

Attachment 2

Burnham-Ward Properties Proposal

LOWER CASTAWAYS PARK

REDEVELOPMENT PROPOSAL

October 3, 2025

October 3, 2025

Ms. Jennifer Anderson
RFP Administrator
City of Newport Beach
100 Civic Center Drive
Newport Beach, CA 92660
Email: janderson@newportbeachca.gov

**RE: Lower Castaways Park Redevelopment
RFP No. 26-08**

Dear Ms. Anderson,

Burnham-Ward Properties (BWP) is pleased to present the City of Newport Beach with the enclosed Proposal for the Lower Castaways Park Redevelopment Project.

BWP's three principals are residents and prominent legacy real estate owners within the City of Newport Beach who have the ability to identify, reimagine, and improve underutilized real estate in a way that will best serve the community long-term. The partner's combined 120+ years of experience and the Company's exceptional track record of repositioning other waterfront and coastal projects in the area make BWP a great candidate to spearhead the renovation of the Lower Castaways Park site. BWP has the first-hand knowledge and expertise to seamlessly transition what currently exists at the Lower Castaways Park today to a refreshed and reinvigorated waterfront project and local treasure.

Our company would be eager and honored to be entrusted with the opportunity to lead the transformation of this iconic waterfront site. We bring a deep commitment to revitalizing and modernizing spaces in a way that respects the area's unique character while creating new opportunities for the future. By integrating modern infrastructure, sustainable design, and innovative marine services while retaining the natural territory, we aim to create a thriving destination the local community.

At BWP, we take great pride in our work and our contributions to improving notable real estate projects throughout the greater Orange County area. We hope you will recognize BWP's unparalleled track record and qualifications for the proposed Lower Castaways Park redevelopment project.

We appreciate the potential opportunity to work with the City of Newport Beach on another project in this mutual effort to support and enhance our surrounding community. Our team is available should you request any clarification on the included proposal or need additional information.

Thank you very much for your time and consideration.

Respectfully submitted,



Scott Burnham
CEO / Partner
860 Newport Center Drive, Ste. 100
Newport Beach, CA 92660
Office 949.760.9150



CC:
Bryon Ward, Partner, BWP
Steve Thorp, Partner, BWP

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Introduction

Burnham-Ward Properties (BWP) is a full-service real estate development and investment company based in Newport Beach, CA. Its areas of expertise include property and asset management, leasing and marketing, design and land planning, entitlement, finance and accounting, and construction planning and management.

BWP retains an unparalleled track record of property ownership, development, and management of commercial projects throughout Southern California, particularly coastal Orange County. With a shared passion for both development and community, we are excited about this opportunity to work with the City of Newport Beach on the revitalization of Lower Castaways Park.

Through BWP's substantial experience with coastal development in Orange County and its history with public-private partnerships, coupled with an extensive commercial portfolio within Newport Beach (both landside and waterside developments), the Company has positioned itself as a highly qualified candidate for this project.

BWP maintains its headquarters within Newport Beach, and its principals are well vested in the community, having attended school locally and remaining in the area as lifelong residents in the area. As active investors and owners in the City, our continued stewardship will provide long-term pride of ownership for these legacy assets.

Our team has a clear vision of developing and managing assets that will provide lasting value to this project. Its unique qualifications and experience have resulted in the completion of countless large-scale, multifaceted projects, both in terms of ground-up construction as well as the refurbishment of existing properties. Many of these projects have allowed the Company the opportunity to explore re-branding and re-imaging, complex construction phasing, and essential business operations with public safety considerations. The Company is well-capitalized and has the capacity to self-fund its projects or utilize traditional financing through its strong bank lending relationships.

BWP's extensive experience refurbishing and redeveloping waterfront properties that require specific technical expertise and a sensitivity to the local community and environment. Our extended project team includes land use legal counsel, civil engineering, maritime engineering, architectural, landscape design, geotechnical consultants, lighting engineers, structural and mechanical engineering, dry and wet utility experts, coastal zone consultants, architectural, lighting experts, and an experienced waterfront general contractor to perform the construction.

We are excited to breathe new life into Lower Castaways Park!

Project Vision

BWP's objective for Lower Castaways Park is to create a one-of-a-kind waterfront experience that seamlessly integrates public parkscapes and water-centric uses with a unique dining and gathering venue. BWP is driven by creating community gathering places through the thoughtful development of physical improvements on its properties. In the case of Lower Castaways Park, BWP is proposing an exceptionally rare offering – a large public park (comprising of convenient waterfront access to the Back Bay) that includes a small commercial element to provide for a dining/retail opportunity. The public park, waterfront access, event space, walking paths, seating areas, etc. will be caringly landscaped using mature trees and native chaparral/grasses that are native to the Back Bay. The result will be a cohesively designed City asset that will be enjoyed by the community for decades to come.

Additionally, BWP has designed the public park portion of the property to allow for a multi-dimensional use of the gathering/event area. BWP is proposing a license agreement with the City in order to utilize the gathering/event area to bring life and energy to Lower Castaways Park by offering special events that directly connect with the residents of Newport Beach. These events would include music nights on the Bay, art fairs, farmer's markets, seasonal events, and much more. BWP's extensive experience with programing public spaces with engaging special events is unparalleled.

Restaurant Building Scope

Proposed improvements will include a 10,000 square foot, 2-story building to accommodate a full-scale restaurant. The floor plan layout will provide for a 7,000 square foot ground floor, with a 3,000 square foot 2nd floor. The 2nd level will feature an integrated, covered outdoor terrace which will provide beautiful bay views for the restaurants' visitors. The terrace will be thoughtfully constructed, allowing the space to be utilized year-round with adaptable indoor-outdoor transitions. The building itself will be designed to blend seamlessly into the coastal and natural landscapes surrounding it, featuring reclaimed natural wood materials to reflect the area's maritime heritage. The building will foster a strong connection to the historical architecture of Castaways.

Coffee & Retail Kiosk Scope

Two small kiosks will host both a small format coffee use, along with a seasonal retail use for visitors' convenience at the site. Both structures will be small-in scale so to complement the coastal topography and ensure uninterrupted visibility, while also introducing a low impact, but presumably high demand use to the site.

Kayak/Outrigger/SUP Rental & Storage Scope

BWP also proposes to integrate Kayak/Outrigger/SUP Rental and Storage to the project as a support facility for local water activity enthusiasts. This site will serve as a centralized, convenient location for locals to safely store their boats, with easy access into the waterfront.

Qualifications

BWP specializes in intricate real estate projects and transactions and bringing life to challenging urban infill properties. BWP and its affiliated companies have decades of experience spearheading complex and large-scale projects that involve unique construction phasing, financing, entitlement, and consumer experience.

The award-winning firm is a full-service commercial real estate investment, management, and development company with a 40-year track record of improving functionally obsolete and economically challenged properties. BWP has developed millions of square feet of commercial property throughout the United States with a primary emphasis on Southern California, and coastal Orange County specifically, with an extensive portfolio of locally owned properties in Newport Beach.

