2026 QUARTER 2 REPORT

Updated 09/10/26

DANA POINT HARBOR PARTNERS

BWP BURNHAM|WARD PROPERTIES

R.D.OLSON DEVELOPMENT

BELLWETHER FINANCIAL GROUP

Marina and Drystack

Operations

Marina

Marina Improvement Project

- Dock Phases: The following have been completed with certificates of occupancy issued by County of Orange Public Works. Phase 1 - 3/28/24, Phase 2 - 1/19/24, Phase 3 - 1/19/24, Phase 4 - 2/29/24, Phase 5 - 5/28/24, Phase 6 - 9/17/24, Phase 8 - 3/31/25, Phase 7 - 7/1/25, Phase 9A - 12/30/2025, Phase 10 - 12/30/2025, and Phase 11 - 5/15/2026.
- Dock demolition for Phase 12 commenced on 6/1/26 with the Phase 12 expected to be delivered for occupancy in September 2026.
- On 6/10/26, DPHP Marina CDP Amendment 5-19-0971-A1 was approved at the Coastal Commission Hearing.
- The Fuel Dock Underground Storage Tank replacement was completed and put in operation in March 2026.

Slip Rates

- On March 23, 2026, DPHP delivered to the County of Orange a notice of proposed increases in slip rates in accordance with the Master Lease, along with a comprehensive market rate survey.
- On March 25, 2026, DPHP notified tenants with slip rate increase letters notifying them of new rates effective June 1, 2026.
- On June 1, 2026, slip rate increases went into effect.

Drystack

Operations

- Operations continue and are being managed to accommodate redevelopment work on premises.
- On March 25, 2026, DPHP notified dry storage tenants of a rate increase effective May 1, 2026.
- On May 1, 2026, dry storage rate increase went into effect.

Redevelopment

- In May 2026, Drystack landside preliminary plans were submitted to the City of Dana Point for approval-in-concept to CDP 21-0016. Submission included parking plan, architectural plan, civil plan, landscape plan, and visual impact study.
- In June 2026, CEO RE provided letter of conceptual approval of the proposed improvements for purposes of the CDP application. Drystack waterside CDP application has a target submission date in fourth quarter of 2026. Application includes conceptual plan, eel grass surveys, EFH assessment, bioacoustics evaluation, navigational study, and seawall assessment.
- The discussions of a possible MOU have slowed progress of current plans as we wait to find out the path forward.

Financials

Attached are the 2026 financials for Dana Point Harbor Partners – Marina and Drystack components. As presented, the Marina component includes the Marina operations and Direct Tenants (Nordhavn, Shipyard and Fuel Dock). The Drystack component includes the Embarcadero operations (with Pure Watersports) and Direct Tenant (Verizon).

2026 to 2025 Marina Comparison

The following is a condensed comparison of June 2026 vs. June 2025 Marina results.

Year-to-date comparison indicates a 13% increase in revenue, 1% increase in operating expenses, and a 21% increase in operating income. The Marina continues to benefit from increased sublease demand as boaters seek temporary access to slips during the redevelopment at sublease market rates.

DPHP Marina	Current YTD 6/30/2026	Prior YTD 6/30/2025	% Change
REVENUES			
Slip Rental Income	10,650,959	9,986,160	7%
Total Guest Fees	107,318	128,586	-17%
Total Office Rent	49,438	60,220	-18%
Sublease Income	1,906,011	1,111,337	72%
Broker & Charter Flat Fees	79,471	121,120	-34%
Direct Tenant Income	375,958	323,482	16%
Parking Income	109,044	106,074	3%
Total Other Income	273,494	194,058	41%
TOTAL REVENUES	13,551,693	12,031,036	13%
TOTAL OPERATING EXPENSES			
Wages & Benefits	703,246	713,389	-1%
Direct Expenses	1,621,328	1,634,952	-1%
Administrative Expenses	1,348,946	1,401,901	-4%
Capital Expense & Property Tax	125,060	125,060	0%
County Rent	1,273,107	1,140,840	12%
TOTAL OPERATNG EXPENSES	5,071,687	5,016,142	1%
NET OPERATING INCOME	8,480,006	7,014,895	21%

2026 to 2025 Drystack Comparison

The following is a condensed comparison of June 2026 vs. June 2025 Drystack results.

