
2024 Population	38,052	477,968	1,700,361
2029 Population	37,238	468,046	1,657,350
Pop Growth 2024-2029	(2.1%)	(2.1%)	(2.5%)
2024 Average Age	43	41	40
Households			
2024 Households	20,491	225,383	685,295
2029 Households	20,001	220,408	667,439
Household Growth 2024-2029	(2.4%)	(2.2%)	(2.6%)
Median Household Income	\$137,278	\$108,499	\$86,651
Average Household Size	1.8	2.0	2.4
Average HH Vehicles	1	2	2
Housing			
Median Home Value	\$1,117,982	\$1,094,186	\$1,029,939
Median Year Built	1979	1971	1963

Demographic Overview

310-380 K St

Population (1 mi)	Avg. HH Size (1 mi)	Avg. Age (1 mi)	Med. HH Inc. (1 mi)
51,422	1.6	43	\$76,602

DEMOGRAPHIC RADIUS RINGS



DEMOGRAPHIC SUMMARY

	1 Mile	5 Mile	10 Mile
Population			
2024 Population	51,422	447,067	1,242,429
2029 Population	52,178	446,662	1,236,892
Pop Growth 2024-2029	1.5%	(0.1%)	(0.5%)
2024 Average Age	43	38	39
Households			
2024 Households	27,597	182,150	466,917
2029 Households	28,093	182,231	465,113
Household Growth 2024-2029	1.8%	0.0%	(0.4%)
Median Household Income	\$76,602	\$74,587	\$80,710
Average Household Size	1.6	2.2	2.5
Average HH Vehicles	1	2	2
Housing			
Median Home Value	\$795,894	\$788,169	\$739,345
Median Year Built	2004	1974	1972

Demographic Overview

207 Seaside Way

Population (1 mi)

45,988

Avg. HH Size (1 mi)

1.9

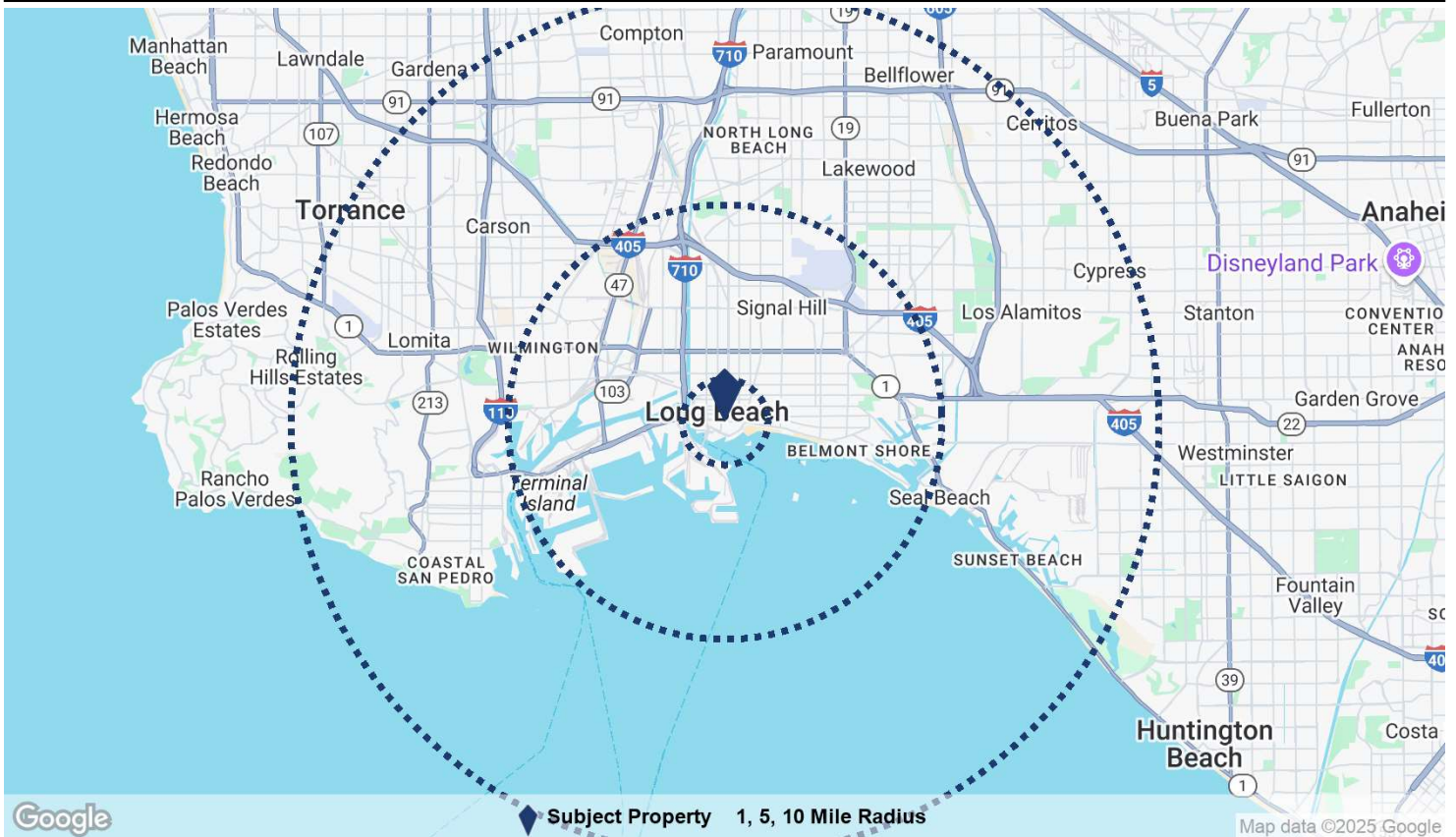
Avg. Age (1 mi)

39

Med. HH Inc. (1 mi)

\$59,733

DEMOGRAPHIC RADIUS RINGS



DEMOGRAPHIC SUMMARY

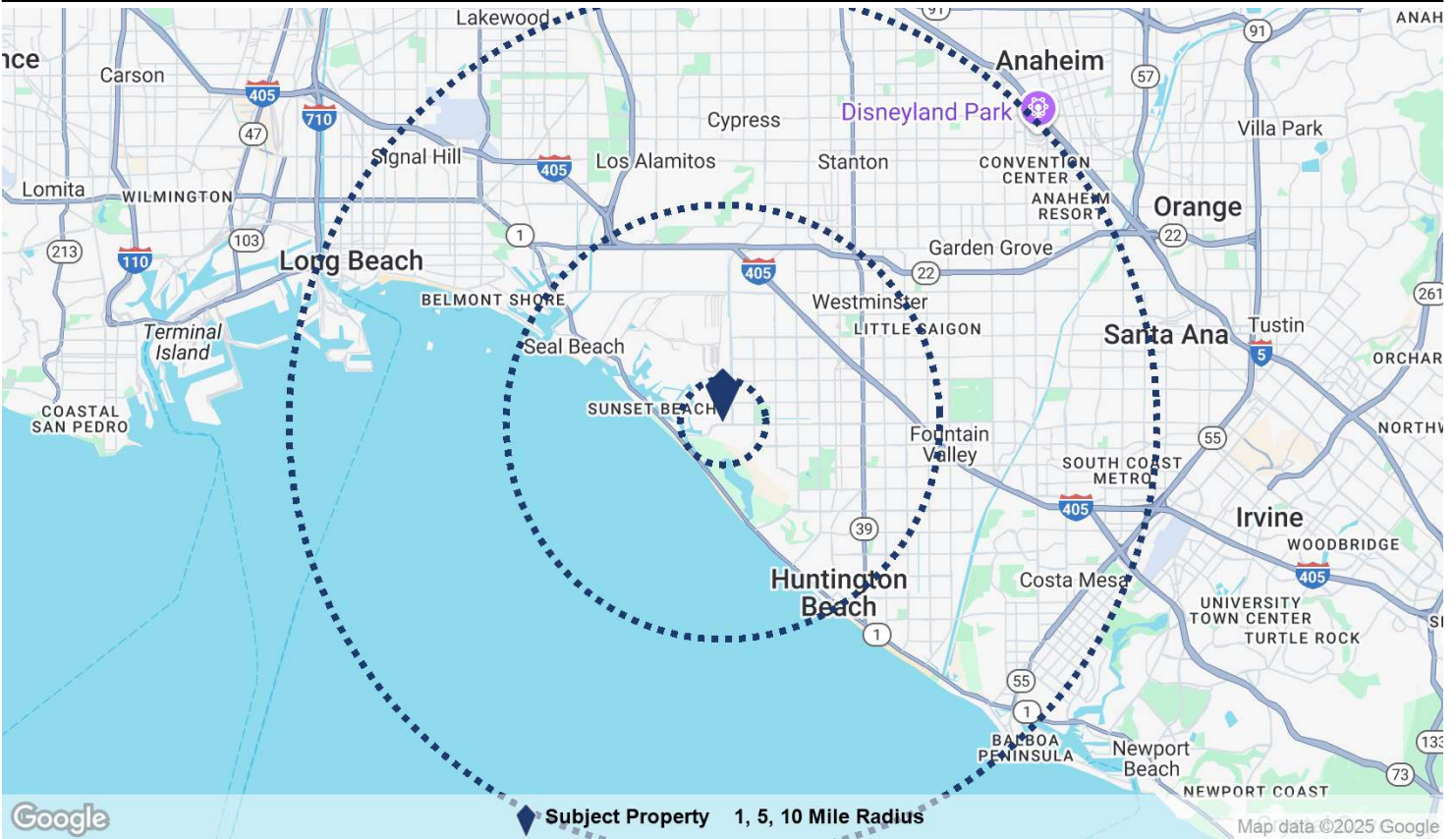
	1 Mile	5 Mile	10 Mile
Population			
2024 Population	45,988	364,472	1,356,462
2029 Population	45,363	353,429	1,314,572
Pop Growth 2024-2029	(1.4%)	(3.0%)	(3.1%)
2024 Average Age	39	39	40
Households			
2024 Households	22,736	136,059	460,404
2029 Households	22,448	131,843	445,684
Household Growth 2024-2029	(1.3%)	(3.1%)	(3.2%)
Median Household Income	\$59,733	\$69,613	\$81,440
Average Household Size	1.9	2.5	2.8
Average HH Vehicles	1	2	2
Housing			
Median Home Value	\$585,208	\$752,476	\$730,612
Median Year Built	1968	1960	1963

Demographic Overview

16972 Lynn Ln

Population (1 mi)	Avg. HH Size (1 mi)	Avg. Age (1 mi)	Med. HH Inc. (1 mi)
22,336	2.3	44	\$106,515

DEMOGRAPHIC RADIUS RINGS



DEMOGRAPHIC SUMMARY

	1 Mile	5 Mile	10 Mile
Population			
2024 Population	22,336	289,806	1,510,662
2029 Population	22,127	286,011	1,484,684
Pop Growth 2024-2029	(0.9%)	(1.3%)	(1.7%)
2024 Average Age	44	44	40
Households			
2024 Households	9,624	108,822	504,017
2029 Households	9,512	107,257	494,619
Household Growth 2024-2029	(1.2%)	(1.4%)	(1.9%)
Median Household Income	\$106,515	\$97,835	\$88,538
Average Household Size	2.3	2.6	2.9
Average HH Vehicles	2	2	2
Housing			
Median Home Value	\$952,508	\$826,888	\$768,029
Median Year Built	1975	1970	1968

