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## **Capital Properties Inc.**

A Rhode Island Corporation  
5 Steeple Street, Unit 303  
Providence, RI 02903

(401) 435-7171

[www.cappropinc.com](http://www.cappropinc.com)

[info@cappropinc.com](mailto:info@cappropinc.com)

SIC Code: 6519

### **Quarterly Report**

For the period ending March 31, 2025  
(the “Reporting Period”)

The number of shares outstanding of our Common Stock is 6,599,912 as of March 31, 2025.

The number of shares outstanding of our Common Stock was 6,599,912 as of December 31, 2024.

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act):

Yes ☐ No ☒

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes ☐ No ☒

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes ☐ No ☒

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## FORWARD LOOKING STATEMENTS

Certain portions of this report, and particularly the Management's Discussion and Analysis of Financial Condition and Results of Operations, contain forward-looking statements within the meaning of Sections 27A of the Securities Act of 1933, as amended, and Sections 21E of the Securities Exchange Act of 1934, as amended, which represent the Company's expectations or beliefs concerning future events. The Company cautions that these statements are further qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, including, without limitation, the following: the ability of the Company to generate adequate amounts of cash; the collectability of the excess of straight-line over contractual rents when due over the terms of the long-term leases; tenant default under one or more of the leases; the commencement of additional long-term land leases; changes in economic conditions that may affect either the current or future development on the Company's parcels; cyber penetrations; the long-term impact of the hybrid workplace model on future development, existing tenants and parking operations, and the Company's financial performance; and exposure to remediation and other costs associated with its former operation of the petroleum storage facility. The Company does not undertake the obligation to update forward-looking statements in response to new information, future events or otherwise.

**Item 1                      Exact name of the issuer and the address of its principal executive offices.**

Capital Properties Inc.  
5 Steeple Street, Unit 303  
Providence, RI 02903  
Phone: (401) 435-7171  
Website: [www.cappropinc.com](http://www.cappropinc.com)

Investor Relations  
5 Steeple Street, Unit 303  
Providence, RI 02903  
Phone: (401) 435-7171  
Email: [info@cappropinc.com](mailto:info@cappropinc.com)

**Item 2                      Shares outstanding.**

	<b>Quarter ended March 31, 2025</b>	<b>Year ended December 31, 2024</b>	<b>2023</b>
Number of shares authorized	10,000,000	10,000,000	10,000,000
Number of shares outstanding	6,599,912	6,599,912	6,599,912
Freely tradeable shares (public float)	3,154,257	3,145,257	3,145,318
Number of beneficial shareholders owning at least 100 shares	**	**	**
Total number of shareholders of record	311	315	322

\*\* The number of beneficial shareholders of Capital Properties, Inc., owning at least 100 shares exceeds 50.

**Item 3 Interim financial statements.**

**CAPITAL PROPERTIES, INC. AND SUBSIDIARY  
CONDENSED CONSOLIDATED BALANCE SHEETS**

	March 31, 2025 (Unaudited)	December 31, 2024
<b>ASSETS</b>		
Properties and equipment (net of accumulated depreciation) (Note 4)	\$ 6,391,000	\$ 6,412,000
Cash and cash equivalents	1,086,000	850,000
Investments	1,325,000	1,294,000
Prepaid and other	349,000	390,000
Prepaid income taxes	-	11,000
Deferred income taxes, discontinued operations	91,000	94,000
	<u>\$ 9,242,000</u>	<u>\$ 9,051,000</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities:</b>		
Property taxes	\$ 287,000	\$ 287,000
Other	266,000	391,000
Income taxes payable	165,000	-
Deferred income taxes, net	306,000	284,000
Environmental remediation accrual, discontinued operations (Note 9)	336,000	343,000
	<u>1,360,000</u>	<u>1,305,000</u>
<b>Shareholders' equity:</b>		
Class A common stock, \$.01 par; authorized 10,000,000 shares; issued and outstanding 6,599,912 shares	66,000	66,000
Capital in excess of par	782,000	782,000
Retained earnings	7,034,000	6,898,000
	<u>7,882,000</u>	<u>7,746,000</u>
	<u>\$ 9,242,000</u>	<u>\$ 9,051,000</u>

See notes to the condensed consolidated financial statements.

