

**SUMMARY APPRAISAL REPORT
MIF ALBRIGHT GOLF COURSE
ALAMEDA, CALIFORNIA**

PREPARED FOR:

MR. DALE LILLARD
ALAMEDA RECREATION & PARKS DEPARTMENT
2226 SANTA CLARA AVENUE
ALAMEDA, CA 94501

MAY 23, 2011

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May 23, 2011

Mr. Dale Lillard, Director
Alameda Parks & Recreation Department
2226 Santa Clara Avenue
Alameda, CA 94501

Re: Summary Appraisal Report
Mif Albright Golf Course
Harbor Bay Island
Alameda, California

Dear Mr. Lillard:

At your request, I have appraised the property referred to above. The purpose of the appraisal is to estimate the market value of the fee simple interest in a 14-acre portion of the Mif Albright Golf Course within the Chuck Corica Municipal Golf Complex in Alameda, as described in the report, as of May 13, 2011. The function of the appraisal is to assist the City of Alameda in evaluating a potential land swap offer.

Appraisal Development and Reporting Process

The scope of this assignment included inspection of the subject property on May 13, 2011; discussion with the City of Alameda Director of Planning, Andrew Thomas; review of relevant planning and zoning issues; discussion with other local officials regarding site conditions and physical constraints; highest and best use analysis; discussion with brokers, buyers, and sellers who are familiar with the subject and its market area; and confirmation and inspection of comparable land sales. It should be noted that a site survey, preliminary title report, record of easements, and legal description have *not* been available for this assignment.

This assignment is conveyed in this summary report, which is consistent with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Code of Professional Ethics of the Appraisal Institute.

Competency

A statement of my appraisal qualifications is included in the report. My previous experience includes the appraisal of land in this market. No steps were necessary to comply with the competency provision of USPAP.

Definitions

Market Value: The following definition has been agreed upon by agencies that regulate federal financial institutions in the United States.

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. *buyer and seller are typically motivated;*
2. *both parties are well informed or well advised, and acting in what they consider their own best interests;*
3. *a reasonable time is allowed for exposure in the open market;*
4. *payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
5. *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

Fee Simple Estate: *Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.* (Source: *The Dictionary of Real Estate Appraisal*, 5th ed. [Chicago: Appraisal Institute, 2010].)

Valuation Report

The following report describes the property and the valuation methodology, and includes pertinent data and analyses leading to the value estimate. ***The value is subject to the hypothetical condition outlined on page 3 of the report regarding potential for entitlements for 112 residential units on the site.*** Based upon the scope of the investigation and analyses, and subject to the assumptions and limiting conditions and to

Mr. Dale Lillard
City of Alameda
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the certification, it is my opinion that the market value of the fee simple interest in property, as of May 13, 2011, is:

NINE MILLION ONE HUNDRED AND FIFTY THOUSAND DOLLARS

(\$9,150,000)

Sincerely yours,



Margaretta J. Darnall, MAI, SRA

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following standard assumptions and limiting conditions:

- No responsibility is assumed for legal matters.
- The value estimate is stated in terms of cash or its equivalent.
- Information, estimates, and opinions included in the report and/or retained in the files are from sources considered reliable. However, I assume no responsibility for the accuracy of such items. Should any data be found inaccurate, I reserve the right to review the final opinion of value.
- I have *not* reviewed a preliminary title report for this assignment. I assume title is good and salable on the valuation date.
- The property is assumed to be under responsible ownership and competent management.
- The property is appraised in as-is condition except as noted.
- The property has *not* been surveyed for this assignment. I assume the land area has been reported correctly and that no easements affect the area.
- A complete geotechnical evaluation of the site was not provided. My review of public records did not disclose any unusual earthquake, flood, or toxic hazards, other than those noted in the report. I have assumed there are not additional soil or subsurface conditions or undiscovered hazards that would adversely affect the highest and best use, development potential and costs, or marketability of the property. If such conditions or hazards are later revealed, I reserve the right to revise my final opinion of value accordingly.
- It is also assumed that there are no site or environmental conditions, other than those discussed in the report, which would place the property under the jurisdiction of the following regulations: Clean Water Act; Clean Air Act; Rivers and Harbors Act; Coastal Zone Management Act; Endangered Species Act, Safe Drinking Water Act; Federal Emergency Management Act; Toxic Substances Control Act; Resource Conservation and Recovery Act; Occupational Safety and Health Act; Comprehensive Environmental Response, Compensation and Liability Act; or the Superfund Amendments and Reauthorization Act.
- In California, Proposition 13 fixed the assessed valuation of real property at 1975 levels and limited annual increases to a 2.0% maximum. However, sale of a 50% or greater interest, or execution of a lease for 35 years or longer, will trigger reassessment at market value. A sale is implicit in the definition of market value.

Consequently, the estimate of market value reflects the impact of real estate taxes from reassessment at the valuation date.

- Maps, plats, and exhibits are for illustration only, and should not be treated as surveys or relied upon for other purposes.

HYPOTHETICAL ASSUMPTION

1. The subject of this appraisal is a public golf course. This report makes the hypothetical assumption that the general plan could be amended and the property could be rezoned to build 112 residential units.

EXTRAORDINARY ASSUMPTION

1. A preliminary title report has not been available for this assignment. This report makes the extraordinary assumption that no easements or other legal agreements, other than the adjacent cell tower lease, affect the property.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Location:	South side of Clubhouse Memorial Road, Alameda, California
Assessor's Parcel Nos.:	074-1040-003-19 (portion)
Client:	City of Alameda
Effective Date:	May 13, 2011
Inspection Date:	May 13, 2011
Report Date:	May 23, 2011
Total Land Area:	14 acres, more or less
Shape:	Irregular
Topography:	Level
Current General Plan:	Parks and Public Open Space
Current Zoning:	O (Open Space)
Assumed General Plan:	Medium Density Residential
Assumed Zoning:	R-2/PD (Two-Family Residential/Planned Development)
Improvements:	Nine-hole golf course and some fencing
Highest and Best Use:	Amend general plan and rezone to build 112 single family dwellings.
Value Estimate:	\$9,150,000

The value is subject to the hypothetical condition regarding the potential for a general plan and zoning change to approve 112 dwelling units for the site and to the extraordinary condition regarding easements and other site encumbrances.

PROPERTY IDENTIFICATION

Location

South side of Clubhouse Memorial Road, Alameda, California

Assessor's Parcel Number

074-1040-003-19 (portion)

Legal Description

A legal description has not been available for this assignment.

Owner of Record

City of Alameda

History of Conveyances

The City of Alameda has owned the land considered in this appraisal for more than three years.

SUBJECT PHOTOGRAPHS



(1) Clubhouse Memorial Road, looking east



(2) Clubhouse Memorial Road, looking west