BWP is known for its ability to reimagine the standard by integrating creative design elements and incorporating tenant variety that reflects the unique circumstances of each community. The company sheds the status quo and drives innovation whenever possible.

Newport Beach & Costa Mesa Projects

Recently completed BWP renovation projects in the immediate area include the historical remodel of 1901 Westcliff (Newport Beach) which was designed by the notable architect Richard Neutra, Castaway Commons (Newport Beach), 3366 Via Lido (Newport Beach) which features both water and landside renovations and is occupied by SAP, 450 & 462 East 17th Street (Costa Mesa), and the newly rebranded Paseo 17 (Costa Mesa). BWP is proud of its contributions to the revitalization of the Westcliff/17th Street corridor.

BWP, in connection with its affiliated companies, took on other notable preservation projects in the immediate area such as the Port Theater (Corona del Mar) where ownership was able to obtain the necessary entitlements for a complete rehabilitation of the historic asset and the renovation of the unique Brownell Office building along Mariner's Mile (Newport Beach) which was designed by the notable architect James Brownell.

Other significant investments in the Newport Beach area by the principals include not only the ownership of numerous properties in Newport Center, but also personal investments in two prominent Newport Center hotels.

Recent Large-Scale Projects

LBX and the Hangar at Douglas Park (Long Beach) is a notable major redevelopment project BWP completed outside of Orange County. LBX sits on a 26-acre site that was previously a historic McDonald Douglas facility. BWP, in partnership with the City of Long Beach, reimaged this site as a first-class experiential retail project anchored by Whole Foods, Nordstrom Rack, and other notable tenants. The project was designed and themed in a way that pays homage to the historical legacy of McDonald Douglas in this area.

County of Orange P3 Projects

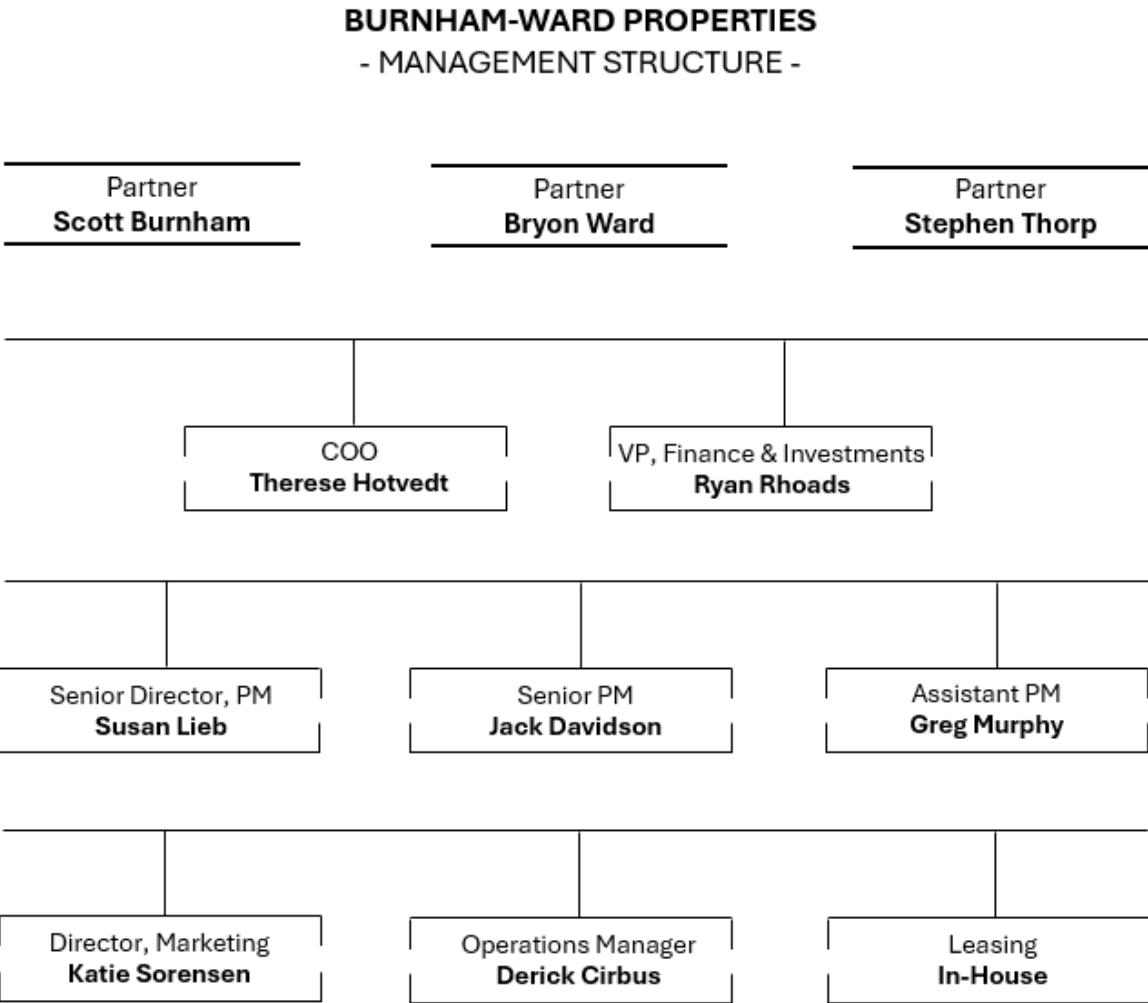
BWP (along with its partners) is leading the revitalization of Dana Point Harbor (Dana Point), a P3 partnership with the County of Orange, which will feature approx. 150,000 square feet of commercial, retail, and restaurant space, community parks and recreation areas, a new marina featuring over 2,300 boat slips, dry boat storage areas, and two new hotels. BWP's extensive knowledge of landside and marina development will be applied to the Lower Castaways Park project.

Laguna Niguel City Center (Laguna Niguel) is also a P3 partnership between BWP (and partner Sares Regis) and the County of Orange, which will become the new town center for the city of Laguna Niguel. The site will feature over 130,000 square feet of commercial office, retail, restaurant, and civic spaces, parkscape areas, and 275 multi-family residential units.

City of Newport Beach P3 Projects

Burnham-Ward Properties was also awarded the Balboa Yacht Basin Redevelopment project, in partnership with the City of Newport Beach. BWP was identified as the highest qualified candidate to partner with the City to renovate, market, operate, manage, and maintain the scope of the development, while also being mindful of the immediate marina component at the site.

