

Section 8.4 Marketing Plan

Consolidated Marketing Plan for the Dana Point Harbor Revitalization Project

This Consolidated Marketing Plan addresses Dana Point Harbor Partner's (DPHP) (Commercial Core, Marina and Hotel) plans to attract and recruit tenants, visitors, tourists, residents, businesses and individuals to the master project.

- I. **The following proposed marketing approaches for each targeted market include a description of the strategies to be utilized for attracting and strengthening those markets:**

- A. **COMMERCIAL CORE**

Burnham Ward Properties (BWP) will lead the marketing and leasing program for the Commercial Core.

The Marketing Plan for Commercial Core will be approached in a 2-phased manner, as more fully described below.

Phase I – Stabilization of Existing Tenancy and interim renovations

The initial phase will commence after DPHP's takeover of the premises and will include select cosmetic renovations to improve the appearance and functionality of the existing retail area. These improvements may include but not be limited to: exterior paint, refresh of site furnishings, select signage and wayfinding, new tenant signage and site graphics, landscape and hardscape renovations, slurry coat and restriping of parking areas, improvements to parking management systems including new and/or repairs of existing parking gates and signage, site lighting, etc. These improvements are being undertaken in an effort to create public excitement about the master project and to stabilize and hopefully bolster customer traffic with the goal of increasing tenant sales as we gear up for the new construction.

Phase II – Redevelopment of Commercial Core

BWP is proposing the commercial core redevelopment to be the size and tenant mix consistent with the approved CDP 13-0018 totaling approximately 113,836 square feet plus an additional 9,000 square feet for Public Benefit type uses(s) currently contemplated to be a surf museum. Approximately 30,000 square feet of the Commercial Core space is located on the area known as the wharf which includes existing buildings that are proposed to be refurbished. The balance of the commercial core will be new construction located within the new Commercial Core between the wharf and hotel site. Also consistent with the approved CDP 13-0018, the merchandising plan will be predominantly food focused with 77,178 SF of restaurant space (66%), 31,949 square feet of Retail space (27.4%), 2,000 square feet of marine related retail (1.7%) and 5,600 square feet of office (4.8%). Individual unit sizes in the new construction will range from 500-6,000 SF, generally speaking.

The following table and site plan highlights the "tentative" BWP conceptual site and merchandising plan. However, the final configuration and/or tenant use mix is subject to change.

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**Dana Point Harbor Partners - Dana Point Harbor
Revitalization - PA 2 Summary**