Demographic Overview

2888 Bayshore Dr

Population (1 mi)

Avg. HH Size (1 mi)

Avg. Age (1 mi)

Med. HH Inc. (1 mi)

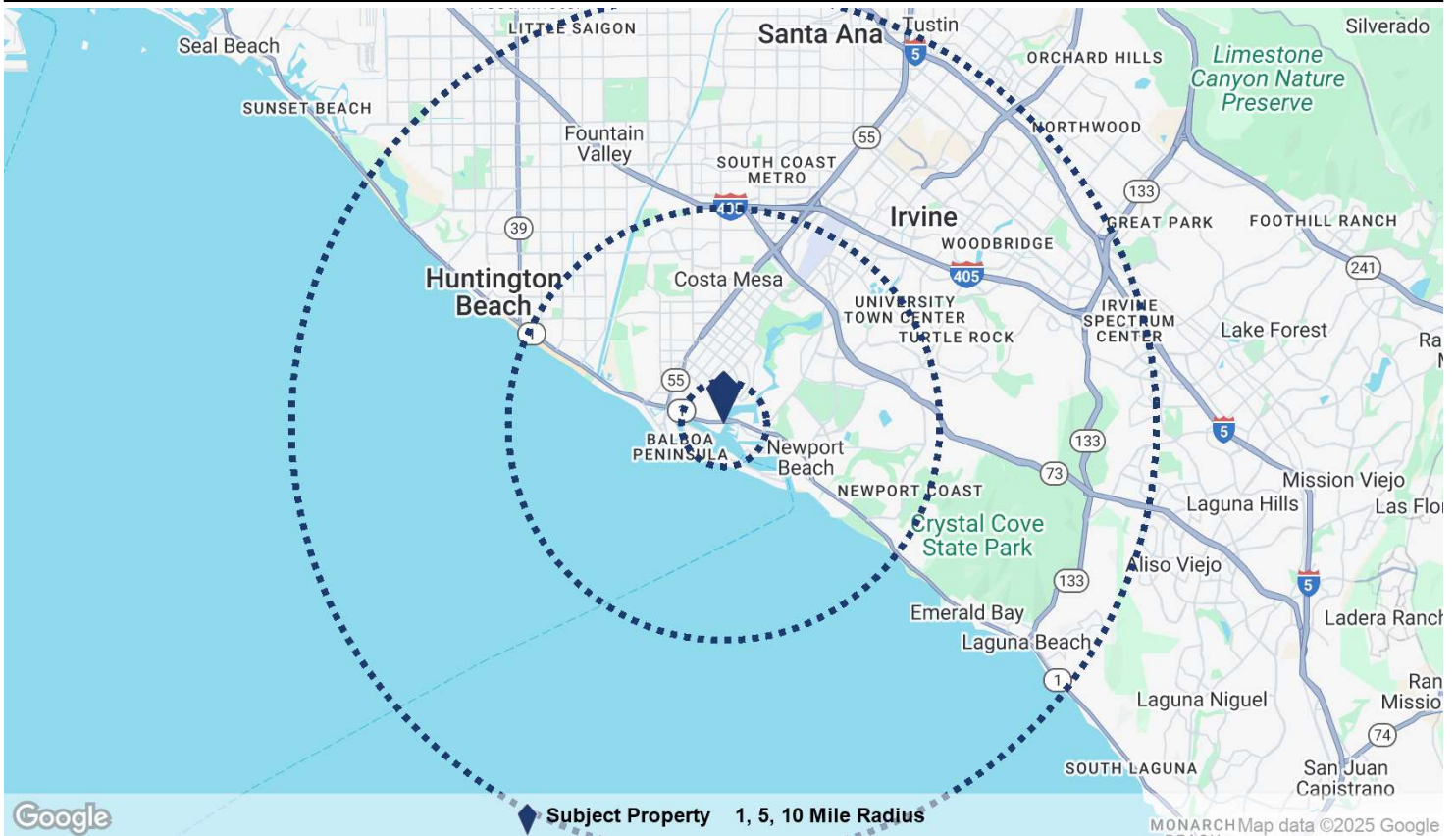
17,703

2.0

46

\$141,144

DEMOGRAPHIC RADIUS RINGS



DEMOGRAPHIC SUMMARY

	1 Mile	5 Mile	10 Mile
Population			
2024 Population	17,703	244,942	990,661
2029 Population	18,034	243,673	980,577
Pop Growth 2024-2029	1.9%	(0.5%)	(1.0%)
2024 Average Age	46	40	40
Households			
2024 Households	8,599	95,467	340,141
2029 Households	8,762	94,995	336,982
Household Growth 2024-2029	1.9%	(0.5%)	(0.9%)
Median Household Income	\$141,144	\$115,316	\$100,808
Average Household Size	2.0	2.3	2.7
Average HH Vehicles	2	2	2
Housing			
Median Home Value	\$1,139,543	\$1,064,897	\$879,416
Median Year Built	1968	1974	1975

Demographic Overview

24671 Del Prado

Population (1 mi)

Avg. HH Size (1 mi)

Avg. Age (1 mi)

Med. HH Inc. (1 mi)