Management Structure & Support Teams



Legal Counsel:

Entitlement & Land Use

Sean Matsler, Cox, Castle & Nicholson, LLC

Cox, Castle & Nicholson has worked extensively with BWP on other coastal projects, including notable P3 partnerships such as Dana Point Harbor and Laguna Niguel City Center. BWP's primary counsel, Sean Matsler, is a land-use partner in the Orange County office of Cox, Castle & Nicholson, LLP. His practice focuses on securing entitlements for complex real estate development projects. Mr. Matsler advises clients on compliance with the myriad local, state, and federal laws and regulations that govern real property development, including local planning and zoning regulations, the California Coastal Act, and the California Environmental Quality Act. Mr. Matsler guides his clients through the entitlement process, from site selection to project approval, and regularly appears before both state and local administrative bodies to secure approvals on behalf of clients.

Transactional Real Estate Counsel

Kim Thompson, Rutan & Tucker

Mr. Thompson has been BWP's general counsel for the last 35 years and has worked with BWP on nearly all of its projects, including its P3 partnerships with the County of Orange on both Dana Point Harbor and Laguna Niguel City Center. Mr. Thompson's extensive involvement in the ground lease negotiations on both P3 partnerships makes him an invaluable asset to this process. Mr. Thompson has a depth of experience in all types of real estate projects, including hospitality, commercial, industrial, residential, public/private development, and mixed-use projects. His primary areas of real estate practice include commercial ground leases; acquisition, leasing, development, and sale of all types of real estate projects, including shopping centers (large-box and shop space), office buildings, residential developments, industrial buildings/projects, and freestanding commercial real estate; tax-deferred exchanges of real property and investment properties; environmental law; and borrower representation in real estate loans.

Design:

SMS Architects is BWP's preferred and preliminarily selected architectural vendor. SMS would potentially be the lead architect for the master site plan and the Commercial Core portion of the Lower Castaways Park project. SMS is a leading architectural firm in coastal retail design and has continued to be a premier architectural partner to BWP.

Some notable projects that SMS has been enlisted to assist with include:

- Lido Village (Newport Beach)
- Dana Point Harbor Redevelopment (Dana Point)

Shubin-Donaldson is another architectural firm that BWP has used in the past. Most notably they were used for the recent renovation of the Mariners Medical Arts building and preliminary design of the commercial portion of Laguna Niguel City Center.

Construction:

Snyder Langston is BWP's preferred and preliminarily selected pre-construction budgeting vendor. Snyder Langston would potentially be the lead pre-construction budgeting vendor for the Lower Castaways Park project. Snyder Langston has an excellent track record of producing accurate cost assumptions and has partnered with BWP on many other projects.

Some notable projects that Snyder Langston has been enlisted to assist with include:

- Dana Point Harbor Redevelopment (Dana Point)
- Long Beach Exchange (Long Beach)

Dempsey Construction is another general contractor partner that BWP has used in the past for projects such as Mariners Medical Arts and Castaway Commons.

References

Reference #1:

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Relevant Project Experience

(Partial List)

Local Newport Beach Projects: – Mariner’s Medical Arts – Castaway Commons – 3366 Via Lido – Burnham Place – 26 Corporate Plaza – 16 Corporate Plaza – 270 Newport Center Drive – 280 Newport Center Drive – 369 San Miguel – Newport Beach Athletic Club – 1950 West Coast Highway – 417 30th Street – 230 Newport Center Drive – 240 Newport Center Drive – Corona del Mar Village Shops – 24 Corporate Plaza – CDM Post Office – Offices at Lido Village – 3400, 3410-3412 Via Lido Local Costa Mesa Projects: – Paseo 17 – 450 & 462 E. 17th Street – 17th Street Corridor – Stark Showroom – 17th Street Village – Grit Cycle	Recent Major Developments: – Long Beach Exchange (Long Beach, CA) – The Hangar at LBX (Long Beach, CA) – OC Mix / SOCO (South Coast Metro, CA) P3 Projects: – Dana Point Harbor (Dana Point, CA) – Laguna Niguel City Center (Laguna Niguel, CA) Other Notable Projects: – Stadium Infield (Anaheim, CA) – GKN Aerospace (Santa Ana, CA) – Village Town Center (Orange, CA) – Cypress Commercenter (Cypress, CA) – Kyocera Irvine (Irvine, CA) – Hobby Lobby (Laguna Niguel, CA) – Orange Town & Country (Orange, CA) – Manley & Stewart Law Offices (Irvine, CA) – San Clemente Plaza (San Clemente, CA) – Seal Beach Village (Seal Beach, CA) – Wailea Village Center (Kihei, HI) – City Town Center (Orange, CA) – Batavia Business Park (Orange, CA) – Gateway (Mission Viejo) – Mission Viejo Town Center (Mission Viejo) – Stonehill Storage (Dana Point, CA) – Huntington Harbor Village (Huntington Beach, CA)
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Dana Point Harbor Project

(34571 Golden Lantern Street, Dana Point, CA 92629)



Type of Project

Mixed-Use (Retail, Hotel, Marina)

Entity Scope of Involvement

BWP is responsible for the Commercial Core / Retail portion of the project.

Current Status

Phase 1 & 2 of Revitalization Project construction are complete.

Project Management Responsibilities

Snyder Langston is the General Contractor for Phases 1 - 5.

Value of Development

\$250M - \$270M Total Construction Cost (commercial portion).

Development Financing Strategy

Project to be funded with equity and multiple tranches of debt by use and phase.

Summary of Public-Private Partnership

P3 agreement between DPHP (of which BWP is a partner) and the County of Orange.
66-year Ground Lease with the County.

Proposer Success

BWP is well-versed in projects that require complex construction phasing and have ample experience ensuring that surrounding business operations remain uninterrupted throughout the duration of its development projects.



Dana Point Harbor Project
RENDERING





Dana Point Harbor Project
RENDERING



Laguna Niguel City Center

(30341 Crown Valley Parkway, Laguna Niguel, CA 92677)



Type of Project

Mixed-Use (Retail, Residential, Wellness, Civic Space)

Entity Scope of Involvement

LNTCP (of which BWP is a partner with Sares Regis) shall oversee the redevelopment of the commercial portion, and retain management of the site post-development.

Current Status

Pre-development.

Project Management Responsibilities

Snyder Langston, GC.

Value of Development

\$130M – \$140M (commercial portion).

Development Financing Strategy

Partners to fund equity along with Traditional Construction loan debt. Could be combined for entire project or bifurcated between commercial and residential.

Summary of Public-Private Partnership

P3 agreement currently exists between LNTCP (Laguna Niguel Town Center Partners, LLC) and the County of Orange. LNTCP shall oversee the redevelopment of the project and retain management of the site post-development via a long-term Ground Lease Agreement.

Proposer Success

BWP will have the opportunity to deliver a project that will foster an entire climate of community – blending together restaurant, retail, office, residential, and civic concepts.



Laguna Niguel City Center
RENDERING





Laguna Niguel City Center
RENDERING



Mariner's Medical Arts

(1901 Westcliff Drive, Newport Beach, CA 92660)



Type of Project

Medical Office

Entity Scope of Involvement

BWP responsible for the acquisition, full-scale rehabilitation, lease-up, and ongoing operations.