Year-to-date comparison indicates a 8% increase in revenue, a 5% increase in operating expenses, and an 13% increase in operating income. Despite the vacancy loss created by redevelopment efforts, the increase in net operating income is directly due to diligent management of the Drystack.

Other Income is mainly comprised of late fees.

DPHP Drystack	Current YTD 6/30/2026	Prior YTD 6/30/2025	% Change
REVENUES			
Boat Storage Income	440,244	430,992	2%
Wet Slip Rentals	29,391	19,034	54%
Launch Ramp Income	169,852	139,802	21%
Charter Slip Income	16,938	15,302	11%
Merchant Income	93,285	85,605	9%
Total Other Income	3,442	5,636	-39%
TOTAL REVENUES	753,151	696,371	8%
TOTAL OPERATING EXPENSES			
Wages & Benefits	227,300	203,883	11%
Direct Expenses	50,300	57,318	-12%
Administrative Expenses	67,825	66,710	2%
Capital Expense & Property Tax	2,700	2,700	0%
County Rent	103,959	98,558	5%
TOTAL OPERATNG EXPENSES	452,083	429,170	5%
NET OPERATING INCOME	301,067	267,201	13%

Commercial Core and Parkscapes

Operations and Revitalization

Commercial Core Project

- Phase 3 underground utility work and soil stabilization complete. Building foundation work has commenced.
- Notices have been given to all Wharf Tenants in anticipation of Phase 4 construction set to commence October 1, 2026.
- Bidding process complete for Phase 4 construction.
- Active leasing discussions are underway with existing and prospective tenants for future Commercial Core phases.

Parking Structure

- Parking Structure continues to remain open daily with on-site attendants to assist customers and employees.
- All Commercial Core employees have been issued Tag Master tags on their vehicle for convenient access. Employees are required to park on the 3rd floor.
- Catalina Express, fishing and whale watching customers continue to be required to park on the third floor.

Maintenance and Projects

- Maintenance contracts sweeping, landscape, lighting, janitorial, and power washing) continue to be modified to accommodate construction
- Maintenance quality standards remain unaffected despite construction impacts.
- Lanterns, door hardware, signage, and other miscellaneous items have been placed in storage for preservation.
- Select existing harbor trees/plants have been temporarily relocated offsite and are being maintained for future reinstallation as part of the future project.
- Restroom plumbing fixtures and accessories continue to be replaced on an as-needed basis.
- Concrete repairs throughout Parkscapes area continue to be completed to maintain safe conditions
- Railing repairs were completed in the Wharf to address loose rail bars and maintain safe conditions.
- Routine storm drain cleaning cycles remain ongoing, with damaged filters on schedule to be replaced to ensure proper system performance.
- Structural and cosmetic repairs completed to the Captain Dave's Dolphin Safari Stairs and Deck
- Structural and cosmetic repairs completed to the Aventura Sailing Association Deck
- Parkscapes lighting along Island Way is monitored regularly, with repairs completed as needed.

Harbor Events

- Certified Farmers Market – Every Wednesday
- Mother's Day – Modern Makers Mart – May 9
- Don Hansen Day – May 15
- Opening Day (DPYC + DWYC) – May 16
- Little Folk Club (3) – April 24, May 22, June 24
- Citywide Scavenger Hunt – June 1 - 30
- Smoke on the Water BBQ Pop-up – Every Saturday & Sunday launched June 6
- Coastal Cowgirl – Modern Makers Mart – June 27

PR Top Stories

- Jon's Fish Market Closure
  - KTLA, DP Times, OC Register, The Log, My News LA, What Now
- Summer Event Calendar
  - DP Times
- Hotel Sneak Peek
  - OC Business Journal
- Yellowtail Catch
  - OC Register
- Father's Day
  - LA Times, DP Times
- Dana Wharf 55th Anniversary
  - DP Times
- Longtime Harbor Tenant Summer Plans
  - DP Times
- Hotels on Hold
  - OC Register, DP Times
- Farmers Market (Weekly)
  - South OC Beaches

Financial Summary

The Commercial Core component includes retail shops, restaurants, whale watching, Catalina Express, office spaces, yacht clubs, and parking structure.