**CAPITAL PROPERTIES, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND SHAREHOLDERS' EQUITY**  
**THREE MONTHS ENDED MARCH 31, 2025 AND 2024**  
**(Unaudited)**

	Three Months Ended March 31,	
	2025	2024
Leasing revenue	\$ 1,435,000	\$ 1,342,000
Expenses:		
Operating	247,000	259,000
General and administrative	377,000	368,000
	<u>624,000</u>	<u>627,000</u>
Income from continuing operations before income taxes	<u>811,000</u>	<u>715,000</u>
Income tax expense:		
Current	187,000	188,000
Deferred	22,000	(16,000)
	<u>209,000</u>	<u>172,000</u>
Income from continuing operations	602,000	543,000
Loss on sale of discontinued operations, net of tax (Note 9)	<u>(4,000)</u>	<u>(55,000)</u>
Net income	598,000	488,000
Retained earnings, beginning	6,898,000	6,743,000
Dividends on common stock based on 6,599,912 shares outstanding	(462,000)	(462,000)
Retained earnings, ending	<u>\$ 7,034,000</u>	<u>\$ 6,769,000</u>
Basic income (loss) per common share based upon 6,599,912 shares outstanding:		
Continuing operations	\$ 0.09	\$ 0.08
Discontinued operations	-	(0.01)
Total basic income per common share	<u>\$ 0.09</u>	<u>\$ 0.07</u>

See notes to the condensed consolidated financial statements.

**CAPITAL PROPERTIES, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**THREE MONTHS ENDED MARCH 31, 2025 AND 2024**  
**(Unaudited)**

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Continuing operations:		
Income from continuing operations	\$ 602,000	\$ 543,000
Adjustments to reconcile income from continuing operations to net cash provided by operating activities, continuing operations:		
Depreciation	21,000	21,000
Deferred income taxes	22,000	(16,000)
Changes in assets and liabilities:		
Income taxes	176,000	160,000
Prepaid and other	41,000	(8,000)
Other liabilities	(125,000)	68,000
Net cash provided by operating activities, continuing operations	<u>737,000</u>	<u>768,000</u>
Cash flows from investing activities:		
Investments:		
Purchase	(1,325,000)	-
Maturity	<u>1,294,000</u>	<u>-</u>
Net cash used in investing activities, continuing operations	<u>(31,000)</u>	<u>-</u>
Discontinued operations:		
Loss of sale of discontinued operation	(4,000)	(55,000)
Adjustment to loss on sale of discontinued operation, deferred income taxes	<u>(4,000)</u>	<u>(10,000)</u>
Net cash used in investing activities, discontinued operations	<u>(8,000)</u>	<u>(65,000)</u>
Net cash used in investing activities	<u>(39,000)</u>	<u>(65,000)</u>
Cash flows used in financing activities, payment of dividends	<u>(462,000)</u>	<u>(462,000)</u>
Increase in cash and cash equivalents	236,000	241,000
Cash and cash equivalents, beginning	<u>850,000</u>	<u>652,000</u>
Cash and cash equivalents, ending	<u>\$ 1,086,000</u>	<u>\$ 893,000</u>
Supplemental disclosures:		
Cash paid for income taxes	<u>\$ 9,000</u>	<u>\$ 7,000</u>

See notes to the condensed consolidated financial statements.

**CAPITAL PROPERTIES, INC. AND SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE MONTHS ENDED MARCH 31, 2025 AND 2024**  
**(Unaudited)**

**1. Description of business:**

The operations of Capital Properties, Inc. and its wholly-owned subsidiary, Tri-State Displays, Inc. (collectively “the Company”) consist of the long-term leasing of certain of its real estate interests in the Capital Center area in downtown Providence, Rhode Island (upon the commencement of which the tenants have been required to construct buildings thereon, with the exception of the parking garage), and the leasing of locations along interstate and primary highways in Rhode Island and Massachusetts to Lamar Outdoor Advertising, LLC (“Lamar”) which has constructed outdoor advertising boards thereon. The Company anticipates that the future development of its remaining properties in the Capital Center area will consist primarily of long-term ground leases. Pending this development, the Company leases these undeveloped parcels (other than Parcel 6C) for public parking to Metropark, Ltd.

**2. Basis of presentation and summary of significant accounting policies:**

*Principles of consolidation:*

The accompanying condensed consolidated financial statements include the accounts and transactions of the Company. All significant intercompany accounts and transactions have been eliminated in consolidation.

The accompanying condensed consolidated balance sheet as of December 31, 2024 has been derived from audited financial statements. The unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading. It is suggested that these condensed consolidated financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company’s latest Form 10-K for the year ended December 31, 2024.