Current Status

BWP is the current owner.

Project Management Responsibilities

Dempsey Construction, GC.

Value of Development

\$5M Renovation Cost.

Development Financing Strategy

Partner equity, construction loan followed by long-term financing.

Summary of Public-Private Partnership

Does not apply.

Proposer Success

This historical building, designed by notable architect Richard Neutra, underwent a significant year-long restoration effort with the intention of prolonging the life of various original architectural elements throughout the property. BWP acquired the asset with the intent to restore and modernize it while still preserving and maintaining the historical integrity of the site.



Mariner's Medical Arts
ORIGINAL





Mariner's Medical Arts
REDEVELOPED



Castaway Commons

(1617 Westcliff Drive, Newport Beach, CA 92660)



Type of Project

Mixed-Use (Retail, Office, Medical Office)

Entity Scope of Involvement

BWP responsible for the acquisition, renovation, full-building leasing, and ongoing operations

Current Status

BWP is the current owner.

Project Management Responsibilities

Dempsey Construction, GC.

Value of Development

\$6M Renovation Cost.

Development Financing Strategy

Partner equity, use company long-term financing.

Summary of Public-Private Partnership

Does not apply.

Proposer Success

BWP successfully converted the original site from a traditional/medical office building into a dynamic mixed-use project that produces a professional ecosystem conducive to medical office, retail/restaurant and creative office uses.



Castaway Commons
ORIGINAL





Castaway Commons
REDEVELOPED



3366 Via Lido

(3366 Via Lido, Newport Beach, CA 92663)



Type of Project

Mixed-Use (Single-Tenant Office, Retail, Marina)

Entity Scope of Involvement

BWP responsible for the acquisition, water and landside renovation, full-building leasing, and ongoing operations.

Current Status

BWP is the current owner.

Project Management Responsibilities

Dempsey Construction, GC

Value of Development

\$5M Renovation.

Development Financing Strategy

Partner equity, construction loan followed by long-term financing.

Summary of Public-Private Partnership

Does not apply.

Proposer Success

Through the development and management of this property, BWP expanded its depth of experience with waterside project management, while also integrating various design elements to maximize views of the surrounding Newport Harbor (i.e. floor to ceiling glass, operable windows and a roof top deck).



3366 Via Lido
ORIGINAL





3366 Via Lido
REDEVELOPED



Paseo 17

(234 E. 17th Street, Costa Mesa, CA 92627)



Type of Project

Mixed-Use (Restaurant, Retail, Office)

Entity Scope of Involvement

BWP responsible for the acquisition, extensive remodel, rebranding and ongoing operation of the Paseo 17 property (formerly-known as Plaza Sereno).

Current Status

BWP is the current owner.

Project Management Responsibilities

POC, GC.

Value of Development

\$5M Renovation.

Development Financing Strategy

Partner equity and life company long-term financing.

Summary of Public-Private Partnership

Does not apply.

Proposer Success

Through this project BWP was able to oversee and facilitate the entire re-branding life-cycle of an existing property. BWP successfully integrated a new property identity through refreshed design elements, and a strategically curated mix of retail, restaurant, and health and wellness tenants.



Paseo 17
ORIGINAL





Paseo 17
REDEVELOPED



450 & 462 E. 17th Street
(450-462 E. 17th Street, Costa Mesa, CA 92627)



Type of Project

Retail

Entity Scope of Involvement

BWP acquired this asset, completed a full-scale renovation, and retains management of the site.

Current Status

BWP is the current owner.

Project Management Responsibilities

PhilCo, GC.

Value of Development

\$4M Redevelopment.

Development Financing Strategy

Partner equity, traditional construction loan, refinance into long-term traditional debt.

Summary of Public-Private Partnership

Does not apply.

Proposer Success

Burnham-Ward successfully acquired and redeveloped another high-visibility and, high-traffic asset situated on the 17th Street corridor in Costa Mesa.



450 & 462 E. 17th Street
ORIGINAL





450 & 462 E. 17th Street
REDEVELOPED



Long Beach Exchange (LBX)

(4041 Lakewood Blvd., Long Beach, CA 90808)



Type of Project

Retail

Entity Scope of Involvement

Partnership with Rockwood Capital. BWP managed development.

Current Status

BWP sold majority of project, retaining ownership of Pad buildings.

Project Management Responsibilities

ACR Builders and Snyder Langston.

Value of Development

\$100M Ground-up Development.

Development Financing Strategy

Equity partner and traditional construction loan.

Summary of Public-Private Partnership

Does not apply.

Proposer Success

The Long Beach Exchange (LBX) project featured a large-scale retail development which was implemented with the vision of merging the gap between the Long Beach and Los Angeles metropolitan areas, and creating a location where inhabitants of both areas can converge.



Long Beach Exchange (LBX)
ORIGINAL



Long Beach Exchange (LBX)
REDEVELOPED





Long Beach Exchange (LBX)
REDEVELOPED



Financial Capacity

The BWP partners have collectively financed several billion dollars' worth of projects including new construction and the redevelopment of existing assets. Past capitalizations have included traditional debt with principals self-funding all required equity as well as through partner relationships. The experience and expertise of the partners also covers the spectrum of uses, including retail, office, and marinas.

Equity Sources

BWP anticipates self-funding equity for this redevelopment project. However, if needed, BWP has access to alternative equity sources, which include an established network of local private capital partners, accredited high-net-worth investors, family offices in Orange County, and strategic institutional capital.

Debt Sources

BWP has great relationships with local banks that have recently financed completed and pending renovation projects. These banks know our coastal product, understand the financial strength of the principals and BWP, and would be able to move quickly on this project with favorable terms. Below are a few lender references who can speak to the financial strength of BWP and its principals, and the Company's ability to obtain lender financing:

Lender	Contact	Projects
Mechanics Bank	Ron Del Toro SVP (949) 270-9708 Ron_DelToro@mechanicsbank.com	Mariners Medical Arts Construction & Bridge Loan
Citizens Business Bank	Dave Shahoian SVP (949) 688-6268 dlshahoian@cbbank.com	Dana Point Harbor Phases 1 & 2/marina credit line
Bank of America	Allen Staff President, Regional Executive (949) 794-7135 allen.staff@bofa.com	Multiple construction loans
Manulife / John Hancock	Bill Shields Managing Director (617) 572-5185 wshields@jhancock.com	Existing property long-term financing

BWP can confidentially share company financials as additional support, should it be awarded the project.