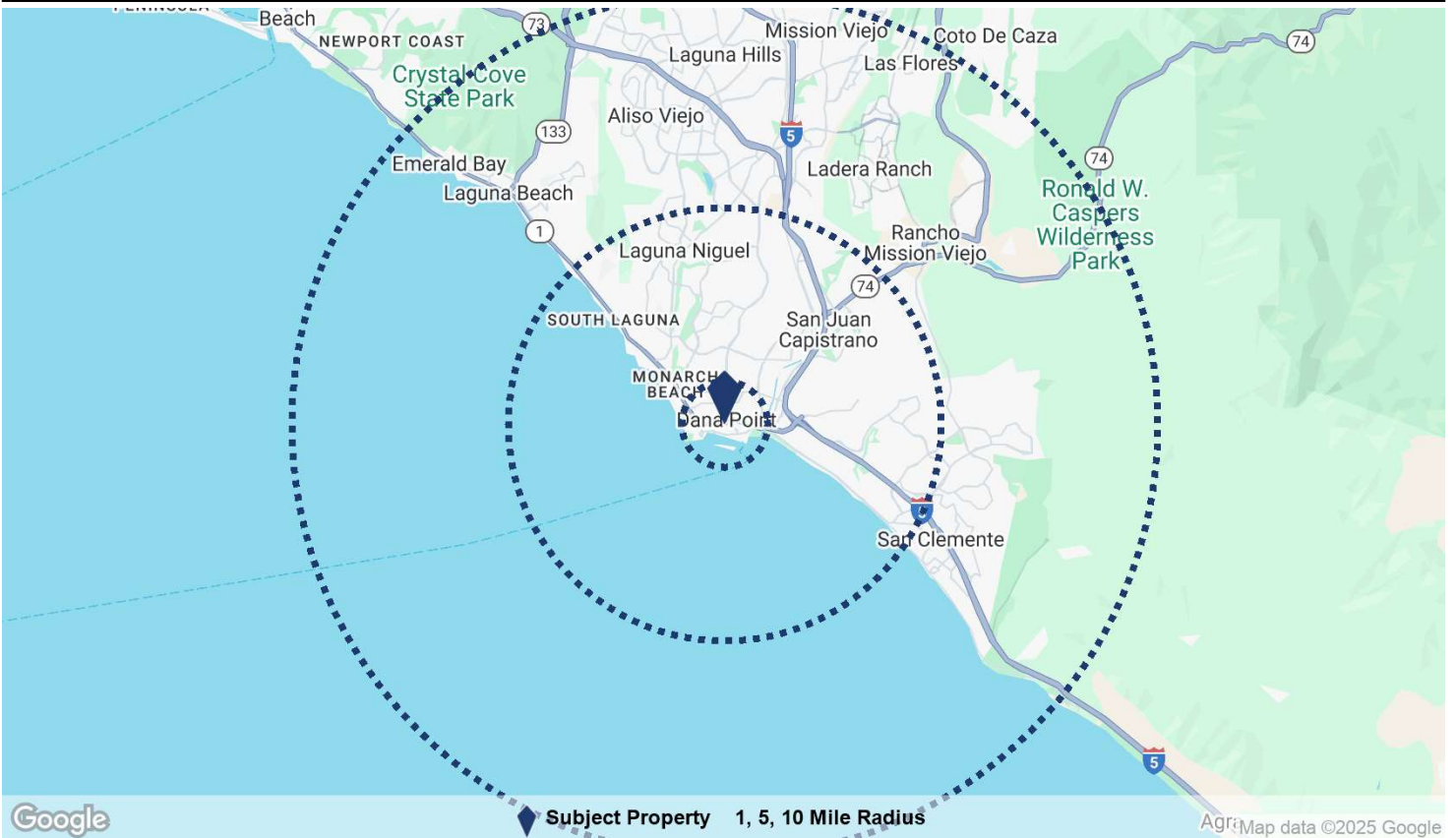
13,756

2.2

47

\$112,826

DEMOGRAPHIC RADIUS RINGS

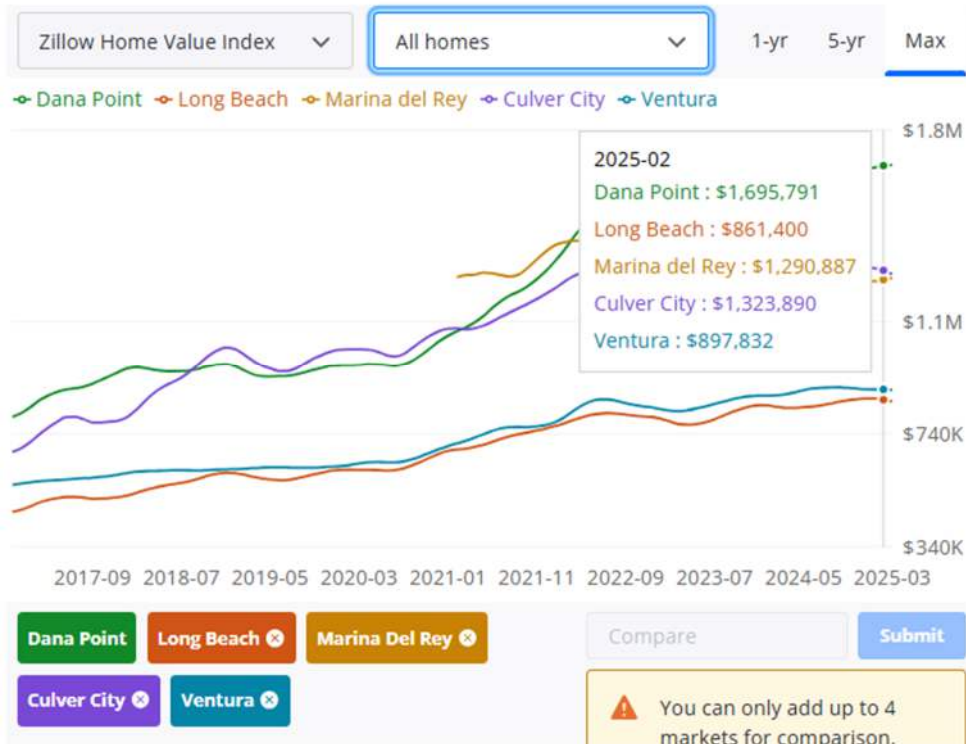
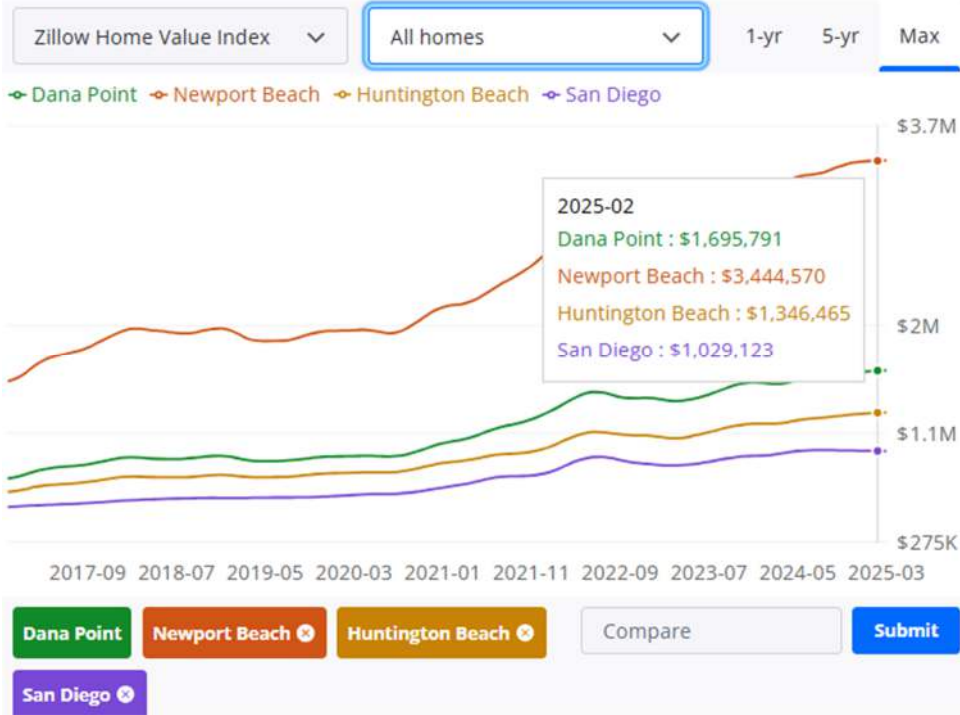


DEMOGRAPHIC SUMMARY

Population	1 Mile	5 Mile	10 Mile
2024 Population	13,756	133,185	397,211
2029 Population	13,800	132,169	393,752
Pop Growth 2024-2029	0.3%	(0.8%)	(0.9%)
2024 Average Age	47	45	43
Households			
2024 Households	6,219	51,873	150,675
2029 Households	6,240	51,471	149,381
Household Growth 2024-2029	0.3%	(0.8%)	(0.9%)
Median Household Income	\$112,826	\$122,285	\$123,693
Average Household Size	2.2	2.5	2.6
Average HH Vehicles	2	2	2
Housing			
Median Home Value	\$1,076,810	\$1,046,682	\$985,802
Median Year Built	1978	1981	1984

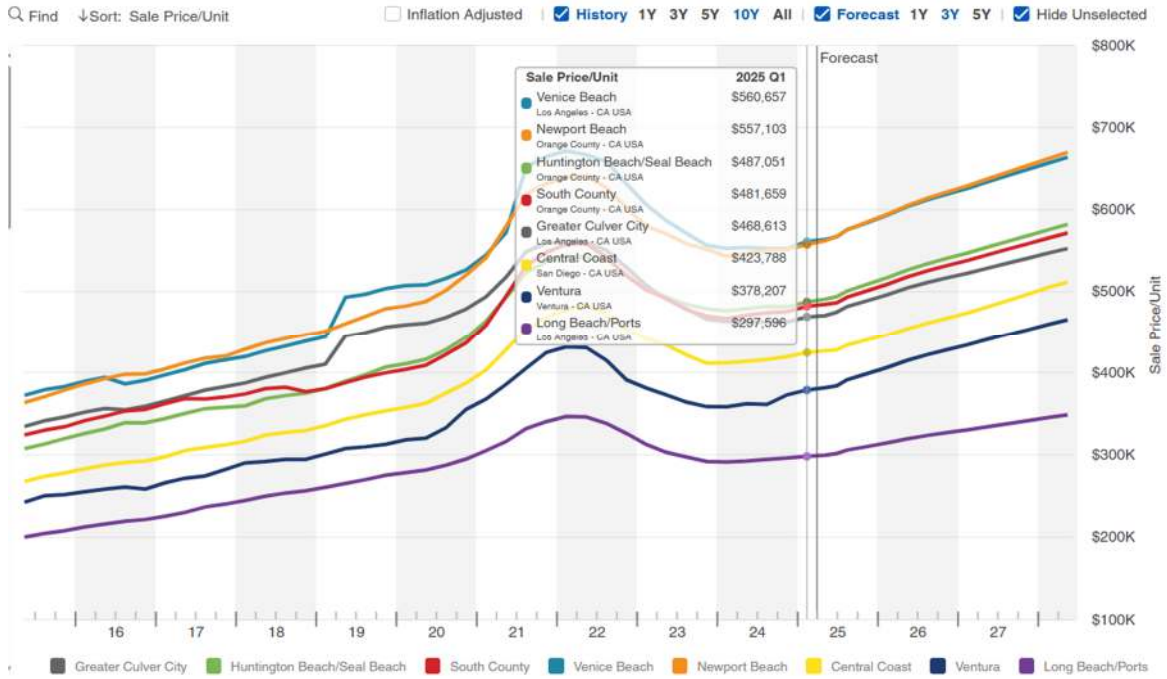
VALUATION ANALYSIS (Continued)

Zillow Home Prices:

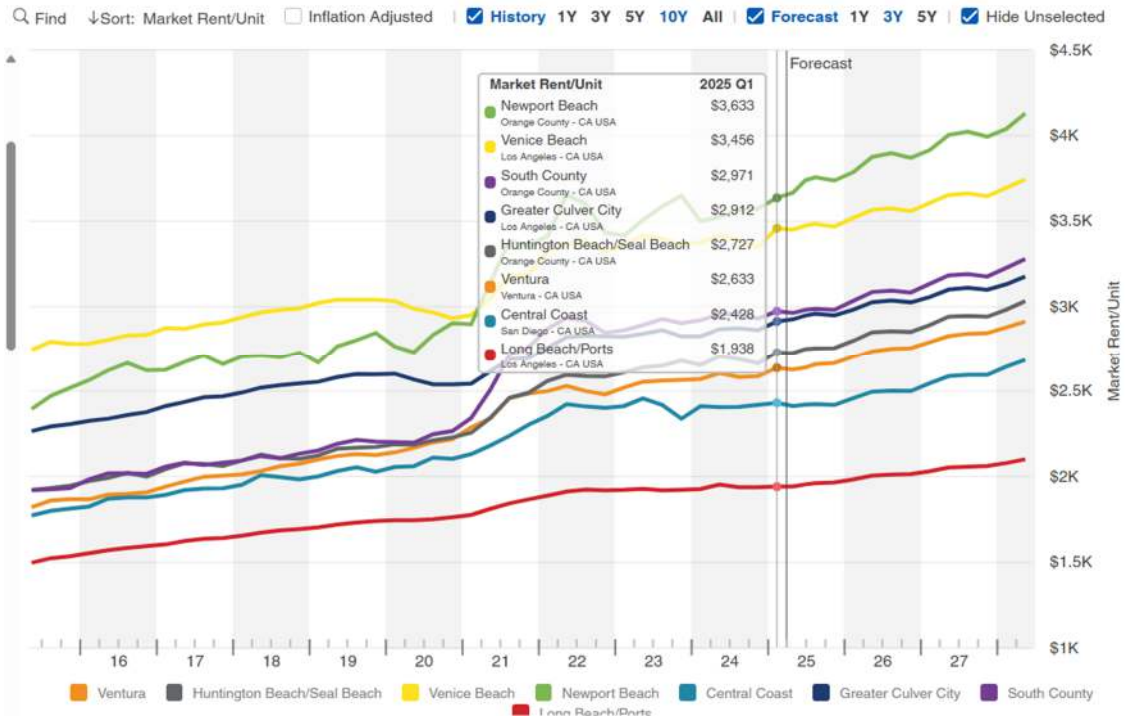


VALUATION ANALYSIS (Continued)

CoStar Multiple Family Residential Sale Price per Unit:



CoStar Multiple Family Residential Market Rent per Unit:



Demographics:

40' Slip	40' Monthly Slip Rent	Multiple Family Residential				Single Family Residential		1 mile	Population			Annual Income/Annual Slip%		
		Monthly Rent	Monthly Slip %:	Sale Price \$/Unit	Annual Slip %	Sale Price Total	Annual Slip %		5 miles	10 miles	1 mile	5 miles	10 miles	
Ventura														
\$22.50 lf	\$900	\$2,650	34.0%	\$380,000	2.8%	\$900,000	1.2%	3,750	135,000	353,000	\$102,000 10.6%	\$92,000 11.7%	\$86,000 12.6%	
Marina del Rey														
\$31.00 lf	\$1,240	\$3,200	38.8%	\$520,000	2.9%	\$1,300,000	1.1%	38,000	478,000	1,700,000	\$137,000 10.9%	\$109,000 13.7%	\$87,000 17.1%	
San Diego														
\$32.00 lf	\$1,280	\$2,500	51.2%	\$425,000	3.6%	\$1,030,000	1.5%	51,000	447,000	1,242,000	\$77,000 19.9%	\$75,000 20.5%	\$81,000 19.0%	
Long Beach														
\$20.00 lf	\$800	\$1,950	41.0%	\$300,000	3.2%	\$860,000	1.1%	46,000	364,000	1,356,000	\$60,000 16.0%	\$70,000 13.7%	\$81,000 11.9%	
Huntington Beach														
\$30.00 lf	\$1,200	\$2,700	44.4%	\$490,000	2.9%	\$1,350,000	1.1%	22,500	290,000	1,511,000	\$107,000 13.5%	\$98,000 14.7%	\$89,000 16.2%	
Newport-Lower														
\$62.00 lf	\$2,480	\$3,650	67.9%	\$560,000	5.3%	\$3,445,000	0.9%	17,500	245,000	991,000	\$141,000 21.1%	\$115,000 25.9%	\$101,000 29.5%	
Newport-Mid														
\$80.00 lf	\$3,200	\$3,650	87.7%	\$560,000	6.9%	\$3,445,000	1.1%	17,500	245,000	991,000	\$141,000 27.2%	\$115,000 33.4%	\$101,000 38.0%	
Newport-Upper														
\$105.00 lf	\$4,200	\$3,650	115.1%	\$560,000	9.0%	\$3,445,000	1.5%	17,500	245,000	991,000	\$141,000 35.7%	\$115,000 43.8%	\$101,000 49.9%	
Dana Point-Direct														
\$40.55 lf	\$1,622	\$3,000	54.1%	\$485,000	4.0%	\$1,872,000	1.0%	14,000	133,000	397,000	\$113,000 17.2%	\$122,000 16.0%	\$124,000 15.7%	
Dana Point-Sublease														
\$55.88 lf	\$2,235	\$3,000	74.5%	\$485,000	5.5%	\$1,872,000	1.4%	14,000	133,000	397,000	\$113,000 23.7%	\$122,000 22.0%	\$124,000 21.6%	
Dana Point-Market Lower:														
\$58.00 lf	\$2,320	\$3,000	77.3%	\$485,000	5.7%	\$1,872,000	1.5%	14,000	133,000	397,000	\$113,000 24.6%	\$122,000 22.8%	\$124,000 22.5%	
Dana Point-Market Upper:														
\$64.00 lf	\$2,560	\$3,000	85.3%	\$485,000	6.3%	\$1,872,000	1.6%	14,000	133,000	397,000	\$113,000	\$122,000	\$124,000	