In the opinion of management, the accompanying condensed consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the financial position as of March 31, 2025 and the results of operations for the three months ended March 31, 2025 and 2024, and cash flows for the three months ended March 31, 2025 and 2024.

The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

*Use of estimates:*

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

*Environmental incidents:*

The Company accrues a liability when an environmental incident has occurred and the costs are estimable. The Company does not record a receivable for recoveries from third parties for environmental matters until it has determined that the amount of the collection is reasonably assured. The accrued liability is relieved when the Company pays the liability or a third party assumes the liability. Upon determination that collection is reasonably assured or a third party assumes the liability, the Company records the amount as a reduction of expense.

*Fair value of financial instruments:*

The Company believes that the fair values of its financial instruments, including cash and cash equivalents, receivables and payables, approximate their respective book values because of their short-term nature. The fair values described herein were determined using quoted prices in an active market (Level 1) and significant other observable inputs (Level 2) as defined by GAAP.

**3. Investments:**

At March 31, 2025, Investments consist of U.S. Treasury securities that yield 4.18% and mature in September 2025. The Company classifies its U. S. Treasury securities as held-to-maturity in accordance with ASC 320 *Investments - Debt and Equity Securities*. Held-to-maturity securities are those securities which the Company has the ability and intent to hold until

maturity. Held-to-maturity treasury securities are recorded at amortized cost on the accompanying consolidated balance sheet and adjusted for the amortization or accretion of premiums or discounts.

#### 4. Properties and equipment:

Properties and equipment consist of the following:

	Estimated Useful Life in Years	March 31, 2025	December 31, 2024
Land and land improvements on lease or held for lease		\$ 4,439,000	\$ 4,439,000
Building and improvements, Steeple Street (Note 7)	30	2,582,000	2,582,000
		<u>7,021,000</u>	<u>7,021,000</u>
Less accumulated depreciation:			
Land improvements on lease or held for lease		93,000	93,000
Steeple Street property (Note 7)		537,000	516,000
		<u>630,000</u>	<u>609,000</u>
		<u>\$ 6,391,000</u>	<u>\$ 6,412,000</u>

#### 5. Liabilities, other:

Liabilities, other consist of the following:

	March 31, 2025	December 31, 2024
Sprague judgment and prejudgment interest	\$ -	\$ 173,000
Deposits and prepaid rent	145,000	135,000
Other	121,000	83,000
	<u>\$ 266,000</u>	<u>\$ 391,000</u>

#### 6. Note Payable - Revolving Credit Line:

The Company's financing agreement ("Agreement") with BankRI provides for a revolving line-of-credit ("Line") with a maximum borrowing capacity of \$2,000,000 through March 2027. Amounts outstanding under the Agreement bear interest at the Secured Overnight Financing Rate ("SOFR") plus 200 basis points. Borrowings under the Line are secured by a First Mortgage on Parcel 5 in the Capital Center District in Providence, Rhode Island (the "Property"). The Line requires the maintenance of a debt service coverage ratio of not less than 1.25 to 1.0 on the Property and 1.20 to 1.0 for the Company. The Agreement contains other restrictive covenants, including, among others, a \$250,000 limitation on the purchase of its outstanding capital stock in any twelve-month period. No advances have been made under the Line.

#### 7. Description of leasing arrangements:

##### *Long-term land leases:*

Through March 31, 2025 the Company had entered into eight long-term land leases, all of which have completed construction of improvements thereon. The Company's leases generally have a term of 99 years or more, are triple net and provide for periodic rent adjustments of various types depending on the particular lease, and otherwise contain terms and conditions normal for such instruments.

Under the eight land leases, the tenants may negotiate tax stabilization treaties or other arrangements, appeal any changes in real property assessments, and must pay real property taxes assessed on land and improvements. Accordingly, real property taxes payable by the tenants are excluded from both leasing revenues and leasing expenses on the accompanying condensed consolidated statements of income and shareholders' equity. For the three months ended March 31, 2025 and 2024, real property taxes attributable to the Company's land under lease totaled \$236,000.

Under two of the long-term land leases, the Company receives contingent rentals (based on a fixed percentage of gross revenue received by the tenants) which totaled \$29,000 for the three months ended March 31, 2025 and 2024.

