

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (this “**MOU**”) is dated as of June __, 2026 (“**Effective Date**”) between the COUNTY OF ORANGE, a political subdivision of the State of California (“**County**”), as lessor, and DANA POINT HARBOR PARTNERS, LLC, a California limited liability company (“**DPHP**”), as an outline of the terms for the parties to investigate the feasibility of, and negotiate: (a) a potential amendment (the “**Drystack Amendment**”) to that certain Master Ground Lease Agreement Dana Point Harbor (the “**Drystack Lease**”) dated as of June __, 2026, between the County, as lessor, and DANA POINT HARBOR PARTNERS DRYSTACK, LLC, a California limited liability company (together with its permitted successors and assigns, “**Drystack Lessee**”), as lessee, with respect to certain premises located in Dana Point Harbor, Dana Point, California (the “**Drystack Property**”), and; (b) a potential separate lease at OC Parks Sailing & Event Center (the “**SEC Lease**”) of a building which shall consist of approximately 5,000 square feet plus an outdoor patio of approx. 2,000 square feet of space currently a part of the Sailing and Event Center (the “**SEC Restaurant Premises**”) as conceptually depicted on Exhibit A, between the County, as lessor, and DANA POINT HARBOR PARTNERS SE RESTAURANT, LLC, a California limited liability company (together with its permitted successors and assigns, “**SEC Lessee**”), as lessee. All capitalized terms, unless defined hereunder, are as defined in the Drystack Lease.

1. **Terms of the Drystack Amendment.** During the term of this MOU, the parties hereto shall use their best efforts to negotiate the Drystack Amendment suitable to both parties, which shall incorporate the following terms and conditions, among others:

Tolling

County and Drystack Lessee will confirm by separate letter, executed by the Chief Real Estate Officer, the tolling of the Required Construction Commencement Date until the later of (i) January 2035, or (ii) until such date as the Drystack Lessee received approval of the CDP Amendment contemplated as set forth below.

CDP Amendment:

Once the Required Construction Commencement Date and the Required Construction Completion Date have been tolled, Drystack Lessee agrees to perform all actions reasonably necessary to apply for a CDP amendment, or other related approval(s) as necessary, to reduce the day boater parking requirements on the Drystack Property from 334 to 150 cars. As part of this effort, Drystack Lessee will, among other things, complete a demand analysis to support the application, and any other necessary studies, and pursue any required approvals with the California Coastal Commission and the City, as appropriate. County shall cooperate and support Drystack Lessee in such efforts.

Cost Reductions based on Amendment

In the event that the CDP amendment effort is successful and a CDP amendment is approved, the savings resulting from the reduction in the Applicable Redevelopment Costs associated with the Redevelopment Work (the “**Redevelopment Allowance Adjustment**”), and made available to the County to be applied to the costs of their Sailing and Events Center redevelopment.

***Modification to
Redevelopment Work
Related to CDP
Amendment***

In the event that the CDP Amendment effort is successful and a CDP amendment is approved, any usable land area recovered from the reduction in day boater parking will be utilized to fulfill on grade dry boat rack system that works in concert with the proposed Marina Bull launch system (i.e. vs. in rack dry boat storage) parking requirements as set forth in the CDP (currently set at 493 spaces).

In such event, Drystack Lessee shall use commercially reasonable efforts to reconfigure dry boater storage space to maximize on-grade rack storage and reduce the planned vertical dry storage racking system. The resulting reduction in Applicable Redevelopment Costs shall be included in the Redevelopment Allowance Adjustment. In addition, the Redevelopment Work may be modified to include a boardwalk extension within the Drystack Property as depicted on Exhibit B terminating at Puerto Place (collectively the “**Boardwalk Extension**”), thereby enhancing public access to Dana Point Harbor.

***Deferral of Funding
Redevelopment
Allowance Release for
up to \$10 million in
Drystack designated
funds for County use***

In the event that the CDP Amendment effort is successful and a CDP amendment is approved, Drystack Lessee will agree to defer funding of \$10 million of the Redevelopment Allowance, which amount shall be reduced by the Redevelopment Allowance Adjustment referenced above, if achieved.