VALUATION ANALYSIS (Continued)

DEMOGRAPHIC STUDY: (Continued)

The typical rental rate for a 40' slip at the various marina general locations, and the subject Dana Point location (considering existing direct rent, sublease rent, market rent-lower, and market rent-upper) was compared to certain of the foregoing demographic factors. Note that there is no noticeable correlation between population and slip rental rates (i.e. higher populated areas do not necessarily result in higher rental rates). The comparison of boat slip rental rates to residential market sale prices, residential rental rates, and median income is as follows:

Annual Slip Rent as % MFR Unit Price:

Ventura	2.8%
Marina del Rey	2.9%
San Diego	3.6%
Long Beach	3.2%
Huntington Beach	2.9%
Newport-Lower	5.3%
Newport-Mid	6.9%
Newport-Upper	9.0%
Dana Point-Direct	4.0%
Dana Point Sublease	5.5%
Dana Point Market-Lower	5.7%
Dana Point Market-Upper	6.3%

Monthly Slip Rent as % Monthly Rent:

Ventura	2.8%
Marina del Rey	2.9%
San Diego	3.6%
Long Beach	3.2%
Huntington Beach	2.9%
Newport-Lower	5.3%
Newport-Mid	6.9%
Newport-Upper	9.0%
Dana Point-Direct	4.0%
Dana Point Sublease	5.5%
Dana Point Market-Lower	5.7%
Dana Point Market-Upper	6.3%

VALUATION ANALYSIS (Continued)

DEMOGRAPHIC STUDY: (Continued)

Annual Slip Rent as % Zillow Home Value

Ventura	1.2%
Marina del Rey	1.1%
San Diego	1.5%
Long Beach	1.1%
Huntington Beach	1.1%
Newport-Lower	0.9%
Newport-Mid	1.1%
Newport-Upper	1.5%
Dana Point-Direct	1.0%
Dana Point Sublease	1.4%
Dana Point Market-Lower	1.5%
Dana Point Market-Upper	1.6%

Annual Slip Rent as % Median Income:

Ventura	10.6%-12.1%
Marina del Rey	10.9%-17.1%
San Diego	19.0%-20.5%
Long Beach	11.9%-16.0%
Huntington Beach	13.5%-16.2%
Newport-Lower	17.0%-23.8%
Newport-Mid	27.2%-38.0%
Newport-Upper	35.7%-49.9%
Dana Point-Direct	15.7%-17.2%
Dana Point Sublease	21.6%-23.7%
Dana Point Market-Lower	22.5%-24.6%
Dana Point Market-Upper	25.2%-27.6%

VALUATION ANALYSIS (Continued)

DEMOGRAPHIC STUDY: (Continued)

While the foregoing demographic study is informative, it is not considered relevant to the current fair market rental rate study. It is noted that the indicated percentage rates at the subject property (existing direct, existing sublease, market-lower and market-upper) for the various demographic categories are at or near the upper end of the range, generally comparable to Newport Beach, which is deemed appropriate given that Newport Beach is the most geographically comparable area. Note, however, such demographics are not considered to have any impact on the establishment of boat slip market rental rates. Marina operators and market participants do not base boat slip rental rates on such factors. For example, in Marina del Rey there are numerous ground lease developments that include both apartment buildings and marinas. In establishing the rental rate for apartment units the Master Ground Lessee (developers) do not look to boat slip rates to determine apartment unit rental rates; rather they would look to other apartment developments and rental rates in local apartment market. Likewise, when establishing the slip rates in MdR, the developers do not base there slip rates on any type of percentage of the landside apartment rental rates. These are two differing real estate assets.

Likewise, marina operators do not set boat slip rental rates based on the price of homes in the area, as it is especially noted that while the Zillow Home Price index considers overall home prices in the area, there can be a wide and substantial difference in home prices in any given market based on differing factors (i.e. home size, lot size, views, bayfront or beach front homes, etc.).

Lastly, while median incomes in an area may be reflective of certain real estate prices, marina operators do not base boat slip rental rates on an individual's household income, nor the median household income in a given local, as such practices could be viewed as discriminatory.

While the demographic study is informative, and was conducted at the request of the client under the Scope of Work, it is not considered relevant to the fair market rental value study. Any relationship between demographic data and rental rates is considered to be reflected in the overall location consideration of each marina area.

VALUATION ANALYSIS (Continued)

CONCLUSION:

Based on the foregoing, the fair market rental rate range deemed applicable to the various boat slips sizes at the subject Dana Point Harbor, as of July 1, 2025, is summarized as follows:

Boat Slip Rates:

Fair Market Rates-Range		
Size	Lower	Upper
15'	\$25.00 lf	\$31.00 lf
20'	\$30.00 lf	\$36.00 lf
21'	\$31.00 lf	\$37.00 lf
22'	\$32.00 lf	\$38.00 lf
24'	\$33.00 lf	\$39.00 lf
25'	\$34.00 lf	\$40.00 lf
26'	\$35.50 lf	\$41.50 lf
28'	\$37.50 lf	\$43.50 lf
30'	\$42.00 lf	\$48.00 lf
31'	\$42.50 lf	\$48.50 lf
32'	\$43.00 lf	\$49.00 lf
35'	\$47.00 lf	\$53.00 lf
40'	\$58.00 lf	\$64.00 lf
41'	\$59.00 lf	\$65.00 lf
42'	\$60.00 lf	\$66.00 lf
44'	\$61.00 lf	\$67.00 lf
45'	\$62.00 lf	\$68.00 lf
48'	\$68.00 lf	\$74.00 lf
50'	\$68.00 lf	\$74.00 lf
52'	\$71.00 lf	\$77.00 lf
55'	\$75.00 lf	\$81.00 lf
56'	\$76.00 lf	\$82.00 lf
58'	\$78.00 lf	\$84.00 lf
60+'	\$80.00 lf	\$86.00 lf

ADDENDA

5. Orange County

ORANGE COUNTY ECONOMIC PERFORMANCE

Following the COVID years of 2020–2022, 2023 has brought its own unique set of challenges including rising interest rates, rising labor and housing costs, rising geopolitical conflict, and inflation that has remained above the Federal Reserve target. Despite these challenges, the labor market has remained resilient, and Orange County retains several significant strengths. These include its diverse industry cluster mix, a well-educated workforce, and a growing pipeline of new development projects that promise to generate new jobs. These strengths contrast with a persistent challenge in Orange County—a lack of workforce housing supply. As a result, housing affordability has hit a new low and household debt continues to rise.

In the face of rising interest rates and a higher cost of goods and services, however, consumer spending has remained strong, supported by a resilient labor market. While significant international turmoil presents additional potential headwinds, Orange County’s diverse industry clusters and well-educated workforce keep it insulated from disruptions better than most of its peers and neighbors.

ECONOMIC OUTLOOK

Cal State Fullerton’s (CSUF) economic forecast provides the most recent comprehensive outlook for the Orange County economy. Released with the Orange County Business Council in October, CSUF’s forecast projects slower growth and a mild recession in 2024 due to higher interest rates, lingering inflation, banks tightening their lending standards, and the ensuing credit squeeze. CSUF cites office vacancy rates as one early sign—Orange County’s 16.4 percent office vacancy rate in October exceeded the highs set after the Great Financial Crisis of 2007–2008. Their forecast expects Orange County’s unemployment rate to grow to 4.5 percent by 2024 before falling slightly to 4.2 percent in 2025.

CSUF’s Orange County Business Expectations Index (OCBX) is a business health index that relies primarily on a survey of top Orange County executives, with a score of over 50 indicating an expectation of positive future growth. In the survey, 44.4 percent of local executives cited inflation as their most pressing concern, pointing to short-term labor market weakness and moderated growth. Other concerns included cybersecurity and government deficits. Nonetheless, the fourth quarter OCBX rose to 73.1—up from 68.4 the previous quarter and well above the estimates of 63.9 from one year ago.

MAJOR NEW INVESTMENTS

Major new developments in the pipeline will help to drive economic growth and activity in the coming years. DisneylandForward and ocV!BE, two of the county’s largest developments, promise to drive tourism and consumer spending in and around the county’s core entertainment, leisure, and hospitality hotspots. DisneylandForward is a massive multi-year resort expansion and ocV!BE is a \$4 billion 96-acre mixed-use development near the Honda Center in Anaheim.

These proposed multi-billion-dollar investments will update Disneyland and its surrounding properties and further drive tourism and consumer spending in the area. ocV!BE includes a concert hall,

amphitheater, office building, two hotels, over 35 restaurants, 20 acres of parks and trails, and approximately 1,500 residences. With the first phase expected to be completed in 2026, a key objective of ocV!BE is to attract young professionals and families who enjoy living in or near city centers with ready access to retail, restaurants, and other amenities.

Additional mixed-use and residential projects are being developed throughout the rest of the county. One Metro West in Costa Mesa is a mixed-use development with over 1,000 residences, 25,000 square feet of office space, 6,000 square feet of specialty retail, a park, and an event plaza to centrally located Costa Mesa. This project, supported in part by Measure K passed in November 2022, is already approved and in pre-construction planning. Related Bristol, a 41-acre mixed use development in Santa Ana’s South Coast Metro neighborhood, is in an earlier phase but is even larger in scope, envisioning 3,750 residential units between 2026 and 2036.

Rancho Mission Viejo, a mega development in south Orange County, is one of the largest ongoing residential projects in the SCAG region. Several of the project’s neighborhoods are already built and occupied and the entire project is expected to contain 14,000 homes with up to 6,000 reserved for seniors.