Tri-State Displays Inc. leases 23 outdoor advertising locations containing 44 billboard faces along interstate and primary highways in Rhode Island and Massachusetts to Lamar under a lease which expires in 2057. The Lamar lease provides, among other things, for the following: (1) the base rent will increase annually at the rate of 2.75% for each leased billboard location on June 1 of each year, and (2) in addition to base rent, for each 12-month period commencing each June 1 (each 12-month period a "Lease Year"), Lamar must pay to the Company within thirty days after the close of the Lease Year, 30% of the gross revenues from each standard billboard and 20% of the gross revenues from each electronic billboard for such Lease Year, reduced by the sum of (a) commissions paid to unrelated third parties and (b) base rent paid to the Company for each leased billboard location.

*Parking lease:*

The Company leases the undeveloped parcels of land in the Capital Center area (other than Parcel 6C) and Parcel 20 for public parking purposes to Metropark under a ten-year lease (the "Parking Lease"). The Parking Lease is cancellable as to all or any portion of the leased premises at any time on thirty days' written notice in order for the Company or any new tenant of the Company to develop all or any portion of the leased premises. The Parking Lease provides for contingent rentals (based on a fixed percentage of gross revenue in excess of the base rent). There was no contingent rent for the three months ended March 31, 2025 and 2024.

The COVID-19 pandemic had an adverse impact on Metropark's parking operations as the move by many companies to a hybrid workplace model (one that mixes in-office and remote work) resulted in lower demand for parking spaces. From June 2020 through December 31, 2023 the Company and Metropark operated under a Revenue Sharing Agreement, dated June 30, 2020, that provided for revenue sharing at various percentages until parking revenues received by Metropark equal or exceed \$70,000 per month whereupon Metropark would be obligated to resume regularly scheduled rental payments under its lease. During this time, revenue was recognized on a cash basis with the difference between the regularly scheduled rental payments and amounts paid ("deferred rent") recorded as an accounts receivable and was fully reserved.

On January 9, 2024, the Company entered into a Second Amendment to its Lease Agreement whereby Metropark agreed to return to a fixed monthly rental payment of \$57,000 per month effective January 1, 2024 subject to adjustment in accordance with the Lease Agreement. Additionally, the Company and Metropark settled the Company's claim for deferred rent for all prior periods which amounted to \$1,127,000 (fully reserved on the Company's books) for \$150,000 payable by Metropark in twenty (20) equal quarterly installments commencing on April 1, 2024 together with interest on the unpaid balance in the amount of 4.73% per annum. At March 31, 2025 and December 31, 2024, Prepaid and other includes \$120,000 and \$128,000, respectively, related to this settlement.

For the three months ended March 31, 2025 and 2024, revenue from Metropark was \$176,000 and \$171,000, respectively, and is included in Revenue on the accompanying consolidated statement of income.

Historically, the Company has made financial statement disclosure of the excess of straight-line rentals over contractual payments and its determination of collectability of such excess. To the extent the Company determines that, with respect to any of its leases, the excess of straight-line rentals over contractual payments is not collectible, such excess is not recognized as revenue. Consistent with prior conclusions, the Company has determined that, at this time, the excess of straight-line rentals over contractual payments is not probable of collection. Accordingly, the Company has not included any part of that amount in revenue. As a matter of information only, as of March 31, 2025 the excess of straight-line rentals (calculated by excluding variable payments) over contractual payments was \$96,883,000.



## 8. Income taxes, continuing operations:

Deferred income taxes are recorded based upon differences between financial statement and tax basis amounts of assets and liabilities. The tax effects of temporary differences for continuing operations which give rise to deferred tax assets and liabilities are as follows:

	March 31, 2025	December 31, 2024
Gross deferred tax liabilities:		
Property having a financial statement basis in excess of tax basis	\$ 364,000	\$ 364,000
Accounts receivable	51,000	57,000
Insurance premiums and accrued leasing revenues	41,000	46,000
	<u>456,000</u>	<u>467,000</u>
Gross deferred tax assets:		
Prepaid rent	(39,000)	(36,000)
Accounts payable and accrued expenses	(33,000)	(69,000)
Accrued property taxes	(78,000)	(78,000)
	<u>(150,000)</u>	<u>(183,000)</u>
	<u>\$ 306,000</u>	<u>\$ 284,000</u>

## 9. Discontinued operations:

Prior to February 2017, the Company operated a petroleum storage facility ("Terminal") through two wholly owned subsidiaries. On February 10, 2017, the Terminal was sold to Sprague Operating Resources, LLC ("Sprague"). In accordance with ASC 205-20, *Presentation of Financial Statements – Discontinued Operations*, the sale of the Terminal was accounted for as a discontinued operation.