Conceptual Project Proposal

Existing Conditions Assessment:

BWP has visited the property and performed a preliminary investigation of existing conditions. BWP consulted with engineers familiar with the project, who identified the following constraints that will need to be addressed with the development of this site:

- The sea wall bordering the Eastern edge of the site (approximately 275 linear feet) will need to be replaced as it is not only failing due to its age and disrepair, but it is also 3 feet shorter than the current coastal requirements.
- As a result of the increase in seawall height, the building pads and site grades will need to be raised similarly.
- A 30-inch main waterline runs along the north side of the property, which ties into the City's water system at Dover Drive and crosses the channel to Back Bay Landing. Being that a new building cannot be constructed over this waterline, BWP will creatively design the site to avoid any disruption to the water line.

BWP acknowledges the existing temporary operations currently onsite. Any agreements with these operations will be terminated in accordance with the RFP before the commencement of construction.

Proposed Improvements:

BWP envisions an improvement project that activates this unique site with uses that the local community desires. The project will feature a tranquil public park component that incorporates art and other elements, in tandem with the relocation of the existing historical monument sign, which pays homage to the historical significance of Lower Castaways.

The proposed plan includes four structures totaling approximately 14,100 square feet, comprised of a two-story restaurant, one coffee kiosk, one kiosk that houses a small retail space and public restroom, and a facility for renting and storing non-motorized watercraft (kayaks, outrigger canoes, SUP, etc.). All buildings will be constructed with coastal design elements, including indoor/outdoor spaces, weathered wood, and materials that reflect the surrounding marine environment.

The public park component will feature thoughtfully curated native plants and hardscape materials consistent with what is typically found in a coastal environment and is intended to blend with the natural landscape. These areas will consist of meandering walking paths, an outdoor art gallery/event space, and a focal art sculpture. The site will also include plaques and interpretive elements throughout that celebrate the rich history of the location.

Restaurant	10,000 SF
Coffee Kiosk	500 SF
Retail Kiosk	400 SF
Kayak/Outrigger/SUP Rental & Storage	<u>3,200 SF</u>
Total	14,100 SF

Waterfront Improvements

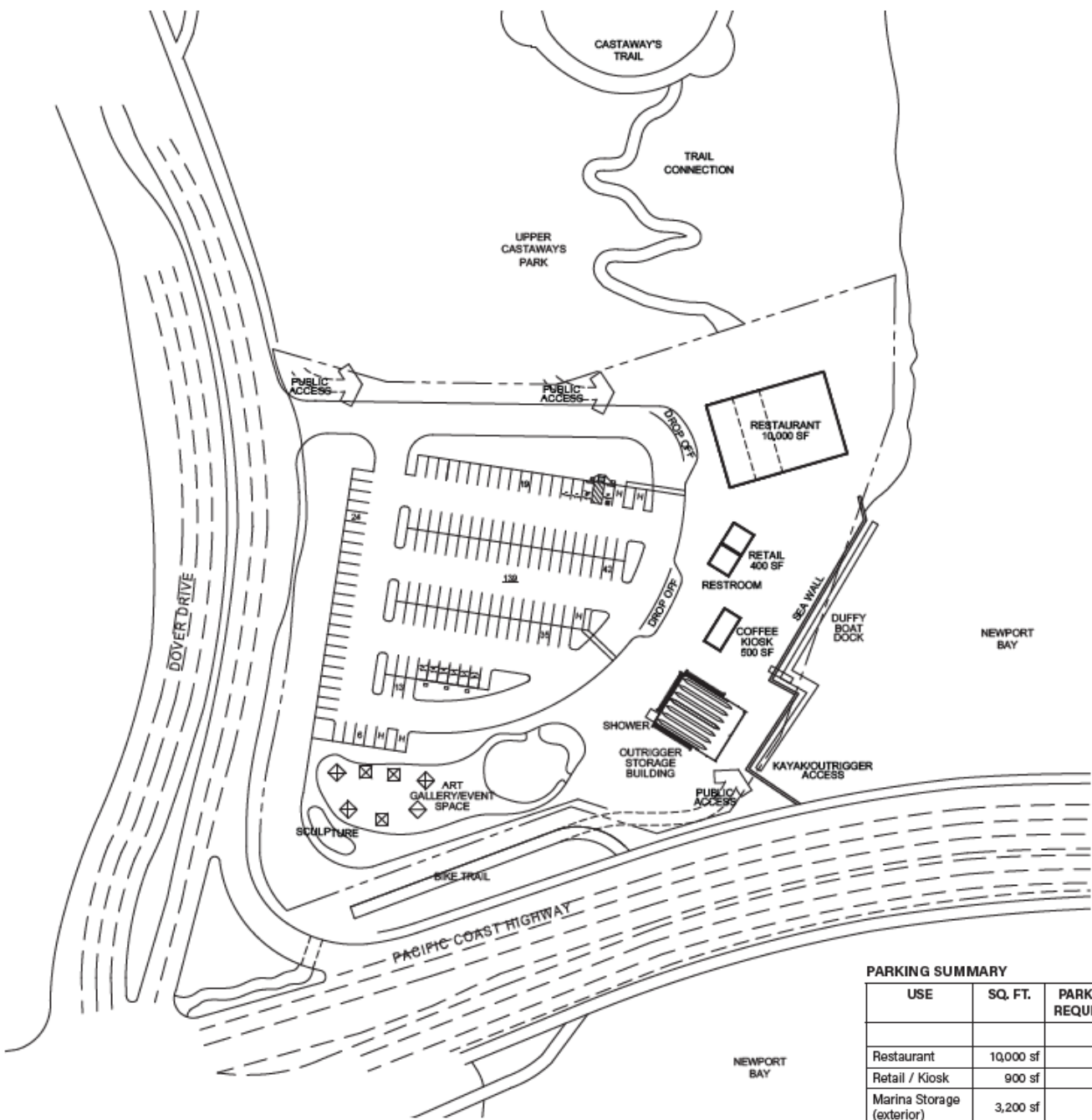
The Lower Castaways is a fantastic waterfront location for various non-motorized watercraft use. In addition to the previously mentioned seawall improvements and kayak/outrigger/SUP facilities, we envision the addition of a new parallel dock system alongside the seawall that will accommodate short-term docking for 4-6 Duffy boats.

Vehicle Parking

The included illustrative site plan reflects a total of 139 on-site parking spaces to accommodate the retail and restaurant uses, as well as parking for the public areas. The proposed uses will satisfy the City of Newport Beach's parking code.

We anticipate that the proposed restaurant will operate a valet service in the main parking field at peak times, at the operator's cost. The included site plan depicts potential locations for a valet drop-off/pick-up zone.