2. **Terms of the SEC Lease.** During the term of this MOU, the parties hereto shall use their best efforts to negotiate the SEC Lease suitable to both parties, which shall incorporate at least the following terms and conditions, among others:

Premises:

The SEC Restaurant Premises

Lessee

DANA POINT HARBOR PARTNERS SEC RESTAURANT, LLC, a California limited liability company to be formed with identical ownership as the Drystack Lessee

Attachment E

<i>Commencement Date:</i>	Upon the opening for business by the subtenant(s) procured by SEC Lessee in all or the majority of the leasable area within the SEC Restaurant Premises. However, in no event sooner than County has substantially completed its improvements to the adjacent Sailing and Event Center premises such that the SEC Lessee may be able to operate the SEC Premises without disruption, in SEC Lessee's sole and absolute discretion.
<i>Term:</i>	Coterminous with the Commercial Core/Marina Lease, or Drystack Lease, as agreed to by the parties.
<i>Initial Base Rent:</i>	The Base Rent shall be negotiated by the parties taking into account market conditions and similar operations, including the Comm Core/Marina Lease.
<i>Percentage Rent.</i>	The Percentage Rent shall be negotiated by the parties taking into account market conditions and similar operations, including the Comm Core/Marina Lease.
<i>Delivery Condition:</i>	Except as negotiated by the parties during the MOU term, County shall deliver the SEC Restaurant Premises to SEC Lessee in its AS-IS condition. County is not responsible for additional SEC Lessee improvements to the SEC Restaurant Premises, all of which shall be at SEC Lessee's sole cost and expense. All surrounding site work and parking lot construction (and ongoing maintenance thereof) shall be the responsibility of County.

Tenant Improvements

SEC Lessee shall be responsible for improving the SEC Restaurant Premises and patio associated therewith based on plans to be prepared by SEC Lessee and reasonably approved by County. Lessee shall expend not less than \$5,000,000 towards remodeling the SEC Restaurant Premises and building out the restaurant and other tenant improvements.

The proposed SEC Restaurant Premises and patio shall be first class and complimentary in look and feel with the adjacent commercial core and programmed with a first class restaurant operator managed by SEC Lessee, with all costs funded by SEC Lessee. SEC Lessee shall work in cooperation with County and its land planner/designer on establishing the restaurant and patio footprint for the SEC Restaurant Premises and shall determine best approach for its construction through refurbishment of the existing structure. The County and Lessee shall coordinate to determine the most efficient way to complete the improvements to the remnant structure and land (pilot house, public rooms and OC Parks offices).

Security Deposit:

Covered under Drystack Lease provisions.

Use:

Restaurant, retail and other compatible uses.

Assignment and Subletting:

Per Drystack Lease provisions.

Renewal Options:

Per Drystack Lease provisions.

3. **Term.** This MOU shall commence as of the Effective Date and shall continue thereafter until the earlier to occur of (a) the mutual execution of the SEC Lease and Drystack Amendment (which shall be executed concurrently) and (b) the date that is one hundred eighty (180) days after the Effective Date.

4. **Notices.** All notices, requests, consents, claims, demands, waivers, and other communications under this MOU must be in writing and addressed to the other party at its address set forth below (or to such other address that the receiving party may designate from time to time in accordance with this Section). Unless otherwise agreed herein, all notices must be delivered by personal delivery, nationally recognized overnight courier, or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this MOU, a notice is effective only on receipt or refusal by the receiving party. Notices shall be given to the addresses set forth in the Drystack Lease or such other address as designated by the applicable party in a writing delivered to the other party pursuant to this Section 3:

Attachment E

5. **Relationship of the Parties.** Nothing contained in this MOU shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

6. **Choice of Law.** This MOU and all related documents are governed by, and construed in accordance with, the laws of the State of California.

7. **Binding Effect.** This MOU shall be binding upon the parties until the earlier of: (a) the mutual execution of the SEC Lease and Drystack Amendment, at which point those agreements shall override and supersede the terms of this MOU, or (b) the expiration of the Term of this MOU.

8. **Entire Agreement.** This MOU constitutes a single, integrated written contract expressing the entire agreement of the parties. There is no other agreement, written or oral, express or implied, between the parties with respect to the subject matter hereof, except this MOU. This MOU may not be orally modified, and may be modified only in a written instrument signed by the parties.

9. **Counterparts.** This Amendment and any modifications, amendments or supplements thereto may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart. The parties may also deliver executed copies of this Amendment to each other by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. No party may raise the use of any image transmission device or method or the fact that any signature was transmitted as an image as a defense to the enforcement of this Amendment. At the request of either party, the parties will confirm signatures by signing and delivering an original document.

[Signatures Follow]

Attachment E

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date set forth above.