As part of the Terminal Sale Agreement, the Company agreed to retain and pay for the environmental remediation costs associated with a 1994 storage tank fuel oil leak which allowed the escape of a small amount of fuel oil. In 2024 meetings were held with RIDEM to review system performance and it was agreed that an assessment to evaluate the stability of the oil in the ground ("plume stability") was warranted. The system was shut down in 2024 but not dismantled and minimal maintenance was provided. A revised Remediation Action Work Plan ("RAWP") is being prepared to set forth the criteria for demonstrating plume stability and eventual site closure. For the three months ended March 31, 2025, the Company incurred costs of \$7,000 which was charged against the environmental remediation accrual resulting in a liability of \$336,000. Any subsequent increases or decreases to the expected cost of remediation will be recorded in the Company's consolidated income statements as gain or loss on sale of discontinued operations.

The Terminal Sale Agreement also contained a cost sharing provision for the breasting dolphin whereby any construction costs incurred more than the contract cost of construction would be borne equally by Sprague and the Company subject to certain limitations, including, in the Company's opinion, a 20% cap on the increase from the initial estimate, subject to a sharing arrangement. In November 2019, Sprague asserted that it was owed \$427,000 and the Company asserted that its obligation under the Agreement cannot exceed \$104,000. Mediation efforts were unsuccessful and in July 2021, Sprague commenced an action against the Company in the Rhode Island Superior Court (Superior Court) seeking monetary damages of \$427,000, interest and attorney's fees. In December 2022, the Superior Court denied Sprague's Motion for Summary Judgment filed in September 2022 and granted in part and denied in part the Company's Cross Motion for Summary Judgment also filed in September 2022. The matter went to trial before the Superior Court in May 2024. On October 28, 2024, the Superior Court rendered its decision and found that the Company's obligation with respect to the increased cost of constructing the breasting dolphin is \$104,000. On January 24, 2025 the Superior Court entered judgment for Sprague in the amount of \$173,000 which includes, as required by law, prejudgment interest at 12% per annum. The \$173,000 judgment was paid on January 29, 2025 and is included in Liabilities, other at December 31, 2024. Neither the Company nor Sprague appealed the judgment within the applicable time period.

Loss on sale of discontinued operations on the condensed consolidated statements of income and shareholders' equity includes legal and professional fees related to the Sprague Litigation of \$8,000 and \$70,000 for the three months ended March 31, 2025 and 2024, respectively.

**10. Segment information:**

As the Company operates solely within the leasing industry, it constitutes a single reportable segment, with all revenues, operating expenses and assets attributable to this segment reflected in the consolidated financial statements. The Company's chief operating decision maker (CODM), Robert H. Eder, Chairman/President evaluates performance based on the consolidated results.

The following information is used by the CODM for making operating decisions and assessing the performance of the leasing segment:

	Three Months Ended March 31,	
	2025	2024
Revenues:		
Long-term land leases:		
Contractual	\$ 885,000	\$ 809,000
Contingent	29,000	28,000
Billboard leases:		
Contractual	270,000	263,000
Short-term leases:		
Contractual	228,000	219,000
Interest income	23,000	23,000
	<u>\$ 1,435,000</u>	<u>\$ 1,342,000</u>
Property tax expense	<u>\$ 143,000</u>	<u>\$ 143,000</u>
Income from continuing operations	<u>\$ 602,000</u>	<u>\$ 543,000</u>
Assets	<u>\$ 9,242,000</u>	<u>\$ 9,113,000</u>

**11. Subsequent event:**

At its April 30, 2025 regularly scheduled quarterly Board meeting, the Board of Directors voted to declare a quarterly dividend of \$.07 per share for shareholders of record on May 16, 2025, payable May 23, 2025.

## **Item 4            Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **1.    Overview:**

#### *Critical accounting policies:*

The Company believes that its revenue recognition policy for long-term leases with scheduled rent increases meets the definition of a critical accounting policy which is discussed in the Company's Form 10-K for the year ended December 31, 2024. There have been no changes to the application of this accounting policy since December 31, 2024.

### **2.    Liquidity and capital resources:**

Historically, the Company has had adequate liquidity to fund its operations.

#### *Cash and cash commitments:*

At March 31, 2025, the Company had cash and cash equivalents of \$1,086,000. In addition to these funds, the Company has \$1,325,000 invested in U.S. Treasury securities that yield 4.18% and mature in September 2025. The Company and its subsidiary each maintain checking accounts and a money market account in one bank, all of which are insured by the Federal Deposit Insurance Corporation to a maximum of \$250,000. The Company periodically evaluates the financial stability of the financial institutions at which the Company's funds are held.