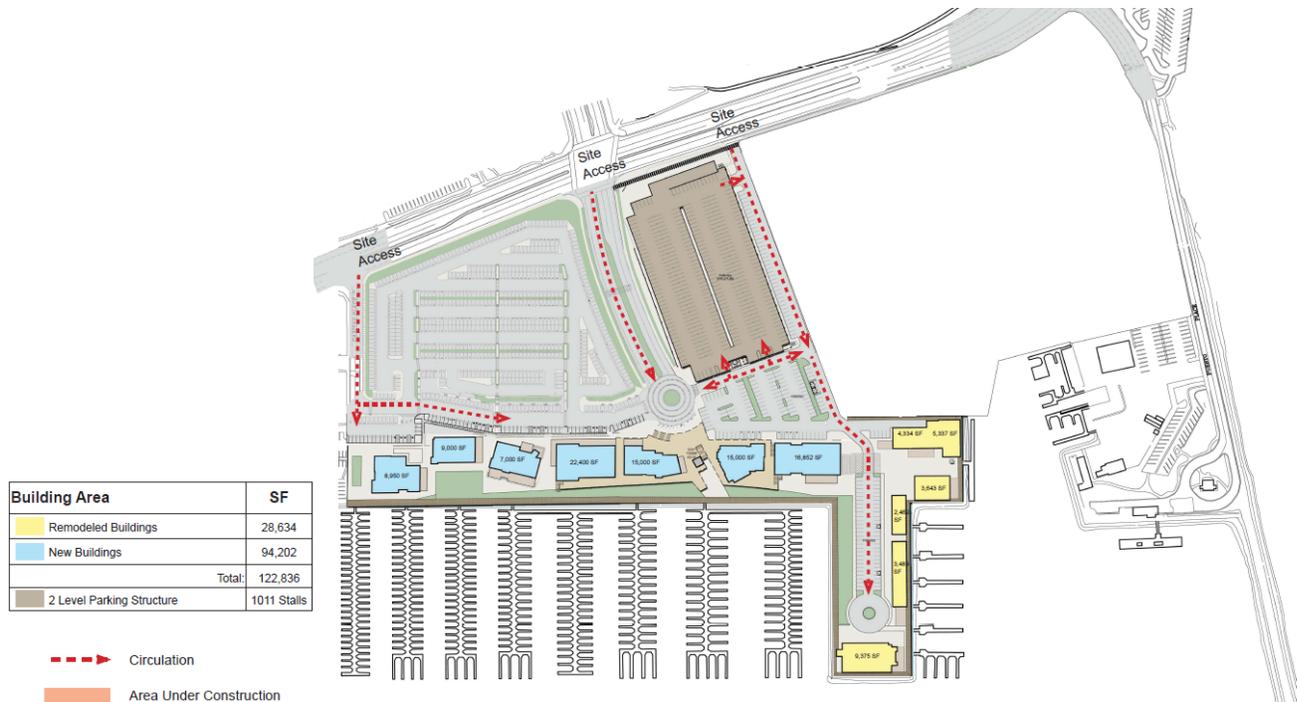
BUILDING NUMBER	EXISTING OR NEW	USE	INDOOR RENTABLE	OUTDOOR AREA
BUILDING 1	Existing	Restaurant	9,375	2,112
BUILDING 2	Existing	Restaurant	3,483	1,112
BUILDING 3	Existing	Retail	2,462	
BUILDING 4	Existing	Retail	3,643	
BUILDING 5A	Existing	Restaurant	5,337	850
BUILDING 5B	Existing	Restaurant	4,334	654
BUILDING 6	New	Restaurant	16,852	
BUILDING 7	New	Retail	1,991	
		Restaurant	7,500	1,665
		Office	5,509	
BUILDING 8	New	Retail	7,500	
		Restaurant	7,500	3,522
BUILDING 9	New	Retail	9,603	
		Restaurant	12,797	1,907
BUILDING 10	New	Restaurant	7,000	1,000
BUILDING 12	New	Retail	4,750	
		Restaurant	3,000	1,000
		Office	1,200	
TOTAL			113,836	13,822

BUILDING 11	New	Surf Museum	9,000	
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TOTAL			122,836	13,822
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Retail	29,949
Restaurant	77,178
Office	6,709
TOTAL	113,836
Surf Museum	9,000
TOTAL	122,836

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The Commercial Core will be curated with a mix of retailing including stores, boutiques, services and various food focused concepts including a combination of full service and quick serve restaurant options. An emphasis will be placed on local independent chef driven concepts as well as regional and national brands. Care will be taken to ensure the retail experience remains quaint and consistent with the personality of Dana Point and not be overly commercialized.

Public Communications

BWP understands marketing will need to remain a major focus before, during and after the Commercial Core revitalization. It is our goal to maintain a current and accurate line of communication between tenants, boaters, visitors and the community at large.

Short Term Marketing and Promotions

Upon lease execution BWP will assume ownership of all County controlled Dana Point Harbor trademarked collateral and social media accounts. With the assistance of a full-time marketing staff, DPHP will immediately commence the refresh of the Dana Point Harbor social media platforms. Included will be the development of a tenant portal, refresh of the Dana Point Harbor website, www.DanaPointHarbor.com, with expanded links to both the Marina and the Hotel projects; Facebook page updates, Twitter use, Instagram, as well as all print media, all of which will focus on the master project, master project events and the tenants. In addition, common areas will be energized with new graphics and a creative poster program promoting merchants, events and special offers.