**DANA POINT HARBOR
PARTNERS, LLC**, a California
limited liability company

COUNTY OF ORANGE,
a political subdivision of the State of California

By: _____
Chief Real Estate Officer

BURNHAM-WARD PROPERTIES,
LLC, a California limited liability
company, Manager

By: _____
Name: _____
Title: _____

BELLWETHER FINANCIAL GROUP,
INC. a California corporation, Manager

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

County Counsel

OLSON REAL ESTATE GROUP,
INC., a California corporation (dba RD
Olson Development), Manager

By: _____
DocuSigned by:
Michael Haubert
7B6E2C12961F4B3...
Senior Deputy

By: _____
Name: _____
Title: _____

Attachment E

EXHIBIT A

SE BUILDING

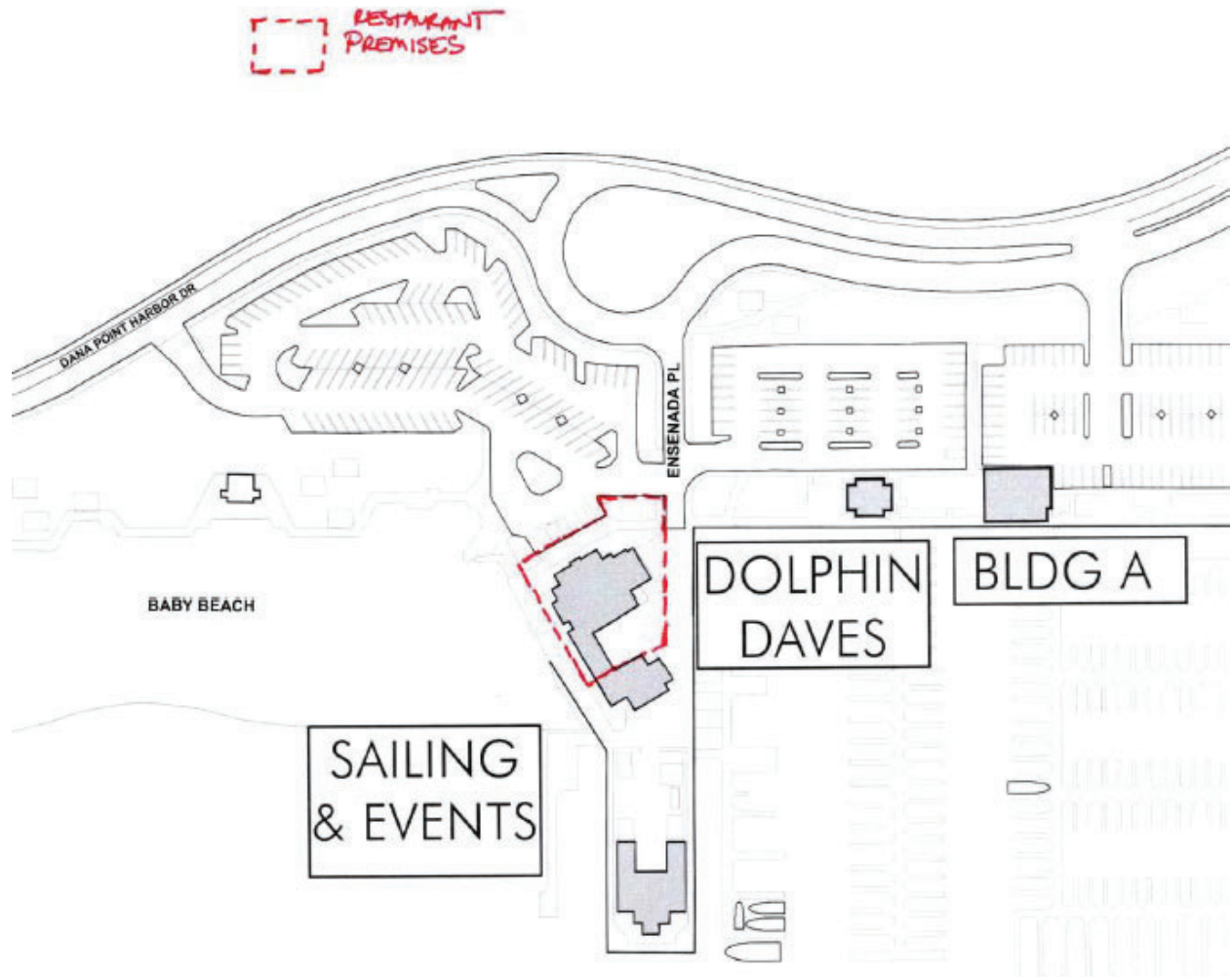


EXHIBIT B

BOARDWALK EXTENSION