2026 to 2025 Commercial Core Comparison

Below is a condensed comparison of the Commercial Core financial results for YTD June 2026 versus YTD June 2025. Through June 30, 2026, the commercial core generated Net Operating Income of approximately $813,000, representing a 20% increase over the prior year. Total revenues increased 5%, driven primarily by higher tenant parking income and percentage rent revenue, despite a decline in base rental income attributed to business closures due to ongoing construction. Total operating expenses were mostly unchanged, declining by 1%, as significant reductions in direct expenses offset increases in wages, benefits, and insurance costs. Overall, the property delivered improved operating performance compared to the prior year.

DPHP Commercial Core	Current YTD	Prior YTD	%
	6/30/2026	6/30/2026	Change
REVENUES			
Tenant Rent Income	1,709,580	1,856,657	-8%
Tenant/Parking Income	503,698	256,975	96%
Puerto Pl. Parking Income	40,732	40,239	1%
Reimbursable Expense Income	240,671	239,624	0%
Other Income	24,146	8,110	n/a
TOTAL REVENUES	2,518,827	2,401,604	5%
OPERATING EXPENSES			
Wages & Benefits	286,730	202,240	42%
Direct Expenses	718,436	1,014,392	-29%
Administrative Expenses	259,495	269,834	-4%
Property Tax	17,100	16,815	n/a
Insurance	315,698	132,376	138%
County Rent	108,316	85,666	26%
TOTAL OPERATING EXPENSES	1,705,775	1,721,323	-1%
NET OPERATING INCOME	813,052	680,281	20%

Hotels – 2Q 2026

Operations and Revitalization Summary

Hotel Entitlement – EIR & CDP (City)

- Status of building permits
  - Grading/Drainage Permit application submitted 8/18/25.
  - Demolition Permit application submitted on 8/21/25.
  - Off-site Utility Permit application submitted on 9/22/25.
  - On-site Utility Permit application submitted on 9/30/25.
  - Building Permit application for each hotel submitted on 12/15/25.

Hotel Ground Lease

- Bifurcation presented to Board of Supervisors on 6/23; matter was continued to the 8/11 hearing

Financial Summary

Below are the YTD 2026 financials for Dana Point Harbor Partners – Hotel component. The Hotel component includes the Marina Inn operations. Revenues were up 3.3% and net operating income (NOI) was down 36.4% versus YTD 2025 through Q2.

DPHP Marina Inn	Current YTD 6/30/2026	Prior YTD 6/30/2025	% Change
REVENUES			
Rooms Revenue	1,857,122	1,779,877	4.3%
Other Revenue	121,372	134,988	-10.1%
TOTAL REVENUES	1,978,494	1,914,865	3.3%
OPERATING EXPENSES			
Rooms Expenses	558,375	508,920	9.7%
Food Expenses	83,433	73,022	14.3%
Administrative Expenses	785,329	613,226	28.1%
Association Fees	47,278	45,810	3.2%
Management Fees	66,174	68,088	-2.8%
Insurance	31,662	67,305	-53.0%
Property Tax	15,678	15,417	1.7%
County Rent	110,054	125,682	-12.4%
Equipment Leases	1,635	1,569	4.2%
FF&E Reserve	75,862	76,612	-1.0%
TOTAL OPERATING EXPENSES	1,775,480	1,595,651	11.3%
NET OPERATING INCOME	203,014	319,214	-36.4%