Long Term Marketing and Promotions

After initial lease up, the Commercial Core shall be marketed utilizing multiple platforms including a new state of the art interactive website for the greater project with links to newly designed sites for each component project area. The retail link will feature rich content and press releases on individual tenants and events focused around the Commercial Core. The project Marketing and Promotions will be managed

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by a full-time marketing staff working closely with the tenants providing strong online presence, social media including Facebook, Twitter, Instagram as well as print media, all of which will focus on the greater project, project events and the Commercial Core tenants. DPHP recognizes an opportunity to expand the current local and regional advertising campaigns. For example, local partnerships between the Harbor and the four largest local hotels; The Ritz Carlton, Monarch Beach Resort, Laguna Cliffs Marriott Resort & Spa and Double Tree Suites By Hilton Hotel, will be expanded to insure visitors are no longer just bused in and out for a whale watching expedition, sport fishing trip or a Catalina Express excursion, but will be enticed to stay onsite to eat, drink and shop at the Harbor's retailers. Regionally, the marketing team will work with our Orange County airport (John Wayne Airport) and train systems, to promote Dana Point Harbor as a destination for the ultimate California Coastal experience.

Events

We intend to provide programming for events for the master project and especially the new Commercial Core. In addition to the long standing and traditional events Dana Point Harbor is known for, such as the Festival of Whales, Tall Ship Festival, Turkey Trot, Harbor Holiday Nights & Boat Parade, 4th of July Extravaganza and others, we intend to add a dense calendar of new events including, private parties, weekend farmers markets, charity and nonprofit events, food and wine events and festivals, music events, art shows, book signings, holiday events, cooking demonstrations etc. We will do this by developing an annual PR plan, create and distribute press releases, secure broadcast, print and digital coverage, and develop internal and external marketing assets. We realize the importance of OC Parks and will work closely with the County staff to promote other local OC Parks calendared events. This type of sustainable active engagement will be essential to keep all the retail viable year round. The goal in doing so is to drive greater traffic to the retail center and harbor in general for the benefit of our retailers and restaurants and the County of Orange.

Public Art, Educational and Interactive Exhibits

An important part of our leasing and marketing strategy for the newly renovated project is to activate common areas with art, sculptures, historical artifacts, signage, graphics, interactive exhibits, etc. Our goal in creating this sense of place, is to pay homage to Dana Point's history, especially its role innovating local surf culture including surfing, surf equipment and apparel, sailing, boating, stand up paddle boarding and water sports in general. Our conceptual vision is to include a surf museum (if approved), surf apparel stores and other exhibits geared toward celebrating the areas contribution to surf culture.

B. MARINA

Bellwether Financial Group (BFG) will lead the marketing and licensing program for the Marina Component. BFG proposes a project size and slip mix that is consistent with the City of Dana Point Local Coastal Program approved by the County and the California Coastal Commission, which includes 2,254 slips with an average length of 32 feet plus 53 guest slips and 16 commercial fishing slips. The marina will be compliant with the Americans with Disabilities Act. BFG designed a boat broker dock area to enhance the ability of brokers to market their vessels through the use of 78 dedicated broker slips and bays.

At the commencement of the DPHP lease, BFG will work with the two marina operators (Dana West and Dana Point Marina Company) under their current operating agreements and will continue to support their current marketing efforts. Over time, it is the intent of BFG to unify the management and marketing of the marina under one management company.

It is our intent to provide an opportunity for all existing marina licensees to remain in the harbor through

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construction and then move into the new facility provided they are in good standing.