TOURISM

Exhibit 5.1: Orange County Amusement Park Attendance

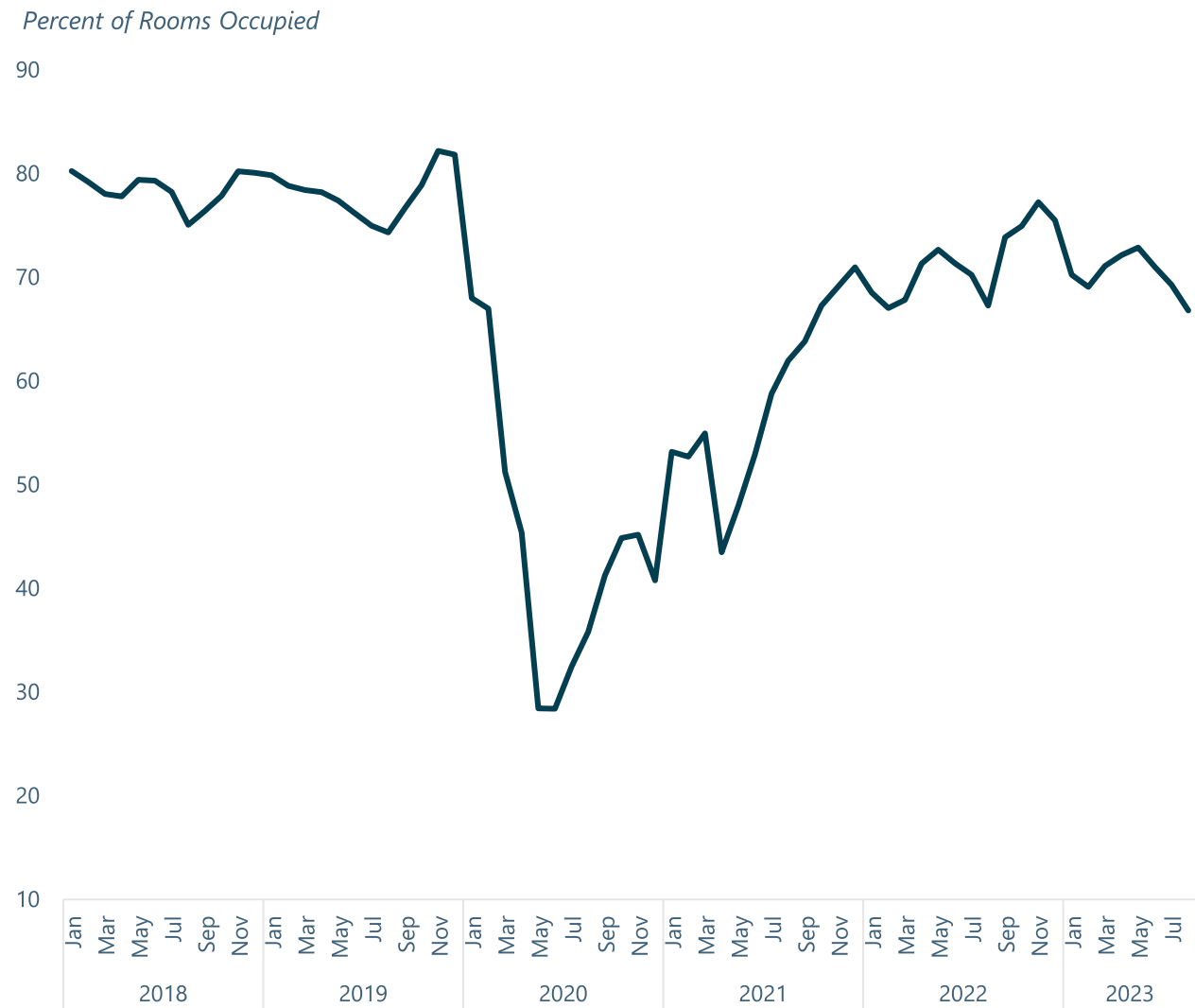
Year	Disneyland	California Adventure	Knott's Berry Farm
<i>----- Thousands of Annual Visitors -----</i>			
2019	18.68	9.99	4.24
2020	3.67	1.92	0.81
2021	8.57	4.98	3.68
2022	16.88	9.00	3.90
<i>----- Percent Change -----</i>			
2020	-80.3	-80.8	-80.9
2021	133.3	159.4	353.9
2022	96.9	80.8	5.9

Sources: TEA/AECOM 2022 Theme Index and Museum Index, Queue Times

In 2022, visitor attendance at Southern California theme parks, including Disneyland, California Adventure, and Knott’s Berry Farm in Orange County, rebounded dramatically after pandemic closures and restrictions in 2020 and 2021 (Exhibit 5.1). In 2023, growth is expected to continue at regional amusement part, estimated to increase an additional 9 percent.

Hotel occupancy rates, crucial for the economic livelihoods of the communities surrounding theme parks and sports venues, have also rebounded to nearly pre-pandemic levels in Orange County (Exhibit 5.2).

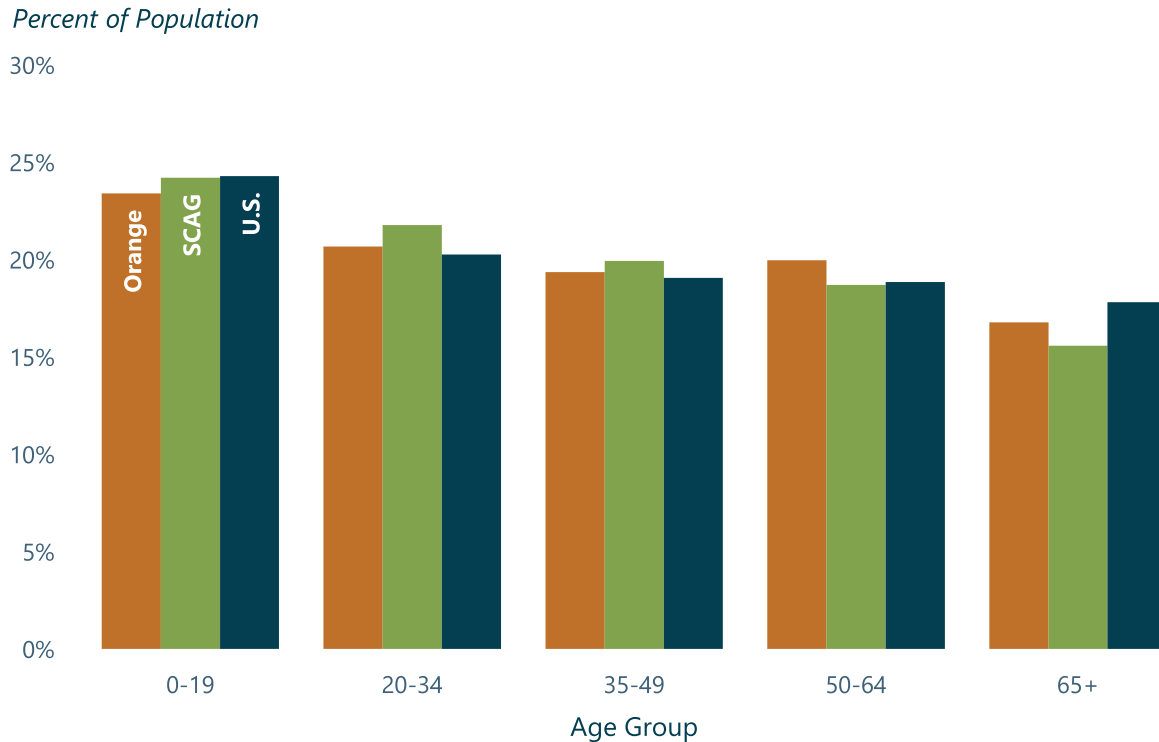
Exhibit 5.2: Orange County Lodging Occupancy Rate



Source: Visit California

DEMOGRAPHICS

Exhibit 5.3: Age Distribution in Orange County, SCAG Region, and U.S.



Source: American Community Survey 1-Year Estimates

Orange County's population declined by 14,782 (0.5 percent) between 2022 and 2023, the third consecutive year of population decline. This is slightly greater than the 0.4 percent total population decline statewide over the same period. The main factor remains the county's high cost of living, driven primarily by high housing costs, which pushes many residents—especially young families—to move to more affordable neighboring counties or out of the state. In 2021, the number of such domestic out-migrants exceeded domestic in-migrants by 26,403—this difference rose to 30,524 by 2022 as this was exacerbated somewhat following the pandemic. Meanwhile, immigration into Orange County remains positive and actually increased by more than 8,000 residents between 2021 and 2022.

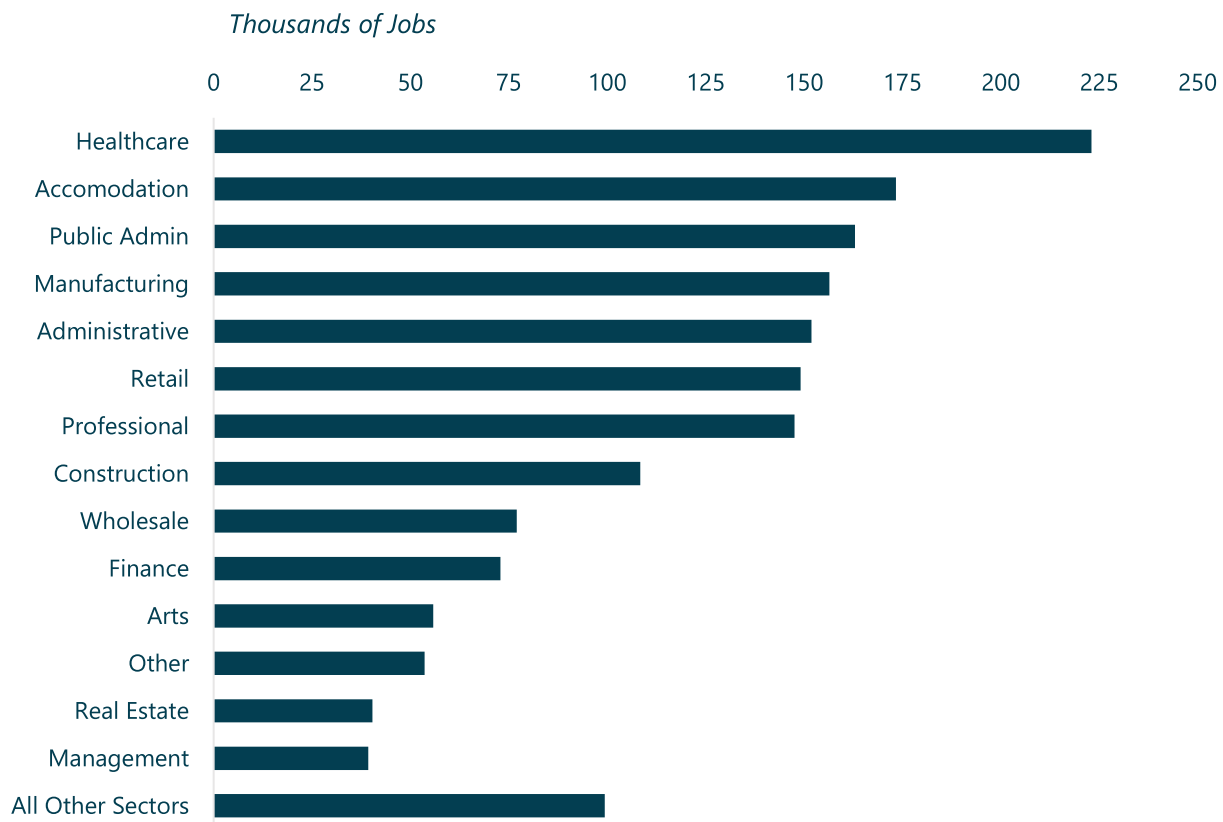
Like the rest of California, Orange County continues to grow older and more diverse. As seen in the chart above, the county had fewer young residents and more older residents than the SCAG region in 2022; its median age increased from 39.2 in 2021 to 39.5 in 2022. Between the 2010 and 2020 Census decennial, the largest changes in race/ethnicity were a decline in the white, non-Hispanic population (44.1 percent to 37.6 percent) and an increase in the Asian population (17.7 to 21.9 percent).