To date, all tenants have paid their monthly rent in accordance with their lease agreements.

The Terminal Sale Agreement and related documentation provides that the Company is required to secure an approved remediation plan and to remediate contamination caused by a leak in 1994 from a storage tank at the Terminal. At March 31, 2025, the Company's accrual for the remaining cost of remediation was \$336,000 of which \$107,000 is expected to be incurred during the balance of 2025. Any subsequent increases or decreases to the expected cost of remediation will be recorded in gain (loss) on sale of discontinued operations, net of taxes.

The Terminal Sale Agreement also contained a cost sharing provision for the breasting dolphin whereby any construction costs incurred more than the contract cost of construction would be borne equally by Sprague and the Company subject to certain limitations, including, in the Company's opinion, a 20% cap on the increase from the initial estimate, subject to a sharing arrangement. In November 2019, Sprague asserted that it was owed \$427,000 and the Company asserted that its obligation under the Agreement cannot exceed \$104,000. Mediation efforts were unsuccessful and in July 2021, Sprague commenced an action against the Company in the Rhode Island Superior Court (Superior Court) seeking monetary damages of \$427,000, interest and attorney's fees. In December 2022, the Superior Court denied Sprague's Motion for Summary Judgment filed in September 2022 and granted in part and denied in part the Company's Cross Motion for Summary Judgment also filed in September 2022. The matter went to trial before the Superior Court in May 2024. On October 28, 2024, the Superior Court rendered its decision and found that the Company's obligation with respect to the increased cost of constructing the breasting dolphin is \$104,000. On January 24, 2025 the Superior Court entered judgment for Sprague in the amount of \$173,000 which includes, as required by law, prejudgment interest at 12% per annum. The \$173,000 judgment was paid on January 29, 2025 and is included in Liabilities, other at December 31, 2024. Neither the Company nor Sprague appealed the judgment within the applicable time period.

Loss on sale of discontinued operations on the condensed consolidated statements of income and shareholders' equity includes legal and professional fees related to the Sprague Litigation of \$4,000 and \$70,000 for the three months ended March 31, 2025 and 2024, respectively. Additional expenses related to the Sprague Litigation, if any, will be minimal for the balance of 2025.

The declaration of future dividends will depend on future earnings and financial performance.

### **3.    Results of operations:**

#### **Three months ended March 31, 2025 compared to three months ended March 31, 2024:**

Revenue increased \$93,000 from 2024 and consists of increased revenue from Metropark (\$5,000), scheduled rent increases (\$82,000) and a net increase in other sources of revenue (\$6,000),

Operating expenses decreased \$12,000 due principally to reduced professional fees related to the Company's billboard operations.

General and administrative expense increased \$9,000 due principally to increased payroll related costs (\$11,000), office expense (\$5,000) and professional fees (\$3,000) offset by a reduction in various other expenses (\$10,000).

**Item 5 Legal proceedings.**

Not applicable.

**Item 6 Defaults upon senior securities.**

Not applicable

**Item 7 Other information.**

On April 30, 2025, Capital Properties, Inc. held its 2025 Annual Meeting of Shareholders (the “Meeting”) in Providence, Rhode Island. Of the 6,599,912 shares of the Registrant’s Class A common stock outstanding as of the record date, 5,123,700 shares of Class A common stock were present or represented by proxy at the Meeting.

At the Meeting, the shareholders voted to elect three directors to serve for terms of one year and until their successors are elected and qualified. The voting results from the Meeting were as follows:

**Election of Directors:**

	<b>For</b>	<b>Withheld</b>
Robert H. Eder	5,082,797	40,903
Daniel T. Noreck	5,075,836	47,864
Steven G. Triedman	5,075,836	47,864

**Item 8 Exhibits**

Not applicable.

**Item 9 Certifications.**

I, Robert H. Eder, certify that:

1. I have reviewed this Quarterly Disclosure Statement of Capital Properties, Inc.:
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 2, 2025

By: /s/ Robert H. Eder  
Robert H. Eder  
Chairman and Principal Executive Officer

I, Susan R. Johnson, certify that:

1. I have reviewed this Quarterly Disclosure Statement of Capital Properties, Inc.:
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 2, 2025

By: /s/ Susan R. Johnson  
Susan R. Johnson  
Treasurer and Principal Financial Officer