The Marina will be managed by a dedicated, marina management company selected and supervised by BFG. After the new Marina is occupied, the marina management company will utilize multiple platforms including an interactive website for the Marina with links to each area within the harbor. The marina management company will maintain a strong online presence through social media including Facebook, Twitter and Instagram and print media, which will focus on attracting new slip licensees, visiting boaters, and marine-centered events. In addition to the long standing and traditional events Dana Point Harbor is known for, such as the Festival of Whales, Tall Ship Festival, Turkey Trot, Holiday Boat Parade and others, we intend to add new events that promote greater access to and overall use of the harbor.

BFG will work with its marina management company to:

- Accommodate Dana Point's existing boating base;
- Accommodate boaters on the waiting list;
- Continue to promote Dana Point Harbor in local and regional publications; and
- Partner with marinas, publications and yacht clubs up and down California's coast to increase visiting boaters.

C. HOTEL

The Hotel Marketing and Communications team ("RDO") brings strategy, design and eCommerce expertise to the Hotel Component.

Hotel Branding

The hotel website, review sites and social media are all critical touchpoints that will echo, engage, and amplify the Dana Point Marina Inn brand long before the guest sets foot in the door of the hotel.

eCommerce

The digital marketing approach involves a multi-channel booking strategy and includes a combination of analytical data and creative design. The eCommerce team works closely with sales and revenue team members to generate incremental revenue through needs-based promotions and achieve harmonic distribution among direct channels and on-line travel agencies (OTA(s)).

Reputation Management

The purpose of reputation management is to positively shape public perception of the Dana Point Inn by first establishing online information about the hotel and supplementally influencing ongoing information through PR, social media and consumer review sites. A re-brand strategy would provide a clean slate to posture the hotel to the market segments recommended in our revenue strategy, i.e. raise corporate bookings and small groups.

Social Media

Social Media is a critical communication strategy. From a strategic standpoint, the very nature of communication with guests inherently allows RDO to reach the friends and family members of guests, as well. This is far more valuable than any paid advertising space and offers flexibility in frequency and content. At the end of the day, social media is a fundamental part of guest communication in the mobile age and RDO is equipped to engage before they enter the hotel and after they leave the front desk.

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RDO will provide a centralized solution to revenue strategy. The priority will be to develop and retain quality sales leaders in order to exceed revenue goals and maximize investor returns. This will be achieved through strategic partnerships with Revenue Management, Marketing and Operations, relationship development and account saturation.

Support Structure

The Property is supported through Corporate Regional Director of Sales Leadership, Task Force and the Property Sales Team.

Corporate Sales & Task Force Leadership

The Corporate Sales Team will monitor segment production, budget reports, and key metrics to review with property leaders, ensuring all revenue opportunities are met. Corporate Sales will be an advocate for Property Leaders, building relationships and dialogue through local partnerships to maximize room sales and revenues. The Regional Sales Team will conduct on-site property visits and will provide in depth on-boarding to equip new team members with tools to be successful. Task Force assists with the sales effort of properties requiring additional support through periods of transition and in the development of new sales team members.

Property Sales

The Property Sales Team provides direct proactive sales efforts toward local account saturation and penetration. They are responsible for in-house guest intelligence and lead referral to further qualify and build relationships, in turn aiding in increased guest satisfaction.

Accountability

Open and transparent communication provides the forum for accountability.

Strategic Direction

The Sales & Marketing Strategic direction will focus on key segments such as Corporate Preferred. Corporate Group will also be a priority, as will SMERF group.

SMERF Demand Generators

Leading demand generators in the social, military, education, religious and fraternal (SMERF) segment will be the Dana Point Yacht Club and Chart House, which both house wedding and corporate events that hold up to 200 guests. The team will also focus on the nearby San Juan, El Niguel, and Marbella Country Clubs to gain mid-week golf groups and weekend wedding blocks. We will focus on building relationships with the Dana Point Chamber of Commerce to gain the knowledge on key events coming into the market that will drive group and transient business.