INDUSTRIES AND EMPLOYMENT

Orange County’s unemployment rate has increased over the past year from 2.8 percent in September 2022 to 3.7 percent as of September 2023, caused by an overall rise in labor force participation—the number of employed residents has actually increased slightly. Despite this rise in the county’s unemployment rate, it remains the lowest in the SCAG region and well below the state average of 4.9 percent.

Orange County’s largest industries include Health Care, Accommodation and Food Service, Public Administration, and Manufacturing. Over the past year, Health Care saw the largest increase in employment, followed by Accommodation and Food Service, and Professional, Scientific, and Technical Services. Orange County’s manufacturing industry clusters, including Medical Devices and Biomedical, continue to drive economic activity and innovation in the region.

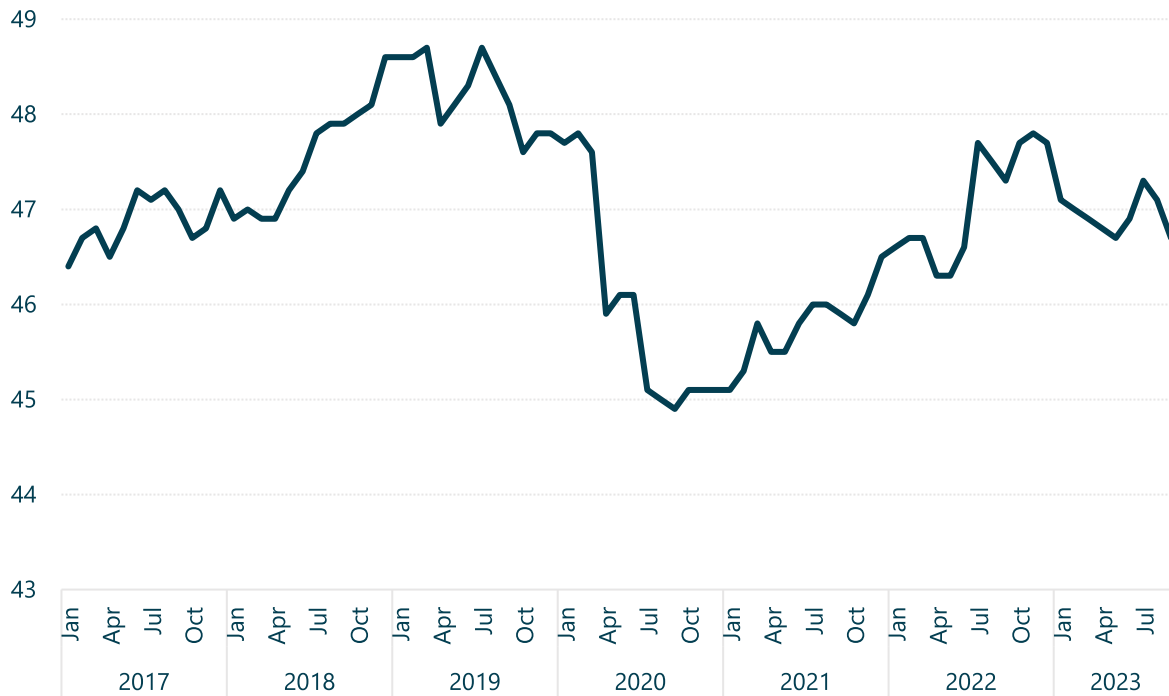
Exhibit 5.4: Employment by Industrial Sector in Orange County, 2023



Source: California Employment Development Department (2023)

Exhibit 5.5: Advanced Manufacturing Employment in Orange County

Thousands of Jobs



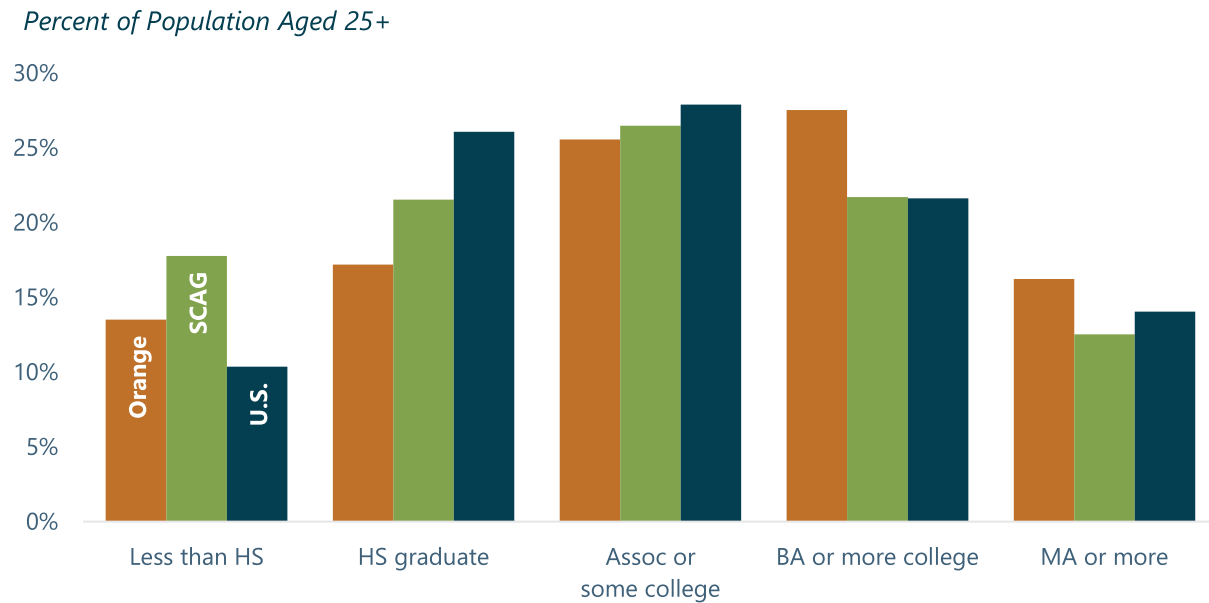
Source: California Employment Development Department (2023)

Furthermore, in the last 18 months, the Orange County advanced manufacturing sector has rebounded with the restoration of jobs after a decline in 2019-2020. The recent surge in both technology services and technology manufacturing employment is impressive, reflecting Orange County’s ability to attract workers with skillsets needed for these jobs.

WORKFORCE AND OCCUPATIONS

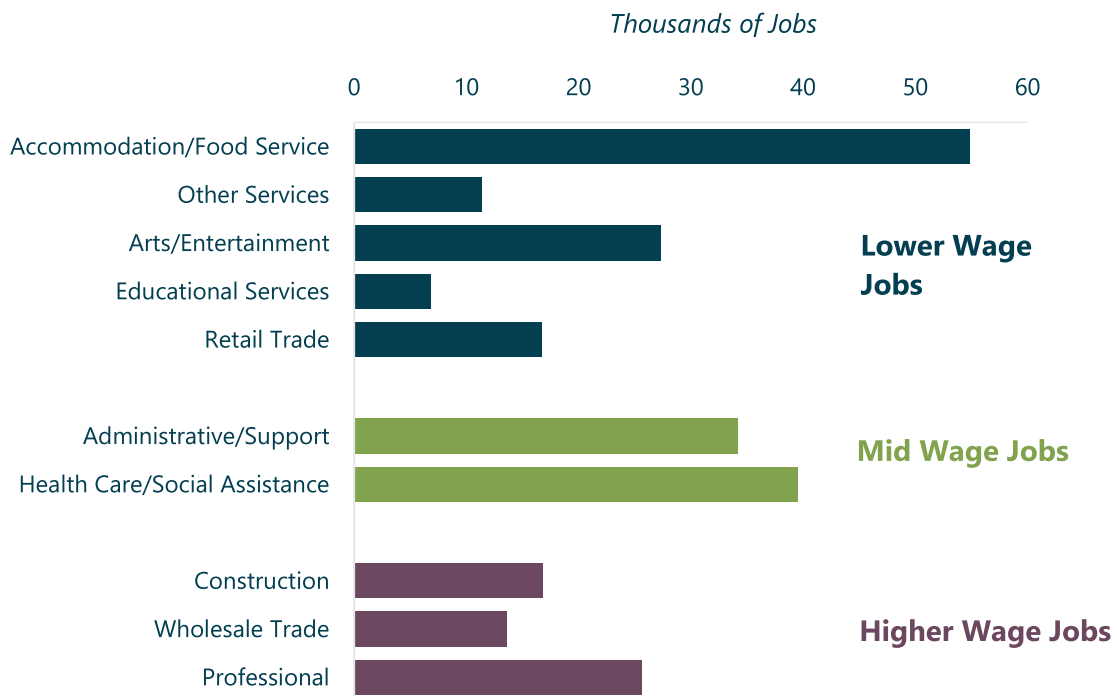
One of Orange County’s major competitive advantages is its highly educated population. Approximately 27.5 percent of county residents aged 25 years and older have a bachelor’s degree or higher, compared to 21.7 percent in the overall SCAG region and 21.6 percent in the nation as a whole. 16.2 percent of residents 25 years and older have their master’s degree or above, compared to just 12.5 percent in the SCAG region and 14.0 percent in the nation. Despite this, Orange County education professionals and stakeholders need to continue efforts to increase educational equity across all races and income levels.

Exhibit 5.6: Educational Attainment in Orange County, SCAG Region, and U.S., 2022



Notes and Source: "Assoc or some college" includes associate degrees and additional schooling but not a bachelor's degree. "BA or more college" includes a bachelor's and additional schooling but not a master's degree, and "MA or more" includes master's degrees, additional schooling, including other advanced degrees. Based on data from U.S. Census Bureau, American Community Survey 1-Year Sample (2022).