Proposed Site Plan:

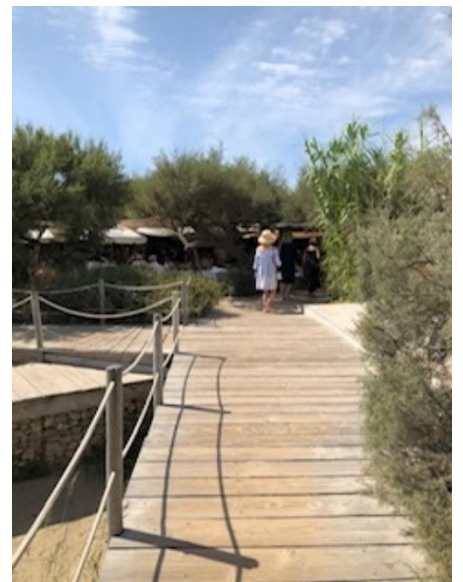


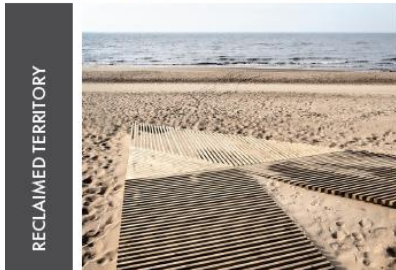
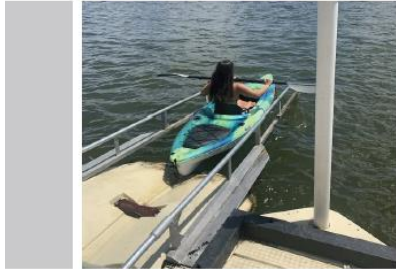
PARKING SUMMARY			
USE	SQ. FT.	PARKING REQUIRED	PARKING PROVIDED
Restaurant	10,000 sf	50	50
Retail / Kiosk	900 sf	4	4
Marina Storage (exterior)	3,200 sf	2	2
Public Space	104,000 sf	By Review	83
TOTAL	118,100 sf	56	139

Newport Beach Parking Requirements
(Chapter 21.40 - Off-Street Parking)

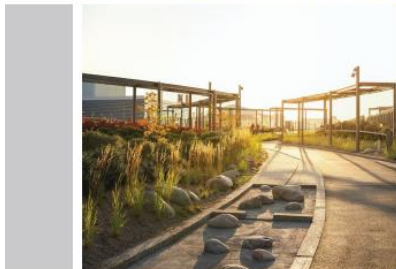
Food and Beverage Sales- 1 per each 275 sq. ft.
Warehouse and storage - 1 per 2,000 sq. ft., plus one per 350 sq. ft. for offices. Minimum of 10 spaces per use.
Commercial Recreation and Entertainment - parking as required by coastal development permit (i.e. by review) rather than a fixed ratio

Inspirational Imagery:





RECLAIMED TERRITORY



RECLAIMED TERRITORY



CONNECTION HUB



CONNECTION HUB



HONOR MARITIME HISTORY



HONOR MARITIME HISTORY



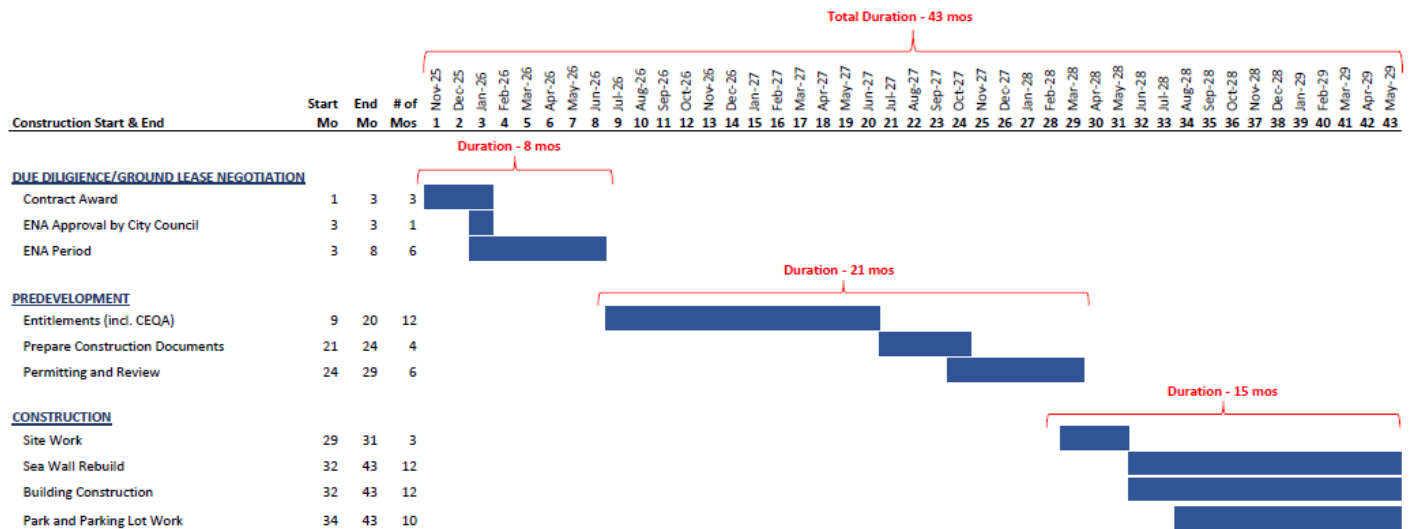
Entitlements:

As part of our early due diligence, we consulted with our land use counsel and determined that any development of this site will require CEQA and Coastal Commission approval.

Project Timing:

BWP anticipates a total project timing of 43 months from project award. This includes 6 months for the ENA period, 12 months for entitlement, and 15 months of construction. We anticipate project commencement could be in Q1 of 2028.

BURNHAM-WARD PROPERTIES
Lower Castaways Park



Ability & Plan to Finance Project:

As previously mentioned in the Financial Capacity section of this proposal, BWP has extensive experience in financing projects through traditional debt, with the principals self-funding equity, as well as equity funding through its private investor network.

For the Lower Castaways project, BWP anticipates self-funding all equity and obtaining traditional debt through its deep lender relationships.

Marketing Plan:

Given the project's size and “neighborhood” location, BWP does not see Lower Castaways Park as a property that will require a significant marketing budget compared to traditional retail or office. Below are some preliminary thoughts on a marketing plan for this property:

	<u>STRATEGY</u>
Restaurant	• We anticipate that a majority of restaurant visitors will be surrounding residents of the Newport Beach area who are seeking a unique waterfront dining experience. • BWP expects the restaurant space will be preleased prior to project commencement. • Leasing contact information will be available via signage on property, BWP's website, and a newly created Lower Castaways Park website as needed. • BWP's extensive network with restaurants will be the backbone of success in early leasing activities.
Social Media	• Lower Castaways Park will be proudly featured on BWP's website and other company media channels (Instagram, LinkedIn, etc). • BWP currently utilizes a 3rd party (The ACE Agency) for managing the company's social media presence. • The redevelopment of this project will be highlighted in the media as a successful partnership with the City of Newport Beach.
Small Format Retail / Coffee Kiosk	• BWP anticipates that the retail and coffee uses at the site will be supported by high pedestrian and vehicular visibility from Pacific Coast Highway, visiting boaters, and the surrounding local residents.
Watercraft Storage / Rental	• BWP will ensure that the dry boat storage marketing strategy emphasizes the locations seamless integration into the Newport Harbor. The project will also avoid pain-points that many Newport boaters encounter, such as parking restrictions, boat launch congestion, and storage constraints, which are all points that will be captured in the marketing strategy.