Annual Events

RDO will focus on key annual events such as the Tall Ships Festival, Dana Point Grand Prix, and the Turkey Trot. We will work with all events to gain additional room nights for both weekday and weekend business.

Corporate Demand Generators

Top Corporate Preferred generators in the market include Amgen, Boston Consulting, Chevron, Invesco Limited, and MARS Inc. In addition to these accounts, the team will prospect the local market for locally negotiated rates (LNR) potential, raising awareness about the hotel and establish new corporate loyalty through referral incentives.

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- II. The following are DPHP's expected lease-up periods, amount of lease commissions, and the assumed escalation and inflation rates.

A. COMMERCIAL CORE

It is the intent to provide opportunity for existing harbor merchants/tenants to remain in the Commercial Core provided they are able to adapt to the Commercial Core project design and Commercial Core programming, have been financially qualified and demonstrate an ability to perform under the fair market rent and terms and credit criteria that will be established after the newly renovated Commercial Core by both BWP and its lenders/investors.

The phasing of the new construction will be done in such a way as to keep existing tenant businesses operating during construction. All efforts will be made to screen new construction and in order to keep all occupied spaces safe and accessible to the public. Construction phasing for both renovations and new development shall be undertaken in such a way as to facilitate the relocation opportunities for existing tenants into new spaces with minimal downtime.

Methodology for Establishing Rental Rates and Terms

Rent and Terms for the Commercial Core shall be based on fair market rent for comparable Class A Institutional Quality Coastal Retail and restaurant properties in coastal Orange County as established by BWP in its sole discretion. Typical lease terms may also provide for a "to be negotiated" tenant improvement allowance offered by BWP for new tenant spaces as well as a "to be negotiated" grace period for tenants to construct their new improvements.

Lease Structures

Typical Retail lease structures will be Triple Net (NNN) whereby tenants will pay a Minimum Based Rent plus a percentage rent on gross sales above a natural (or unnatural breakpoint), as may be negotiated based on circumstances. As is customary in Triple Net lease structures, Tenants will be obligated to pay "Additional Rent" such as separately metered utilities, and its proportionate share of other operating expenses such as CAM charges, property taxes, property insurance, property management, master project advertising/promotions, admin costs, etc. Once the renovation/new construction is completed, new lease terms are anticipated lease terms to be 5-7 years for retail and 7-10 years for restaurants/food service spaces. In the interim prior to renovation/new construction existing leases scheduled to expire may be extended on a month-to-month basis.

Absorption Timeframe

The strategy for Commercial Component entitlements is to demonstrate the Commercial Core substantial conformance to the approved CDP 13-0018. In this scenario, the estimated time frame for securing the necessary entitlements is approximately 6-12 months. Once entitlements are secured, formal architectural drawings and design will commence in order to submit for plan check and ultimately obtain the necessary building permits. That process is estimated to take 6-9 months. Once the building permits are issued, construction is anticipated to take 3 years based on the proposed phasing program. Within 2 months of its securing entitlements for the new Commercial Core, BWP shall begin to meet with existing tenants to discuss future opportunities.

It is anticipated that between new and existing tenants project, the Commercial Core will be 100% pre-leased upon completion. Any spaces not pre-leased, are estimated to be leased within 6 months of

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completion.

B. MARINA

BFG, as the responsible party for the Marina Component, does not expect to have a traditional lease-up period, instead expects absorption to take place upon the finish of construction phases, does not pay leasing commissions and its licensees are not subject to assumed inflation and escalation clauses through their license agreements.

C. HOTEL

The hotel component is expected to ramp up over the initial 3 years of operation for both the affordable select service hotel as well as the boutique hotel. There are no leases as part of the hotel component and as such there are no leasing commissions associated with it. The escalation of "Average Daily Rates" (ADR) during ramp up for both hotels is expected to be approximately 3% per year and trending with inflation after the hotels reach stabilization.