Exhibit 5.7: Projected Employment Growth in 2020-2030 in Orange County's Largest Sectors



Source: California Employment Development Department (2023)

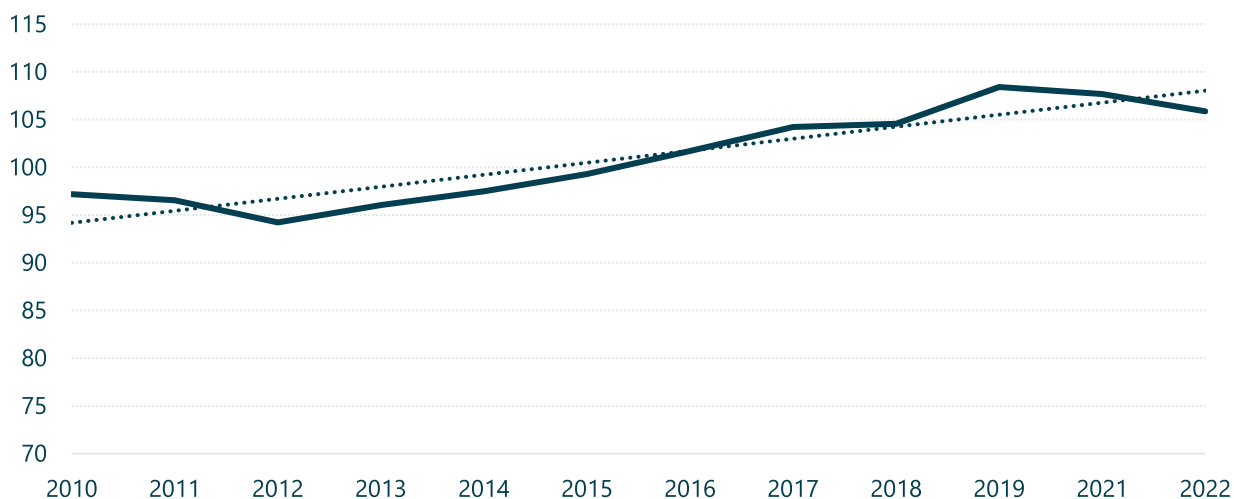
INCOME, POVERTY, AND EQUITY

While median real household incomes have increased slightly from 2006 to 2022, the past year has seen a reversal of this trend: real household incomes actually declined, by \$1,891, or 1.7 percent. Despite this decline, Orange County still commands the highest median household income in the SCAG region at \$109,300.

A similar trend happened at the regional level. SCAG real household incomes increased between 2006 and 2022 before falling by 0.8 percent (\$697) over the past year.

Exhibit 5.8: Real Median Household Income in Orange County

Thousands of 2022 Dollars



Source: U.S. Census Bureau, American Community Survey 1-year Sample (2022).

Despite the decrease in real household incomes, Orange County's poverty rate remained unchanged over the past year at 9.9 percent, which was the region's second lowest poverty rate in the region behind only Ventura County. Overall SCAG regional poverty declined from 12.8 percent in 2021 to 12.6 percent in 2022.

A bright spot in promoting equitable economic growth has been through the California Jobs First Initiative, formerly known as the Community Economic Resilience Fund (CERF). CERF is a statewide effort across 13 regions to promote sustainable and equitable economic development. The state has since created a catalyst fund to ensure that CERF projects make it through the planning stages and are fully implemented. Each region must both ensure that these projects are eligible for additional federal, state, and private funding and prioritize catalyst funding for specific target industries.

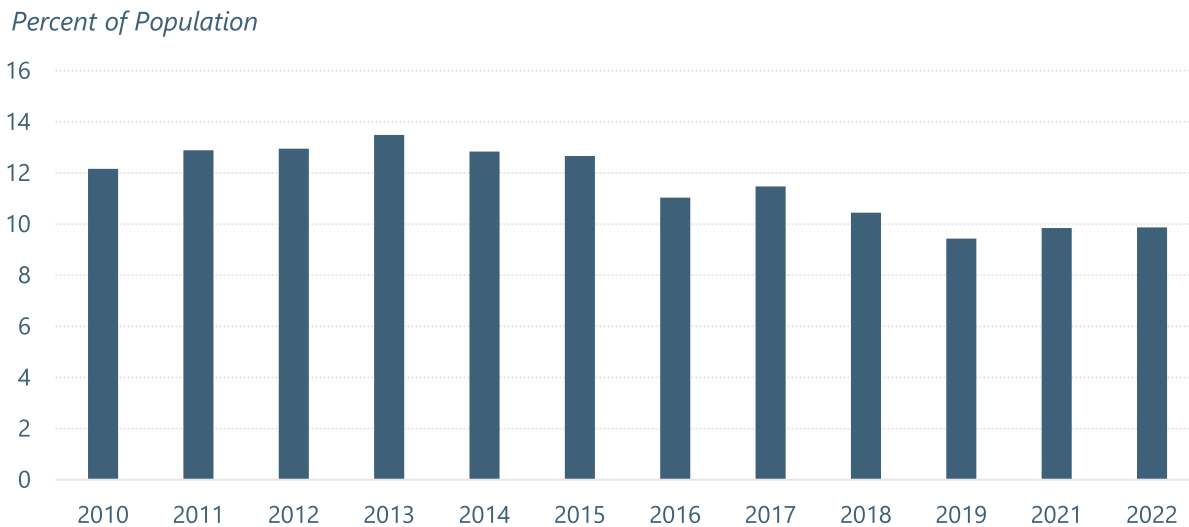
One major aspect of CERF's equity and sustainability objectives is support for innovative new plans and strategies to diversify local economies and develop sustainable industries that create good paying jobs that are accessible to all residents and especially in traditionally disinvested communities. An additional focus is to encourage more and better entrepreneurial opportunities in these same communities.

To accomplish this, Orange County's High Road Transition Collaborative (the CERF decision-making body) selected five industry sectors to prioritize: Healthcare and Social Assistance, Manufacturing, Educational Services, Construction, and Accommodation and Food Services. While jobs in food service, for example,

might be unexpected, rising minimum wages and the strength of the labor market following the pandemic mean that these jobs can be an increasingly attractive path for entry-level employment that leads to financially sustainable career pathways as well as opportunities for entrepreneurial ventures.

A unique, collaborative example of economic uplift in Orange County is StoreOne, located on the site of the very first Northgate González Market in Anaheim. StoreOne is currently in the process of transforming into a multi-use community center and is set to open in 2025. Currently being developed as a public-private partnership operated by the City of Anaheim and fiscally sponsored by the Anaheim Community Foundation, Store One will provide services in entrepreneurship, workforce development, and community health and wellness—with a focus on supporting Anaheim’s hospitality and food service industries. The 12,000-square-foot facility helps food service business owners incubate new products and businesses, provides training and certifications for those entering the food service profession, and provides a variety of community-based programming.

Exhibit 5.9: Orange County Population in Poverty



Source: U.S. Census Bureau, American Community Survey 1-Year Sample (2022).

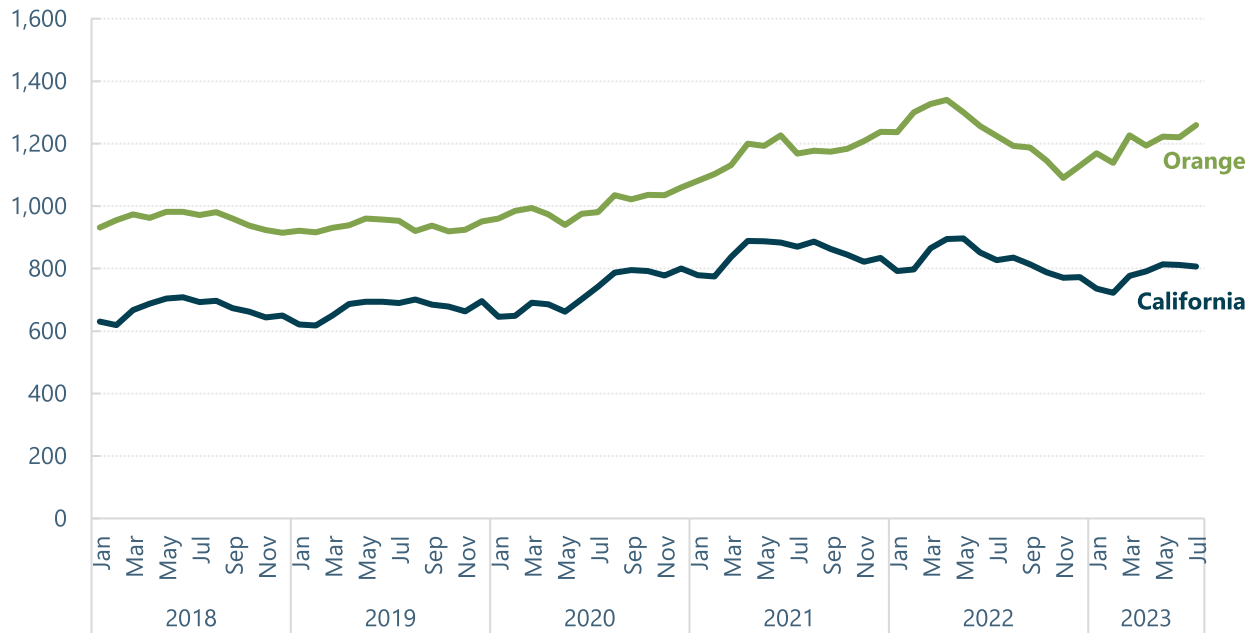
HOUSING MARKET

Rising mortgage rates make a lack of housing affordability a growing concern, especially in already expensive Orange County. Over the past year, real median home prices for single-family homes in Orange County have increased by 3 percent, whereas prices have decreased by 2 percent in Los Angeles County and 2.5 percent in California as a whole. Lack of workforce housing supply is a regional issue but is particularly pressing for Orange County due to the combination of price appreciation and strong employment growth.

Real median home prices reached \$1,300,000 in July 2023, a monthly increase of \$40,500. (The median home price peaked at \$1,383,600 in April 2022.) Overall, prices remain \$283,300 above pre-pandemic levels, highlighting the significant home price growth in recent years.

Exhibit 5.10: Real Median Home Prices for Single Family Homes in Orange County

Thousands of 2022 Dollars



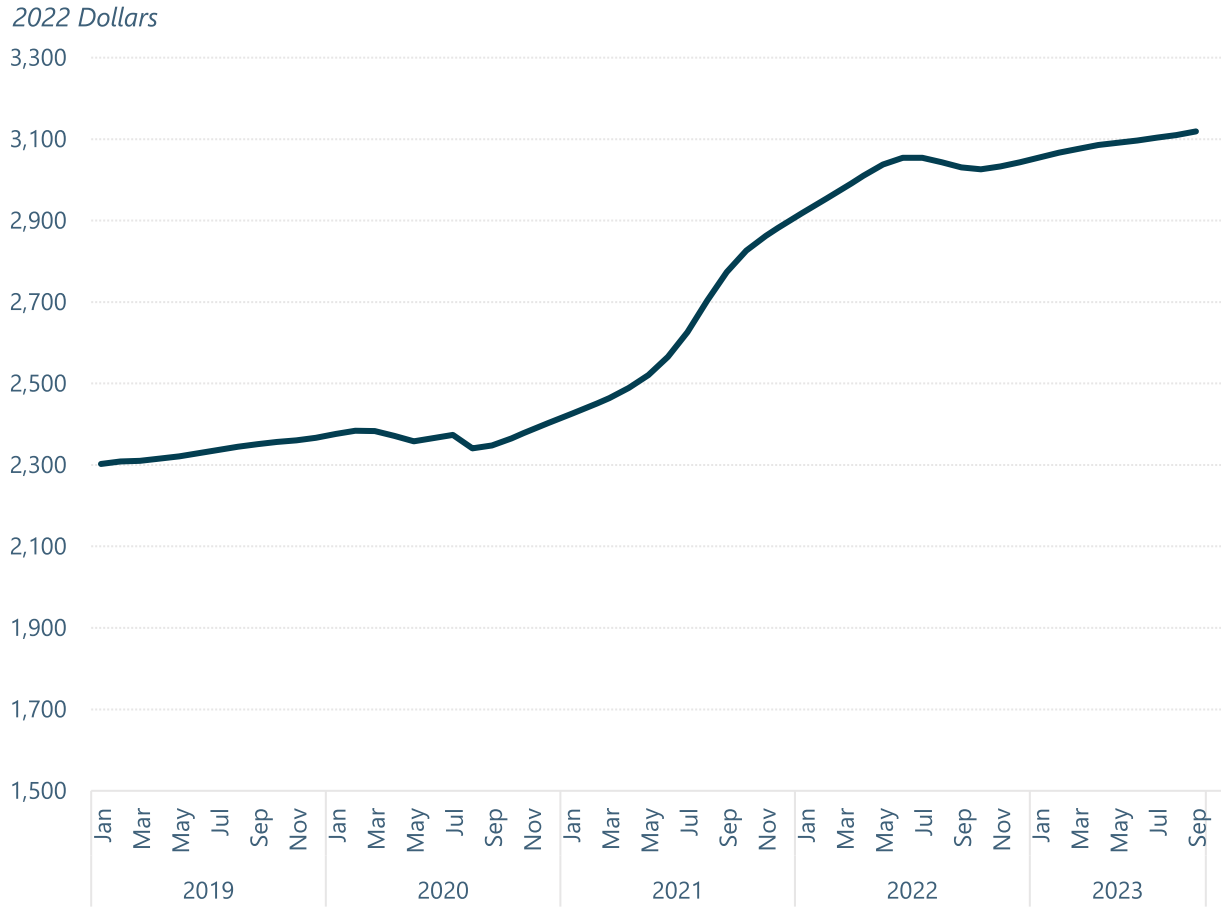
Source: California Association of Realtors