Parking & Circulation During Construction and Through Term of Lease:

All construction-related activity will be confined to the Dover Drive ingress and egress access point, which has been designated as the sole entry and exit point for the duration of site development. This approach ensures controlled site access, minimizes disruption to surrounding roadways, and facilitates effective traffic and safety management throughout the construction period.

Post-construction, BWP plans to implement a carefully curated parking strategy that supports the commercial components of the site while also respecting the public nature of the project.

Ongoing Management & Operations Plan:

BWP will assume day-to-day management of the project. We are headquartered in Newport Beach, just minutes from the property. Our staff for the subject property will include a Property Manager who will be supported by an Assistant Property Manager, Property Accountant, and Facilities Manager. Our team will be available at all hours of the day to provide cohesive, immediate, and accessible management services and personnel to all landside areas.

For monthly financial reporting to the City, BWP's dedicated staff and financial accounting department will prepare all consolidated reports. An outside accounting firm will provide annual audited financial reports.

The BWP team is also aware of the need to coordinate property access, utility management, and the other shared services associated with managing the landside of the project and is prepared to accommodate such requests as needed.

Financial Offer to City:

Proposed Project Cost

BWP estimates the total project costs for the proposed development included in this RFP to be \$24.9M. This cost includes predevelopment, site work, seawall replacement, parking lot, community park & public art, and all associated soft costs. The proposal includes a direct contribution by the City of approximately \$17.5M for the park, parking lot, seawall improvement costs, etc. The portion attributable to BWP for the construction of most of the vertical improvements is roughly \$7.4M.

Proposed Ground Lease Rent

Per the RFP package, for the new 50-year ground lease with the City, BWP proposes a lease with a rent structure based on 5% of gross revenue at stabilization of the project (initially \$60K/yr.).

Project Pro Forma

The following high-level financial pro forma is based on a total estimated rentable area of 14,100 square feet and is estimated to produce total annual revenue at stabilization of approximately \$1,198,000. BWP estimates total expenses will be approximately \$455,000, inclusive of operating expenses and the previously mentioned proposed ground lease payment to the City. This results in a projected annual NOI of approximately \$742,900 at stabilization.

Rental Assumptions

BWP has studied rental rates in the area for restaurants, small-format kiosks, and small watercraft storage/rental and has determined this site is very unique and lacks any good comparable properties.

<u>Tenant</u>	<u>Sq.Ft.</u>	<u>Rent</u>
2 Story Restaurant	10,000	\$6.50 PSF/mo NNN
Coffee Kiosk	500	\$3,000/mo NNN
Retail Kiosk	400	\$2,000/mo NNN
Kayak/Outrigger/SUP Rental & Storage	3,200	\$2,250/mo Gross

Expense Assumptions

BWP estimates total annual expenses will be around \$455,000, or \$2.69 PSF/mo. These estimates include:

Common Area Maintenance	\$1.95 PSF/mo	Includes 4% management fee
Property Taxes	\$0.34 PSF/mo	
Insurance	\$0.05 PSF/mo	
City Ground Lease	\$0.35 PSF/mo	Based on 5% of gross revenue
Total	\$2.69 PSF/mo	

Property taxes are estimated and reflect the assumption the County will reassess the improvements at fair market value.

Proposed Rent Roll:

Tenant	Rentable SF	Lease Type	Minimum Base Rent				Rent Adj	NNN PSF	Gross PSF
			Mo PSF	Monthly	Annual PSF	Annual			
2 Story Restaurant	10,000	NNN	6.50	65,000	78.00	780,000	Annual 3%	30.36	108.36
Coffee Kiosk	500	NNN	6.00	3,000	72.00	36,000	Annual 3%	30.36	102.36
Retail Kiosk	400	NNN	5.00	2,000	60.00	24,000	Annual 3%	30.36	90.36
Kayak/Outrigger/SUP Rental & Storage	3,200	Gross	0.70	2,250	8.44	27,000	Annual 3%	-	8.44
Total	14,100		5.12	72,250	61.49	867,000			

KEY ASSUMPTIONS

Kayak/Outrigger/SUP Storage

Units	50
Price/Unit/Mo	15
Monthly Rent	750

Kayak/Outrigger/SUP Rental

Rentals/Mo	300
Price/Hr	20
Monthly Gross Revenue	6,000
COO %	25%
Monthly Rent	1,500

Pro Forma:

Income Summary

	PSF/yr	Annual Stabilized
<u>Rental Revenue</u>		
Rental Income	61.49	867,000
Marketing/Promo Income	-	-
Total Rental Revenue	61.49	867,000
<u>Recoveries</u>		
NNN (10% admin fee on CAM)	23.47	330,933
	23.47	330,933
Total Gross Income	84.96	1,197,933
<u>Operating Expenses</u>		
<u>Reimbursable Expenses</u>		
CAM	20.00	282,000
Property Management (4%)	3.40	47,917
Property Taxes	4.04	57,000
Property Insurance	0.58	8,178
	28.02	395,095
<u>Non-Reimbursable Expenses</u>		
Ground Lease (5.0%)	4.25	59,897
Valet (restaurant responsibility)	-	-
Marketing Promo (restaurant responsibility)	-	-
	4.25	59,897
Total Operating Expenses	32.27	454,992
Net Operating Income	52.69	742,941

Project Cost

BWP Portion	7,429,406
City Park & Parking Lot Portion	17,481,646
Entire Project	24,911,052

Development Costs:

Assumptions

Tenant	SF	Shell Cost		TA		TI		Total Building Cost	
		PSF	Total	PSF	Total	PSF	Total	PSF	Total
2 Story Restaurant	10,000	585	5,850,000	150	1,500,000	-	-	735	7,350,000
Coffee Kiosk	500	800	400,000	75	37,500	-	-	875	437,500
Retail Kiosk	400	1,000	400,000	75	30,000	-	-	1,075	430,000
Kayak/Outrigger/SUP Rental & Storage	3,200	125	400,000	-	-	-	-	125	400,000
Total	14,100	500	7,050,000	111	1,567,500	-	-	611	8,617,500
Site Area	175,982	(4.04 acres)							

Predevelopment Costs

	Loan amt:	3,714,703	Fees:	0.50%	PSF	Total
CLOSING COSTS						
Loan Fees					1.32	18,574
Buyer Legal					2.13	30,000
Title					1.06	15,000
Escrow					-	-
Appraisal					0.71	10,000
3rd Parties					0.35	5,000
Preconstruction Consultant					0.57	8,000
SUBTOTAL-CLOSING COSTS					6.14	86,574
ADDITIONAL COSTS						
Architecture					1.77	25,000
Engineering					0.71	10,000
Environmental Testing					0.71	10,000
Utilities					0.35	5,000
Parking Studies					1.42	20,000
City ENR Fee (estimated)					1.77	25,000
SUBTOTAL-ADDITIONAL COSTS					6.74	95,000
Total Predevelopment Costs					12.88	181,574