While rents in Orange County did dip slightly in the second half of 2022, they have since surpassed previous highs and currently stand at a record high. As of July 2023, Zillow’s Observed Rent Index for Orange County totaled \$3,151 per month, an increase of 1.5 percent since July 2022. Orange County was just behind the San Francisco rent index of \$3,188, above Los Angeles County (\$2,919), and well above the national average (\$2,062).

Despite significant demand to both live and work in Orange County, housing supply has failed to keep pace. A total of 5,938 building permits were granted in 2022 in Orange County, down from 7,867 in 2021 and below the 2020 total of 6,027. Of the 5,938 building permits issued in 2022, 49.4 percent were for single-family units while 50.6 percent were for multi-family units.

Nonetheless, there is some promise for increased housing supply—if not necessarily major price relief. The major development projects listed above total several thousand units—additionally, accessory dwelling unit (ADU) permitting increased from 291 in 2018 to 1,661 in 2022 according to state data—ADUs continue to see increased supported from state and local policies. More than half of Orange County’s local jurisdictions now have state-certified housing elements—countywide, these planning documents identify potential sites that would support a total of nearly 184,000 new housing units.

Exhibit 5.11: Zillow Observed Rents Index for Orange County



Source: Zillow (2023)

**QUALIFICATIONS
OF
APPRAISER**

**R . P . LAURAIN
& ASSOCIATES**
APPRAISERS - ANALYSTS

BACKGROUND AND QUALIFICATIONS

John P. Laurain, MAI, ASA
Certified General Real Estate Appraiser
California Certification No. AG 025754

PRESIDENT:

R. P. Laurain & Associates, Inc.
3353 Linden Avenue, Suite 200
Long Beach, California 90807
Office: (562) 426-0477 - Fax: (562) 988-2927
rpla@rplaurain.com

PROFESSIONAL ORGANIZATION AFFILIATIONS:

The Appraisal Institute
MAI Designated Member

American Society of Appraisers
Senior member; hold professional endorsement and
designation "ASA" in urban real estate.

American Arbitration Association
Associate arbitrator in title insurance matter.

Certified General Real Estate Appraiser by the
Office of Real Estate Appraisers, State of California.
Certification No. AG 025754.

APPRAISAL BACKGROUND:

Real estate appraisal and valuation consultation services conducted for public purposes include eminent domain studies, street widening and grade separation (bridge) projects, public school and university expansion projects, relocation studies, housing and public loan programs, Navy housing, senior housing, public bond measures, leasing of publicly-owned properties, Quimby Act park fee studies, Fair Political Practices Commission analyses, budgetary studies, and transfers (exchanges) of properties between public agencies. Private real estate appraisal services have been conducted for lending institutions, insurance companies, attorneys, estates for tax and donation purposes, private subdivision development studies, and other private uses.

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL BACKGROUND: (Continued)

Residential Property:

Residential properties appraised include single family, condominiums, own-your-own, townhouse, low and medium density multiple family, 100+ unit apartment complexes, waterfront properties, boat docks, mobile home parks, vacant single-family lot and acreage parcels, and low to high density vacant land parcels.

Commercial and Industrial Property:

Commercial property appraisal studies have included single and multi-tenant retail, strip centers, shopping centers, low-rise and high-rise office buildings, medical offices, restaurants and fast-food developments, nightclubs, convenience stores, theaters, automobile repair and service facilities, service stations, truck fueling and washing stations, car wash facilities, automobile sales, mixed-use properties including single resident occupancy (SRO) developments, as well as hotel and motel properties, and vacant land.

Industrial property appraisals have included warehouses, light and heavy manufacturing, distribution and transit facilities, food processing, cold storage, lumber yards, recycling centers, open storage, vacant land, remnant and landlocked parcels, properties encumbered with oil and water injection wells, sites with soil contamination and land fill properties.

Special Purpose and Special Use Properties:

Appraisal services and valuation studies of public, quasi-public, special use, and nonprofit facilities include, among others, seaport properties, airport properties (FBO, hangars, warehouse, office, land, etc.), submerged land, river rights-of-way, reservoirs, agricultural land, conservation/mitigation and wetland properties, utility and railroad rights-of-way, flood control channels, city hall buildings and civic center complexes, courthouses, libraries, fire and police stations, post offices, public parking structures, parks, public and private schools, adult learning centers, athletic facilities and gyms, bowling alleys, tennis centers, youth homes, after school facilities, daycare facilities, hospitals, skilled nursing facilities, churches, meeting halls and veteran facilities.

Valuation Methodologies:

In addition to the three conventional valuation methods (Sales Comparison Approach, Cost-Summation Approach, and Income Capitalization Approach), valuation methodologies have included discounted cash flow analyses, leased fee, and leasehold analyses, absorption discounts, deferred maintenance, cost-to-cure, bonus value, excess rent, across-the-fence, value-in-use, fractional interests, hypothetical valuations, and reuse studies.

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL BACKGROUND: (Continued)

Property interests appraised for eminent domain purposes include full and partial takings, as well as severance damage and project benefit studies. Valuation of various types of easements have included permanent surface, street, temporary construction, slope, utility, pipeline and subsurface, aerial, bridge structure, signal light, exclusive and nonexclusive surface rights, multi-layered, battered pilings, tie-back, railroad, drainage ditch, and flood control easements.

Clients:

Real estate research, analysis and appraisal services performed on projects for various public agencies and private corporations while associated with R. P. Laurain & Associates, Inc., since 1986. Following is a partial list of public agencies for which appraisal services have been provided:

Cities:

City of Alhambra	City of Downey	City of Norwalk
City of Anaheim	City of El Monte	City of Oceanside
City of Artesia	City of El Segundo	City of Ontario
City of Arvin	City of Garden Grove	City of Palmdale
City of Azusa	City of Glendale	City of Palm Springs
City of Baldwin Park	City of Hawaiian Gardens	City of Paramount
City of Bell	City of Huntington Beach	City of Pasadena
City of Bell Gardens	City of Huntington Park	City of Perris
City of Bellflower	City of Industry	City of Redondo Beach
City of Beverly Hills	City of Inglewood	City of Riverside
City of Brea	City of Irwindale	City of Rosemead
City of Buena Park	City of Laguna Beach	City of San Juan Capistrano
City of Burbank	City of Laguna Woods	City of San Marino
City of Carson	City of Lakewood	City of Santa Ana
City of Cathedral City	City of La Mirada	City of Santa Fe Springs
City of Chino	City of Lawndale	City of Seal Beach
City of Chino Hills	City of Long Beach	City of Signal Hill
City of Compton	City of Los Alamitos	City of South El Monte
City of Corona	City of Los Angeles	City of South Gate
City of Covina	City of Monrovia	City of Tustin
City of Cudahy	City of Montebello	City of Upland
City of Cypress	City of Monterey Park	City of West Hollywood
City of Diamond Bar	City of Newport Beach	City of Whittier

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL BACKGROUND: (Continued)

Other Public and Quasi-Public Agencies:

Alameda Corridor Engineering Team
Alameda Corridor Transportation Authority
California High Speed Rail Authority
Caltrans
Castaic Lake Water Agency
Hawthorne School District
Kern County
Long Beach Community College District
Long Beach Airport
Long Beach Unified School District
Long Beach Water Department
Los Angeles County Department of Beaches and Harbors
Los Angeles County Chief Executive Office
Los Angeles County Internal Services Department
Los Angeles County Metropolitan Transportation Authority
Los Angeles County Public Works
Los Angeles Unified School District
Los Angeles World Airports
Lynwood Unified School District
Orange County Transportation Authority
Orange County Public Works
Orange County Counsel
Port of Hueneme
Port of Long Beach
Port of Los Angeles
Riverside County Transportation Commission
San Bernardino County
Southern California Edison
State of California, Santa Monica Mountains Conservancy
U. S. Department of the Navy
U. S. Postal Service

Other:

Various attorneys, corporations, lending institutions, and private individuals.

Gold Coast Appraisals, Inc.:

Associate appraiser, as independent contractor, during portions of 1991 and 1992, specializing in appraisal of single family residential through four-unit residential properties.

BACKGROUND AND QUALIFICATIONS (Continued)

EXPERT WITNESS:

Qualified as an expert witness in the Los Angeles County Superior Court, Central District.

Qualified as an expert witness Orange County Superior Court.

Qualified as an expert witness in an arbitration matter before Judicial Arbitration and Mediation Services in the Counties of Los Angeles and Orange.

Provided testimony as an expert witness in conjunction with eminent domain matters before the San Bernardino and Riverside County Superior Courts.

ACADEMIC BACKGROUND:

Cypress Community College - Basic curriculum.

Long Beach Community College - Basic curriculum.

Real estate and related courses taken through and at various Community Colleges, Universities, the Appraisal Institute, and business schools, in accordance with the Continuing Education Requirements of the State of California, as follows:

- Fundamentals of Real Estate Appraisal
- Appraisal Principles and Techniques
- California Real Estate Principles
- Real Estate Appraisal: Residential
- California Real Estate Economics
- Basic Income Capitalization Approach
- Advanced Income Capitalization Approach
- Advanced Market Analysis and Highest & Best Use
- Advanced Applications
- Advanced Concepts and Case Studies
- Quantitative Analysis
- Eminent Domain and Condemnation
- Complex Properties
- Real Estate Escrow
- California Real Estate Law
- Uniform Standards of Professional Appraisal Practice
- Federal and State Laws and Regulations
- Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)
- Valuation of Conservation Easements