Hard Costs

	Per LSF	Per BSF	Total
GC - SITE WORK			
Barricades/Fencing/Survey/Temp Partitions	0.14	1.77	25,000
Demo	0.14	1.77	25,000
Grading (including raising building pads)	5.00	62.41	879,912
Parking Lot	1.25	15.60	219,978
Pavers/Site Concrete/Curbs/Ret Walls	5.00	62.41	879,912
Landscaping	2.00	24.96	351,965
Site Lighting	0.43	5.32	75,000
Signage	0.28	3.55	50,000
	14.24	177.78	2,506,767
GC - BUILDING IMPROVEMENTS			
Building Shell Costs		500.00	7,050,000
Tenant Allowance		111.17	1,567,500
		611.17	8,617,500
GC - OTHER COSTS			
General Conditions	5.00%	39.45	556,213
Insurance	2.50%	19.72	278,107
Bonding	0.75%	5.92	83,432
Contractor Contingency	5.00%	39.45	556,213
Contractor Fee	4.00%	31.56	444,971
		136.09	1,918,936
TOTAL GC COSTS		925.05	13,043,203
ADDITIONAL PROPERTY COSTS			
FF&E (benches, umbrellas, tables, trash, etc.)		35.46	500,000
Seawall Improvements	15,000 Cost per LF	23.44	292.55
Dock Construction			35.46
Contingency		5.00%	64.43
Prevailing Wage Inflation (% of GC Costs)		25.00%	231.26
			659.16
Total Hard Costs		1,584.21	22,337,414

Development Costs (Continued):

Soft Costs

ARCHITECTURAL, THIRD PARTY REPORTS, LEGAL, INSURANCE					
Architectural (including structural and MEP engineers)				17.73	250,000
Civil Engineering & Processing				10.64	150,000
Geotechnical (plan review, construction observation, etc.)				1.06	15,000
Landscape Architecture				1.77	25,000
Dry Utility Consultant				2.13	30,000
Environmental Engineering				1.77	25,000
Inspections / Staking				1.06	15,000
Appraisal (Const./Perm.)				0.85	12,000
Traffic Study				0.71	10,000
Third Party Reports				0.57	8,000
Title Insurance				0.28	4,000
Builders Risk Insurance				2.84	40,000
GC - PreCon Services				0.35	5,000
Developer Legal - Purchase				1.06	15,000
Developer Legal - Leases				1.06	15,000
Lender Legal (Const.)				3.55	50,000
SUBTOTAL-ARCHITECTURAL, THIRD PARTY REPORTS, LEGAL, INSURANCE				47.45	669,000
PROPERTY TAXES, INSURANCE, INTEREST RESERVE					
	<u>Cost</u>	<u>Rate</u>	<u>Annual</u>	<u>Term (Mos)</u>	
Property Taxes during Construction	5,601,400	1.011%	56,630	12	4.02 56,630
Property Taxes during Lease Up	n/a - covered by cash flow				
	<u>SF</u>	<u>Rate</u>	<u>Annual</u>	<u>Term (Mos)</u>	
Property Insurance during Construction	14,100	0.37	5,217	12	0.37 5,217
Property Insurance during Lease Up					
	<u>Loan Amount</u>	<u>Rate</u>	<u>Term (Mos)</u>		
Interest Reserve during Construction	3,714,703	7.500%	12	10.34	145,802
Interest Reserve during Lease Up	n/a - covered by cash flow				
SUBTOTAL-PROPERTY TAXES, INSURANCE, INTEREST RESERVE				14.73	207,649
LEASING COSTS					
Leasing Commissions				12.60	177,714
SUBTOTAL-LEASING COSTS				12.60	177,714
BUILDING, PERMIT & IMPACT FEES					
Planning Related Fees				1.77	25,000
Building Plan Check (expedited)				0.35	5,000
Building Permit				0.35	5,000
Precise Grading Plan Check				0.35	5,000
CEQA/CCC/Coastal Hazards Approvals				14.18	200,000
SUBTOTAL-BUILDING, PERMIT & IMPACT FEES				17.02	240,000
CONSTRUCTION, DEVELOPER FEE, CONTINGENCY					
Construction Mgmt. Fee				-	-
Development Fee		4.00%	63.37	893,497	
Development Overhead				-	-
Contingency		10.00%	14.48	204,206	
SUBTOTAL-CONSTRUCTION, DEVELOPER FEE, CONTINGENCY				77.85	1,097,702
Total Soft Costs				169.65	2,392,065
Total Project Cost				1,766.74	24,911,052

Tenant Recruitment Approach

Restaurant

BWP will seek a restaurant tenant whose concept fits the nautical and waterfront environment that the property offers, who also has a proven track record of high volumes and impressive tenant sales. Since the site will only host one dining option, we will aim to select a restaurant concept that will serve as a welcoming space for all, with menu options and services thoughtfully designed to meet the needs of every guest. We expect that interest in leasing this space in the project will materialize via word of mouth, coupled with its high visibility and close proximity to Pacific Coast Highway.

Coffee Kiosk

BWP has existing relationships with several coffee operators, both larger chain and smaller-format local concepts which could be leveraged in order to find the right fit for this space. BWP's focus will be to select the coffee concept and operator that offers the strongest combination of operational quality and community appeal in order to drive its long-term success at the site.

Retail Kiosk

BWP will select a retail use for Lower Castaways Park that will serve as a convenient option for its waterfront visitors. The retail kiosk component will take into consideration guest suitability, visual impacts, and public access.

Watercraft Storage & Rental

This site will serve as an ideal location for dry boat storage, with its close proximity to the Newport Bay and the Pacific Coast Highway thoroughfare. The amenity will help to address the critical need for more landside storage in a community that has such a heavy emphasis on the maritime lifestyle.

As mentioned previously in the Marketing Plan section and Management Team Organization Chart, BWP has great relationships with 3rd party brokers such as Colliers and CBRE who could be leveraged for leasing if necessary. The principals of BWP are also very experienced in negotiating leases and do so frequently without the need for 3rd party leasing.

Government Agency Litigation Involvement

None.

Closing

In conclusion, the Lower Castaways Park project represents more than just a business endeavor for Burnham-Ward Properties – it signifies is a unique legacy project in the heart of our community. With a commitment to quality, sustainability, and public service, we are confident that our team will deliver a project that exceeds expectations of both the City as well as its residents.

We have a dedicated team ready to turn the vision in this proposal into reality and are prepared to assist in unlocking this site's full potential. As we seek your partnership, we hope you will understand our passion and dedication to this project as long-time Newport Beach business owners and residents.

Thank you for your consideration.